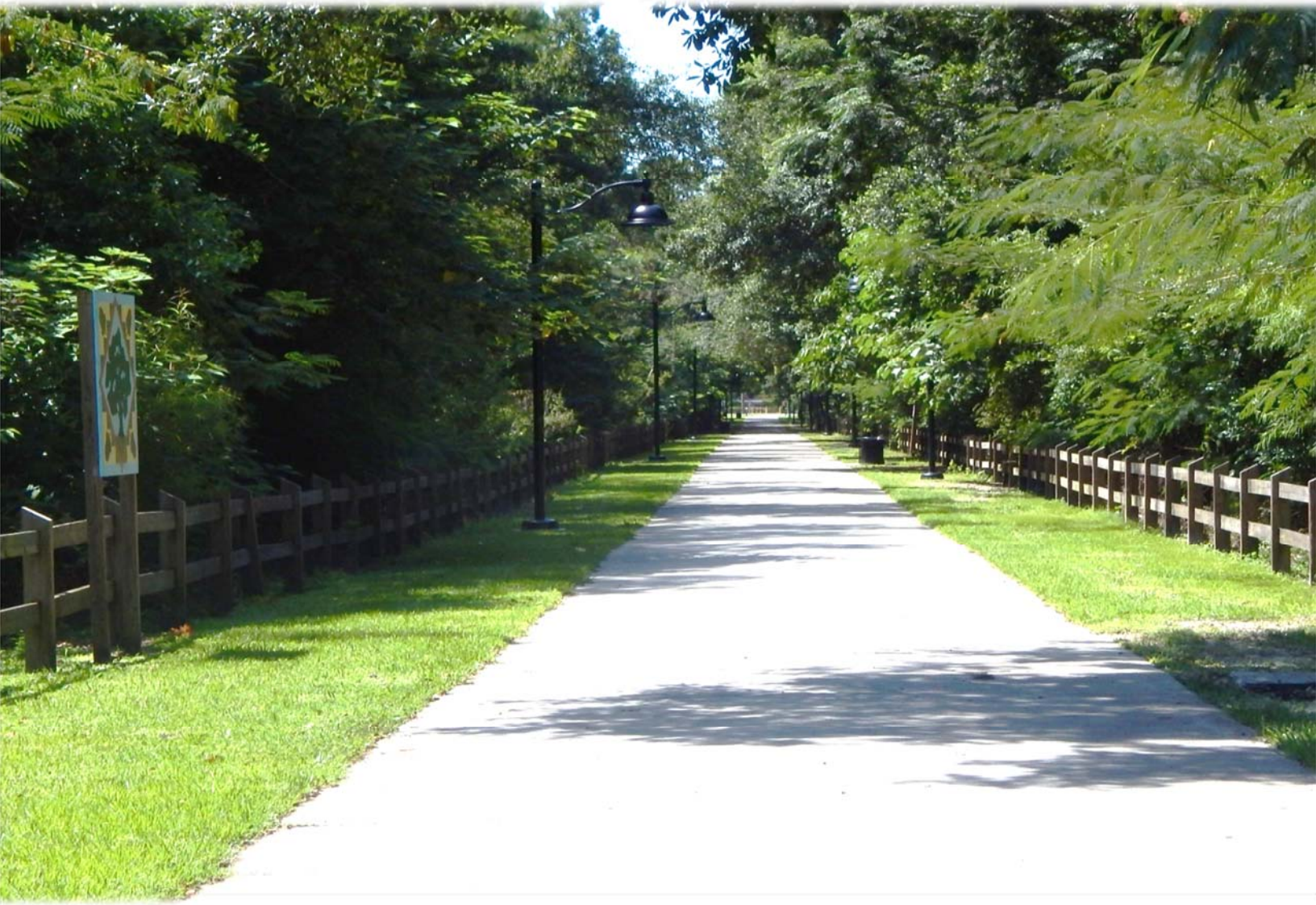
CITY OF LIVE OAK, FLORIDA

101 WHITE AVENUE S.E.

LIVE OAK, FLORIDA 32064



Audited Financial Statements and

Independent Auditors Report

Year ended 9/30/2019

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

CITY OF LIVE OAK, FLORIDA

SEPTEMBER 30, 2019

CITY OF LIVE OAK, FLORIDA

CITY OFFICIALS

September 30, 2019

Officials	**Elected Term Expiration**
Mayor	
Frank C. Davis	June 2022
City Council	
Don Allen	June 2020
David Burch	June 2020
Robintina Reed	June 2022
Mark Stewart	June 2022
Bennie L. Thomas	June 2020
City Clerk	
John Gill	June 2022
City Attorney	
Fred Koberlein, Attorney at Law	
City Administration	
Ron E. Williams	City Manager
Joanne M. Luther	Director of Finance

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PURVIS GRAY

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express 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 of 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.

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, 2019, 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.

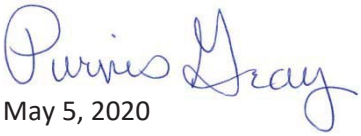
The Honorable Mayor and
Members of the Council
City of Live Oak
Live Oak, Florida

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 May 5, 2020, 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.



May 5, 2020
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, 2019, with selected comparative information for the fiscal year ended September 30, 2018. 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 2019 by $60,044,372 (net position). Of this amount, $4,953,332 (unrestricted net position) would have been available to meet the government's ongoing obligations to citizens and creditors. Requirements of GASB 68 ensure that all long-term debt is reflected in Net Position, therefore with the GASB 68 reporting the 2019 Unrestricted Net Position is ($832,001).
- The City's total net position increased by $1,7773,093 or 3%. The governmental activities net position increased by $937,463 including the current adjustment for GASB 68 long-term pension debt and the business-type net position increased by $835,630 or .063% and .019% respectively. This year the business-type net position declined slightly.
- At the closing of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $7,511,999 an increase of $478,962 in comparison with the prior year. At that time, $2,237,030 is at the government's discretion (unreserved 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.

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 29 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.

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:

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals		Total % Change
	2019	2018	2019	2018	2019	2018	2018-2019
Current and other assets	7,782,083	7,475,166	3,440,513	2,672,865	11,222,596	10,148,031	10.6%
Capital assets	13,142,888	11,830,335	55,545,805	56,374,807	68,688,693	68,205,142	0.7%
Total assets	20,924,971	19,305,501	58,986,318	59,047,672	79,911,289	78,353,173	2.0%
Total Deferred Outflows	2,032,798	2,027,711	-	-	2,032,798	2,027,711	0.3%
Current liabilities	270,084	442,129	2,598,741	1,980,232	2,868,825	2,422,361	18.4%
Noncurrent liabilities	6,446,218	5,478,047	12,127,851	13,643,344	18,574,069	19,121,391	-2.9%
Total liabilities	6,716,302	5,920,176	14,726,592	15,623,576	21,442,894	21,543,752	-0.5%
Total Deferred Inflows	456,821	565,853	-	-	456,821	565,853	-19.3%
Net Position							
Net Investments in capital assets	13,142,888	11,830,335	41,902,563	41,538,963	55,045,451	53,369,298	3.1%
Restricted for debt service	-	-	286,856	286,856	286,856	286,856	0.0%
Restricted for other purposes	5,183,645	5,339,809	360,421	295,808	5,544,066	5,635,617	-1.6%
Unrestricted	(2,541,887)	(2,322,961)	1,709,886	1,302,469	(832,001)	(1,020,492)	18.5%
Total Net Position	15,784,646	14,847,183	44,259,726	43,424,096	60,044,372	58,271,279	3.0%

The majority of the City's net position, 91.67% and 91.59% at September 30, 2019 and 2018 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 9.7% and 10.2% of net position at September 30, 2019 and 2018 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
	2019	2018	2019	2018	2019	2018	2018-2019
Revenues							
Program revenue							
Charges for services	370,001	347,724	7,798,414	7,422,882	8,168,415	7,770,606	5.12%
Capital Grants/Contributions	1,418,662	606,881	527,472	203,220	1,946,134	810,101	140.23%
Operatingcontributions	160,485	202,863	30,709	-	191,194	202,863	-5.75%
General revenue							
Taxes	5,593,115	5,494,613	223,877	209,618	5,816,992	5,704,231	1.98%
Intergovernmental	319,607	317,765	-	-	319,607	317,765	0.58%
Investment earnings	58,833	32,090	7,092	5,339	65,925	37,429	76.13%
Miscellaneous	80,996	116,550	2,146	12,381	83,142	128,931	-35.51%
	8,001,699	7,118,486	8,589,710	7,853,440	16,591,409	14,971,926	10.8%
Expenses							
General government	2,159,404	2,092,385	-	-	2,159,404	2,092,385	3.20%
Public safety	3,626,276	3,201,991	-	-	3,626,276	3,201,991	13.25%
Transportation	1,668,047	1,524,968	-	-	1,668,047	1,524,968	9.38%
Physical environment	344,407	342,573	-	-	344,407	342,573	0.54%
Human services	29,750	29,750	-	-	29,750	29,750	0.00%
Economic Environment	141,951	215,696			141,951	215,696	-34.19%
Culture/recreation	238,323	208,446	-	-	238,323	208,446	14.33%
Water, sewer, stormwater, gas, and sanitation	-	-	6,610,158	6,180,562	6,610,158	6,180,562	6.95%
	8,208,158	7,615,809	6,610,158	6,180,562	14,818,316	13,796,371	7.4%
Changes in net position before transfers	(206,459)	(497,323)	1,979,552	1,672,878	1,773,093	1,175,555	50.83%
Other non-operating	-	-	-	(79,888)	-	(79,888)	0
Interfund Services					-	-	
Provided (Used)	1,143,922	1,894,547	(1,143,922)	(1,894,547)	-	-	-
Change in net position	937,463	1,397,224	835,630	(301,557)	1,773,093	1,095,667	-61.83%
Net position - beginning *	14,847,183	13,449,959	43,424,096	43,725,653	58,271,279	57,175,612	1.92%
Net position - ending	15,784,646	14,847,183	44,259,726	43,424,096	60,044,372	58,271,279	3.0%

The City's total revenue increased by 10.8% or $1,619,483. This was due to increased Enterprise charges for services and all Capital grant improvements. The total Capital Grants increased 140% or 1,1360,333.

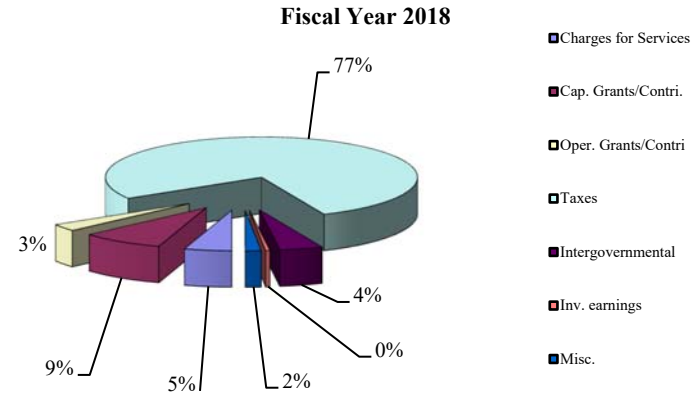
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

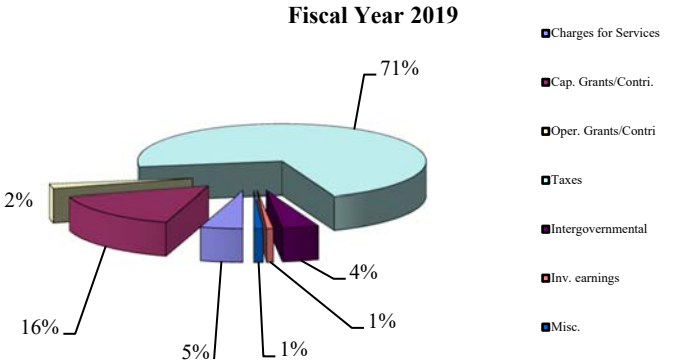
Governmental Activities

The cost of all governmental activities this year was $8.2 million compared to $7.6 million last year. However, as shown in the Statement of Activities on page 15, the amount the City's taxpayers ultimately paid for these activities through City and State taxes was $5.5 million with the remaining amount being paid by Capital Grants, and Contributions and other sources. Overall, the City's governmental program revenues increased in fiscal year 2019 from $1,157,466 to $1,949,148due to a small increase in Capital Grants.

Below is a comparison of the composition of fiscal year 2018 and 2019 governmental funds revenues and expenses:

Revenue Comparison by Source

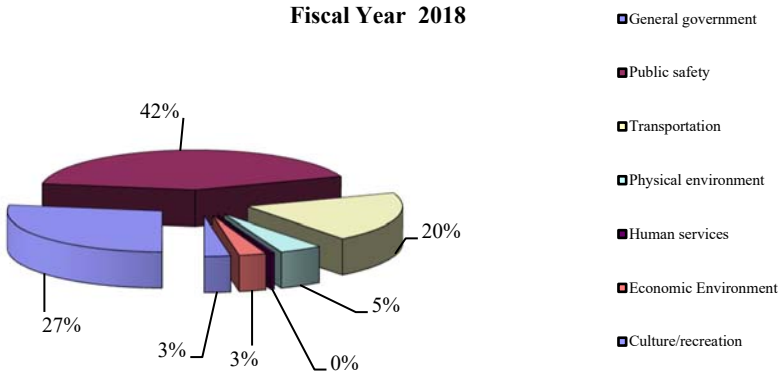




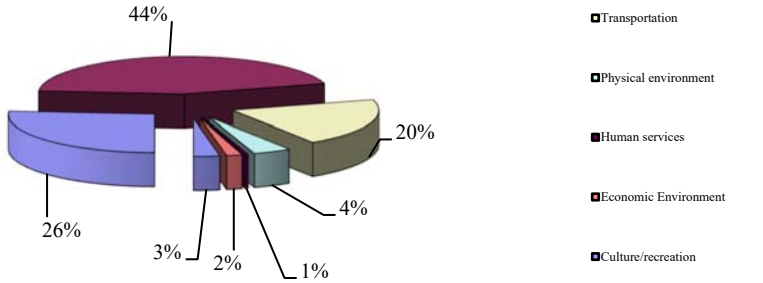
Governmental Activities (continued)

Expenditure Comparison by Source

Fiscal Year 2018

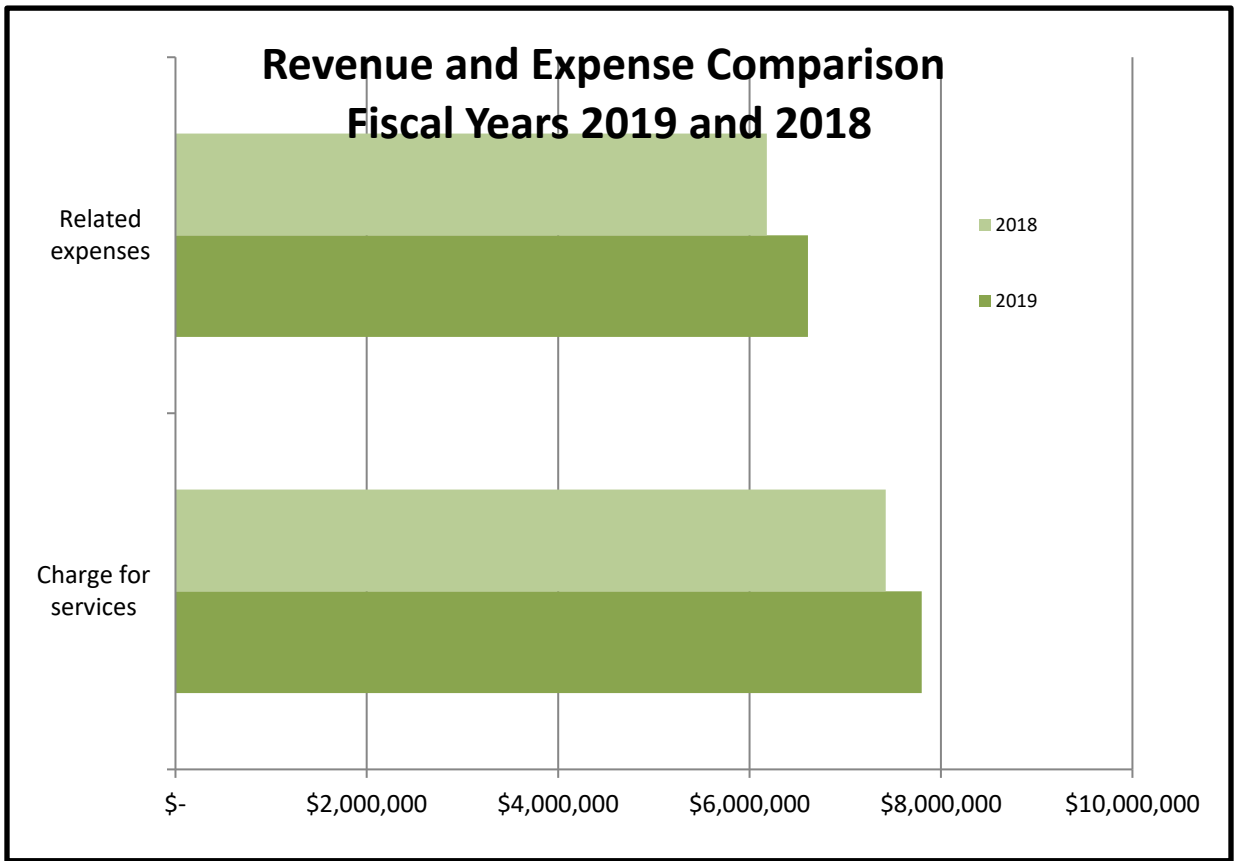


Fiscal Year 2019



Business-type Activities

Charges for the services of 2019 of the City's business-type activities increased 5.1% or $375,532 over fiscal year 2018 and operating expenses increased by 7% or $429,596 from the prior year. The increase expense is attributed to the repair of a sewer line along a State Highway and the cleaning sand from digesters at the sewer plant. The following is a graphic comparison of revenue and expenses of the City's buisiness type activities.



Capital Assets

At the end of 2019 the City had $68,688,693 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 increase of $483,551 in capital assets which is reflected in a governmental activities increase of $1,312,553 or 11% and a decrease of $(829,002) or (1)% for business-type activities. A large portion of the increase in the General Fund is the construction of an asphalt trail from Helvenston Street to the southern border of the City. This was a FDOT funded project awarded to the County through our shared Recreation Department, thus being a contribution to the City. The following table illustrates the changes in capital assets (see pages 45 and 46 in the notes to the financial statements for detailed changes in capital assets).

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Capital Assets:						
Land	$ 1,824,329	$ 1,819,051	$ 1,602,184	$ 1,602,184	$ 3,426,513	$ 3,421,235
Buildings and improvements	6,360,619	5,792,635	71,320,620	70,480,913	77,681,239	76,273,548
Machinery and equipment	4,712,398	4,552,381	2,557,251	2,764,052	7,269,649	7,316,433
Infrastructure	8,265,221	6,516,197	-	-	8,265,221	6,516,197
Construction work in progress	60,515	648,289	29,305	114,179	89,820	762,468
Subtotal	$ 21,223,082	$ 19,328,553	$ 75,509,360	$ 74,961,328	$ 96,732,442	$ 94,289,881
Less Accumulated Depreciation	(8,080,194)	(7,498,218)	(19,963,555)	(18,586,521)	(28,043,749)	(26,084,739)
Capital Assets, Net	$ 13,142,888	$ 11,830,335	$ 55,545,805	$ 56,374,807	$ 68,688,693	$ 68,205,142

The City's capital budget for fiscal year 2020 calls for approximately $5,932,000 in capital projects. This is partially comprised of $1,800,000 for Street improvements, $1,300,000 for Water line improvements, $1,000,000 Sewer projects, $400,000 for Stormwater improvements.

Debt

At September 30, 2019 the City had $13,457,130 in notes payable. This is a decrease over fiscal year 2018 of ($1,120,244.). 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 49.

	Business-type Activities	
	2019	2018
Note Payable-DEP	$ 13,457,130	$ 14,577,374

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 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- The Miller Road repaving and widening project was completed early in the 2019 fiscal year. The total cost of the Miller Road repaving was $274,171. The $750,000 CDBG funded paving and repaving project has been completed also early in the 2019 fiscal year.

Emergency Preparedness- The City continues to make improvements to increase their ability to be better prepared as emergency weather issues may occur. Needed maintenance at several City sewer lift stations have included raising the control panels to help eliminate damages due to flooding.

Stormwater- The Irvin/9th Street Storm drain well was rehabilitated through funding from the SRWMD. The City has more than 45 Storm drain wells. The drain wells are critical for roadway drainage and flood mitigation. Most wells are in excess of 50 years old and many are non-functional and in need of repair. Through the City's partnership with the SRWMD we continue to improve a few wells as funds are available.

Natural Gas – Live Oak completed a natural gas main line extension both North of the City from Winderweedle Street to the Busy Bee north of I-10. The gas main line was also extended at the South end of the City to provide service availability to the South Oaks Square shopping center. The expansion project was completed at a total cost of $700,000.

Fire Department- The Fire Department continues to provide outstanding services and dedicate to the citizens of Live Oak Fire Department. Highlights for 2019 include:

Awards and Recognition – The Live Oak Fire Department continues to be annually recognized as an ISO Class lll Fire Service, thus the only Class lll fire department in Florida based upon population served. Also, the LOFD recertified its employee EMTs with 100% pass rate. The Fire department underwent its five year inspection during the month of April 2019. Live Oak Fire Department not only maintained the current ISO (International Organization for Standardization) rating of 3 but was successful in gaining more points through additional training curriculum, public education, outreach, equipment maintenance and inventory advancements; as well as implementing the ISO recommended minimum staffing of 4 personnel on shift at all times thus continuing our mission to better our service 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. Currently the ISO rating for the City of Live Oak is Protection Class lll, thus placing 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 Vlll in 1958, followed by a Protection Class Vll in 1967, Protection Class Vl in 1992, Pro0tection Class V in 2004, Protection Class lV in 2007 and the current Protection Class of lll 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, arial 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.

Live Oak Fire Department continues 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. Live Oak Fire Department has trained or educated more than 200 individuals over the past year reaching students from age 5 and up as well as teachers and professional medical personnel.

Sparky's Kids. Live Oak Fire Department continues its tradition of more than 40 years, helping to provide families in need during the Christmas season with toys for their children as well as gift cards for food or basic necessities.

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.

In 2018 and 2019 the L.O.P.D 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 LOPD has 15 GPS units assigned currently.

Community projects- The State DOT Funded Rail-to-Trail pathway was completed. The LAP funded project was implemented by the Live Oak Suwannee County Recreation Department from Helvenston Street south to the southern City Limits. Since this project was administered through the County it is reflected in the City's statements as a donation of $756,295.

Future Projects

- Capital Improvement Programs include paving/repaving roads and streets. FDOT SCOP funding will be awarded Spring of 2020 for Winderweedle repaving project.

- 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.

- State of Florida Department of Transportation will be awarding the City TAP (Transportation Alternative Funds) for Drainage Well replacement. Over 2,000,000 Is earmarked to be awarded over the next 4 years to enable the City to replace many of the 45 wells in the City of Live Oak. Following Tropical Storm Debbie 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.

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.

Ron E. Williams
City Manager

Joanne M. Luther
Finance Director

CITY OF LIVE OAK, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets			
Cash and Cash Equivalents	$ 6,949,560	$ 788,603	$ 7,738,163
Receivables, Net of Allowance for Uncollectible Accounts	223,884	841,078	1,064,962
Internal Balances	248,909	-	248,909
Due from Other Governments	302,753	533,657	836,410
Prepaid Items	56,977	25,181	82,158
Noncurrent Restricted Cash	-	1,251,994	1,251,994
Capital Assets:			
Land, Improvements, and Construction in Progress	1,884,844	1,631,489	3,516,333
Other Capital Assets, Net of Depreciation	11,258,044	53,914,316	65,172,360
Total Assets	20,924,971	$ 58,986,318	79,911,289
Total Deferred Outflows of Resources	2,032,798		2,032,798
Liabilities:			
Accounts Payable and Other Accrued Liabilities	192,416	174,733	367,149
Unearned Revenue	77,668	-	77,668
Internal Balances		248,909	248,909
Restricted Fund Liabilities:			
Customer Deposits	-	604,718	604,718
Bonds, Notes, and Other Payables:			
Accrued Interest Payable	-	54,990	54,990
Due or payable Within One Year	-	1,305,703	1,305,703
Due or Payable in More Than One Year	-	12,337,539	12,337,539
Compensated Absences	211,481	-	211,481
Net Pension Liability	5,785,333	-	5,785,333
OPEB Liability	449,404	-	449,404
Total Liabilities	6,716,302	14,726,592	21,442,894
Total Deferred Inflows of Resources	456,821		456,821
Net Position			
Net Investment in Capital Assets	13,142,888	41,902,563	55,045,451
Restricted for:			
Law Enforcement	2,856	-	2,856
Community Redevelopment	846,426	-	846,426
Capital Improvements	3,640,683	360,421	4,001,104
Road Improvements	693,680	-	693,680
Debt Service	-	286,856	286,856
Unrestricted	(2,541,887)	1,709,886	(832,001)
Total Net Position	15,784,646	44,259,726	60,044,372

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, 2019

		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	$ 2,159,404	$ 116,278	$ 107,074	$ 33,403	$ (1,902,649)	$ -	$ (1,902,649)
Public Safety	3,626,276	111,452	53,411	1,998	(3,459,415)	-	(3,459,415)
Transportation	1,668,047	142,271	-	150,857	(1,374,919)	-	(1,374,919)
Physical Environment	344,407	-		-	(344,407)	-	(344,407)
Human Services/Health	29,750	-	-	-	(29,750)	-	(29,750)
Economic Environment	141,951	-	-	-	(141,951)	-	(141,951)
Culture/Recreation	238,323	-	-	1,232,404	994,081	-	994,081
Activities	$ 8,208,158	$ 370,001	$ 160,485	$ 1,418,662	(6,259,010)	-	(6,259,010)
Business-type Activities							
Water and Sewer Utility	4,557,141	5,471,929	30,709	122,590	-	1,068,087	1,068,087
Stormwater	357,324	119,159	-	299,680	-	61,515	61,515
Gas Utility	729,686	912,582	-	-	-	182,896	182,896
Sanitation	966,007	1,294,744	-	105,202	-	433,939	433,939
Total Business-type	$ 6,610,158	$ 7,798,414	$ 30,709	$ 527,472	-	1,746,437	1,746,437
Total Governmental and Business-type Activities	$ 14,818,316	$ 8,168,415	$ 191,194	$ 1,946,134	(6,259,010)	1,746,437	(4,512,573)
	General Revenues and Transfers						
	Property Taxes, Levied for General Purposes				2,128,014	-	2,128,014
	Property Taxes, Levied for Tax Increment District				243,408	-	243,408
	Fire Assessment Fee				380,994		380,994
	Sales Taxes				1,035,806	-	1,035,806
	Local Option Gas Tax				408,743	-	408,743
	Franchise Taxes				722,648	-	722,648
	Utility Taxes				673,502	223,877	897,379
	State Revenue Sharing				231,775	-	231,775
	Other Intergovernmental Revenues				87,832	-	87,832
	Investment Earnings				58,833	7,092	65,925
	Gain on Disposal of Fixed Assets				-	(714)	(714)
	Rental Space				53,202	-	53,202
	Miscellaneous Revenue				27,794	2,860	30,654
	Transfers				1,143,922	(1,143,922)	-
	Total General Revenues and Transfers				7,196,473	(910,807)	6,285,666
	Changes in Net Position				937,463	835,630	1,773,093
	Net Position, Beginning of Year				14,847,183	43,424,096	58,271,279
	Net Position, Ending of Year				$ 15,784,646	$ 44,259,726	$ 60,044,372

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

CITY OF LIVE OAK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General	Capital Projects Fund	Community Redevelop-ment Tax	Non-major Funds	Total
Assets					
Cash and Cash Equivalents	$ 1,868,800	$ 4,220,841	$ 857,063	$ 2,856	$ 6,949,560
Accounts Receivable, Net	223,884	-	-	-	223,884
Due from Other Funds/Internal Balance	360,482	-	-	-	360,482
Due from Other Governments	78,210	113,522	-	111,021	302,753
Prepaid Items	49,712	-	7,265	-	56,977
Total Assets	$ 2,581,088	$ 4,334,363	$ 864,328	$ 113,877	$ 7,893,656
Liabilities					
Accounts Payable and Other Current Liabilities	$ 182,331	$ -	$ 10,085	$ -	$ 192,416
Due to Other Funds/Internal Balance	-	-	552	111,021	111,573
Unearned Revenue	77,668	-	-	-	77,668
Total Liabilities	259,999	-	10,637	111,021	381,657
Fund Balances					
Nonspendable:					
Prepaid Items	49,712	-	7,265	-	56,977
Restricted for:					
Law Enforcement	-	-	-	2,856	2,856
Community Redevelopment	-	-	846,426	-	846,426
Capital Improvements	-	3,640,683	-	-	3,640,683
Road Improvements	-	693,680	-	-	693,680
Committed:					
Annual Leave Reserve	34,347	-	-	-	34,347
Unassigned, Reported in:					
General fund	2,237,030	-	-		2,237,030
Total Fund Balances	2,321,089	4,334,363	853,691	2,856	7,511,999
Total Liabilities and Fund Balances	$ 2,581,088	$ 4,334,363	$ 864,328	$ 113,877	$ 7,893,656

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, 2019

Total Fund Balances of Governmental Funds	$	7,511,999
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.		13,142,888
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		2,032,798
Deferred Inflows of Resources		(456,821)
Net pension liability does not require the use of current financial resources and, therefore, is not reported as a liability in governmental funds.		(5,785,333)
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		(211,481)
Other Post Employment Benefit Liability		(449,404)
Net Position of Governmental Activities	$	15,784,646

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, 2019

	General	Capital Projects Funds	Community Redevelopment Tax	Nonmajor Funds	Total
Revenues					
Taxes	$ 3,882,614	$ 1,105,082	$ 243,408	$ -	$ 5,231,104
Licenses and Permits	196,040	-	-	-	196,040
Intergovernmental	788,692	-	-	715,778	1,504,470
Charges for Services	155,418	-	-	-	155,418
Fines and Forfeitures	17,325	-	-	1,218	18,543
Tower Rental	53,202	-	-	-	53,202
Interest	11,457	38,876	8,500	-	58,833
Miscellaneous	27,747	-	46	-	27,793
Total Revenue	5,132,495	1,143,958	251,954	716,996	7,245,403
Expenditures					
General Government	1,634,457	-	152,832	33,403	1,820,692
Public Safety	2,937,848	-	-	56,444	2,994,292
Transportation	1,810,974	-	14,345	154,584	1,979,903
Physical Environment	229,343	-	-	-	229,343
Human Services	29,750	-	-	-	29,750
Economic Environment	-		141,951		141,951
Culture/Recreation	207,392	-	30,931	476,109	714,432
Total Expenditures	6,849,764	-	340,059	720,540	7,910,363
(Deficiency) Excess of Revenue (Under) Over Expenditures	(1,717,269)	1,143,958	(88,105)	(3,544)	(664,960)
Other Financing Sources (Uses):					
Transfers in	2,593,828	-	248,198	8,633	2,850,659
Transfers out	(248,198)	(1,453,633)	-	(4,906)	(1,706,737)
Total Other Financing Sources (Uses)	2,345,630	(1,453,633)	248,198	3,727	1,143,922
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	628,361	(309,675)	160,093	183	478,962
Fund Balances, Beginning of Year	1,692,728	4,644,038	693,598	2,673	7,033,037
Fund Balances, End of Year	$2,321,089	$ 4,334,363	$ 853,691	$ 2,856	$ 7,511,999

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, 2019

Net Change in Fund Balances - Total Governmental Funds		$ 478,962
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		
Capital Outlay Expenditures	$ 1,247,395	
Contributions of Capital Assets	756,296	
Capital Asset Disposals and Transfers	(44)	
Depreciation Expense	(691,094)	1,312,553
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		(831,289)
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 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		33,584
Change in OPEB Liability		(56,347)
Change in Net Position of Governmental Activities		$ 937,463

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, 2019

	Business-Type Activities-Enterprise Funds				
	Water and Sewer Fund	**Stormwater Fund**	**Gas Fund**	**Sanitation Fund**	**Total**
Assets					
Current Assets:					
Cash and Cash Equivalents	$ 454,827	$ 1,739	$ 9,894	$ 322,143	$ 788,603
Accounts Receivables, Net	578,410	9,647	111,385	141,636	841,078
Due from Other Governments	233,977	299,680	-	-	533,657
Due from Other Funds	50,000		-	-	50,000
Other Current Assets	16,188	811	999	7,183	25,181
Total Current Assets	1,333,402	311,877	122,278	470,962	2,238,519
Property and Equipment					
Land	1,578,657	22,927	600	-	1,602,184
Building and Improvements	68,423,304	1,570,914	1,326,402	-	71,320,620
Machinery and Equipment	999,845	88,348	274,800	1,194,258	2,557,251
Total Property and Equipment	71,001,806	1,682,189	1,601,802	1,194,258	75,480,055
Less Accumulated Depreciation	(17,984,785)	(532,417)	(795,692)	(650,661)	(19,963,555)
Construction Work in Progress	-	-	29,305	-	29,305
Net Property and Equipment	53,017,021	1,149,772	835,415	543,597	55,545,805
Noncurrent Restricted Cash	927,447	19,103	146,287	159,157	1,251,994
Total Assets	55,277,870	1,480,752	1,103,980	1,173,716	59,036,318
Liabilities					
Current Liabilities:					
Accounts Payable	80,092	-	52,155	42,486	174,733
Due to other Fund		248,909	50,000		298,909
Accrued Interest Payable	50,923	3,850	-	217	54,990
Current Portion of Notes Payable	1,117,417	41,679	-	146,607	1,305,703
Total Current Liabilities	1,248,432	294,438	102,155	189,310	1,834,335
Deposits	342,684	-	146,287	115,747	604,718
Notes Payable	11,970,575	366,964	-	-	12,337,539
Total Liabilities	13,561,691	661,402	248,442	305,057	14,776,592
Net Position					
Net Investment in Capital Assets	39,929,029	741,129	835,415	396,990	41,902,563
Restricted for Capital Replacement	317,011	-	-	43,410	360,421
Restricted for Debt Service	267,753	19,103	-	-	286,856
Unrestricted	1,202,386	59,118	20,123	428,259	1,709,886
Total Net Position	$ 41,716,179	$ 819,350	$ 855,538	$ 868,659	$ 44,259,726

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 SEPTEMBAR 30, 2019

	Business-type Activities-Enterprise Funds				
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Operating Revenues					
Charges for Services	$ 5,471,929	$ 119,159	$ 912,582	$ 1,294,744	7,798,414
Operating Expenses					
Personal Services	-	-	-	-	-
Cost of Sales	-	-	403,563	332,298	735,861
Materials and Supplies	207,174	-	19,580	70,012	296,766
Utilities	257,760	-	4,332	629	262,721
Taxes	-	-	14,899	-	14,899
Maintenance and Repairs	619,456	235,169	27,978	31,365	913,968
Depreciation	1,460,782	66,655	9,265	76,992	1,613,694
Insurance	53,022	2,495	3,590	7,158	66,265
Other Expenses	15,000	-	2,000	-	17,000
Contractual Services	1,672,745	44,445	244,479	440,460	2,402,129
Total Operating Expenses	4,285,939	348,764	729,686	958,914	6,323,303
Operating Income	1,185,990	(229,605)	182,896	335,830	1,475,111
Nonoperating Revenues (Expenses)					
Interest Earnings	5,865	2	206	1,019	7,092
Utility Tax	223,877	-	-	-	223,877
Gain (Loss) on Disposal of Fixed Assets	(714)	-		-	(714)
Interest Expense	(271,202)	(8,560)	-	(7,093)	(286,855)
Other Revenues (Expenses)	2,500	-	360	-	2,860
Total Nonoperating Income (Expenses)	(39,674)	(8,558)	566	(6,074)	(53,740)
Income Before Other Revenues, Expenses, Gains, and, Transfers	1,146,316	(238,163)	183,462	329,756	1,421,371
Capital Contributions (Grants) and Transfers					
Capital Grants	122,590	299,680	-		422,270
FEMA/SERT Contributions	30,709	-	-	105,202	135,911
Contributions	-		-	-	-
Transfers in	-	4,906	640,000	-	644,906
Transfers out	(1,214,622)	(24,676)	(221,730)	(327,800)	(1,788,828)
Total Capital Contributions(Grants) and Transfers	(1,061,323)	(19,770)	418,270	(222,598)	(585,741)
Increase (Decrease) in Net Position	84,993	41,747	601,732	107,158	835,630
Net Position, Beginning of Year	41,631,186	777,603	253,806	761,501	43,424,096
Net Position, End of Year	$ 41,716,179	$ 819,350	$ 855,538	$ 868,659	$ 44,259,726

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, 2019

	Business-type Activities-Enterprise Funds				
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Cash Flows From Operating Activities					
Cash Received from Customers	$ 5,397,893	$ 118,912	$ 898,750	$ 1,300,218	$ 7,715,773
Cash Paid to Suppliers	(2,798,065)	(282,418)	(697,305)	(895,746)	(4,673,534)
Net Cash Provided by (Used In) Operating Activities	2,599,828	(163,506)	201,445	404,472	3,042,239
Cash Flows From Noncapital and Related Financing Activities					
Utility Taxes	223,877	-	-	-	223,877
Due from Other Funds	86,092	251,570	70,026	31,522	439,210
Transfers from Other Funds	-	4,906	640,000	-	644,906
Miscellaneous	2,500	-	360	-	2,860
Operating Transfers Out	(1,214,622)	(24,676)	(221,730)	(327,800)	(1,788,828)
Net Cash Used for Noncapital and Related Financing Activities	(902,153)	231,800	488,656	(296,278)	(477,975)
Cash Flows From Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(6,772)	(96,214)	(682,420)	-	(785,406)
Principal Paid on Capital Debt	(1,102,245)	(32,810)	-	(57,547)	(1,192,602)
Interest Paid on Capital Debt	(271,202)	(8,560)	-	(7,203)	(286,965)
Capital Grants	153,299	-	-	105,202	258,501
Net Cash Used In Capital and Related Financing Activities	(1,226,920)	(137,584)	(682,420)	40,452	(2,006,472)
Cash Flows From Investing Activities					
Interest Received	5,865	2	206	1,019	7,092
Net Cash Provided By for Investing Activities	5,865	2	206	1,019	7,092
Net Increase (Decrease) in Cash and Cash Equivalents	476,620	(69,288)	7,887	149,665	564,884
Cash and Cash Equivalents, Beginning of Year	905,654	90,130	148,294	331,635	1,475,713
Cash and Cash Equivalents, End of Year	$ 1,382,274	$ 20,842	$ 156,181	$ 481,300	2,040,597
As presented on the accompanying statement of net position:					
Cash and cash equivalents	454,827	1,739	9,894	322,143	788,603
Non-current restricted cash	927,447	19,103	146,287	159,157	1,251,994
	1,382,274	20,842	156,181	481,300	2,040,597

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, 2019
(Concluded)

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	**Stormwater Fund**	**Gas Fund**	**Sanitation Fund**	**Total**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income	$ 1,185,990	$ (229,605)	$ 182,896	$ 335,830	$ 1,475,111
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	1,460,782	66,655	9,265	76,992	1,613,694
Decrease (Increase) in Assets:					
Accounts Receivable	(79,806)	(247)	(11,982)	1,720	(90,315)
Due from Other Governmental Units	(3,070)	-	-	-	(3,070)
Prepaid Expenses	-	-	-	-	-
Increase (Decrease) in Liabilities:					
Accounts Payable	27,092	(309)	23,116	(13,824)	36,075
Customer Deposits	8,840	-	(1,850)	3,754	10,744
Net Cash Provided by Operating Activities	$ 2,599,828	$ (163,506)	$ 201,445	$ 404,472	$ 3,042,239

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, 2019

Assets:	
Accrued interest	$ 2,972
Receivable	784
	3,756
Investments, at fair value	
Money funds	30,769
U.S. Treasury notes/Gov't bonds	310,184
Corporate bonds	215,273
Common stocks and equity securities	1,107,391
Total investments	1,663,617
Total Assets	1,667,373
Liabilities:	
Liabilities	
To Broker for Investments Purchased	2,004
Net Position	
Net Position Restricted for Pensions	$ 1,665,369

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, 2019

Additions:		
Contributions from:		
City	$	53,782
Total contributions		53,782
Investment income:		
Net increase (decrease) in fair value of investments		27,400
Interest and Dividend earnings		34,112
Less Investment Expense		(15,527)
Total investment income		45,985
Total additions		99,767
Deductions:		
Benefit payments		180,439
Administrative expenses		13,904
Total deductions		194,343
Net increase (decrease)		(94,576)
Net position Restricted for Pensions:		
Beginning of Year		1,759,945
End of year	$	1,665,369

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

CITY OF LIVE OAK, FL
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Heart of the Suwannee River Valley
IN GOD WE TRUST

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 Statues 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*.

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:

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).

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 Special Projects Fund, Victim's Advocate Fund, Public Safety Fund, the CDBG 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.

Note 1 – Summary of Significant Accounting Policies – continued

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

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.

D. Assets, Liabilities, 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 six 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 amount 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.

Note 1 – Summary of Significant Accounting Policies – continued

D. Assets, Liabilities, and Net Position – continued

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 amount 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.

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.

Note 1 – Summary of Significant Accounting Policies – continued

D. Assets, Liabilities, and Net Position – continued

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
Infrastruture	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:

	Annual Accrual Days
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.

Note 1 – Summary of Significant Accounting Policies – continued

D. Assets, Liabilities, and Net Position – continued

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.

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.

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 9.1771 mills for the year ended September 30, 2019.

The property tax calendar is as follows:

Valuation Date	January 1, 2018
Property appraiser prepares the assessment roll with values as of January 1, 2018, submits preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1, 2018
City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year.	September, 2018
Property appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable (Levy date).	November 1, 2018
A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes are paid November 2018 through March 2019, with the following applicable discounts:	November 1, 2018

Month Paid	Discount Percent
November	4
December	3
January	2
February	1
March	0

All unpaid taxes on real and tangible personal property become delinquent.	April 1, 2019
A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April/May 2019
Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date).	May/June 2019
A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent taxes.	September 10, 2019

NOTE 5 – Cash Deposits and Investments

Deposits

	Carrying Amount	Bank Balance
Insured (1)	$ 8,989,082	$ 9,120,565
Uninsured:		
Uncollateralized (2)	30,769	30,769
Cash Funds	1,075	-
Total Deposits	9,020,926	9,151,334

Investments	Fair Value	Maturities	Credit Rating
Pension Fund investments held by trustee:			
Common stock listed on ASE, NYSE, and NASDAQ	1,107,391	N/A	N/A
U.S. Government bonds	310,184	N/A	N/A
Corporate bonds	12,501	5 years or less	AAA/AAA
Corporate bonds	16,017	5 years or less	AA3/AA-
Corporate bonds	15,052	4 years or less	A1/A
Corporate bonds	15,648	4 years or less	A3/A
Corporate bonds	13,226	3 years or less	A2/A-
Corporate bonds	20,245	3 years or less	A1/A+
Corporate bonds	20,545	3 years or less	A2/A
Corporate bonds	21,330	3 years or less	A2/A
Corporate bonds	12,351	2 years or less	A1/A+
Corporate bonds	19,976	2 years or less	A1/A+
Corporate bonds	8,247	2 years or less	A3/A
Corporate bonds	20,075	2 years or less	AA3/AA-
Corporate bonds	5,056	2 years or less	AA2/AA
Corporate bonds	15,004	1 years or less	A2/A-
Total fair value	$ 1,632,848		

(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	$ 9,020,926	
Carrying value of investments	1,632,848	
Total per note detail		$ 10,653,774

Cash and Cash equivalents	$ 7,738,163	
Restricted cash and cash equivalents	1,251,994	
Fiduciary fund cash and investments	1,663,617	
Total reported in statement of net position and statement of fudiciary net position		$ 10,653,774

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.

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.

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 $1,632,848 are 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, 2019:

		Fair Value Measurements Using		
Investments by Fair Value Level	**Amount**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Money Market Funds	$ 30,769	$ 30,769	$ -	$ -
U.S. Bonds & Bills	310,184	$ 310,184		
Common Stocks/Equity	1,107,391	1,107,391		
Corporate Bonds	215,273		215,273	
Total Investments by Fair Value Level	$ 1,663,617	$ 1,448,344	$ 215,273	$ -

Note: as of September 30, 2019, the City had accrued interest receivable related to investments of $3,756

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.

Note 6 – Restricted Assets

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

A summary of restricted assets of the City, at September 30, 2019, is as follows:

Business-type Activities:

	Water and Sewer Utility Fund	Stormwater Fund	Natural Gas Fund	Sanitation Fund	Total
Checking Account	927,447	19,103	146,287	159,157	1,251,994
	$ 927,447	$ 19,103	$ 146,287	$ 159,157	$ 1,251,994

Note 7 – Accounts Receivable

Governmental Activities:		
General Fund:		
Delinquent taxes receivable	$ 4,101	
Accounts receivable	235,783	
Less allowance for doubtful accounts	(16,000)	
Total governmental activities accounts reveivable, net		$ 223,884

Business-type Activities:		
Enterprise Funds:		
Water and		
Accounts	$ 763,001	
Less allowance for doubtful accounts	(184,591)	
Stormwater		
Accounts	16,647	
Less allowance for doubtful accounts	(7,000)	
Gas Utility		
Accounts	153,569	
Less allowance for doubtful accounts	(42,184)	
Sanitation		
Accounts	223,003	
Less allowance for doubtful accounts	(81,367)	
Total business-type activities accounts receivable, net		$ 841,078

Note 8 – Due from Other Governments

The City's due from other governments at September 30, 2019 consists of the following:

Governmental Activities		
Suwannee County	$ 2,151	
State of Florida, Department of Revenue	189,581	
State of Florida, Department of Economic Opportunity	100,478	
State of Florida, Department of Transportation	6,887	
State of Florida, Depatment of Justice	3,656	
		$ 302,753
Business-type Activities		
State of Florida, Department of Corrections	$ 111,387	
State of Florida Department of Environmental Protection	122,590	
Suwannee River Water Management District	299,680	
		$ 533,657

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, 2019, are comprised of the following:

Fund	Interfund Receivables	Interfund Payables
Internal balances - due to/from other funds:		
General Fund	360,482	-
Special Revenue Funds:		
Special Projects	-	6,887
CDBG Fund	-	100,478
Victim's Advocate Fund	-	3,656
Community Redevelopment Tax Fund	-	552
Enterprise Funds:		
Water and Sewer Fund	50,000	-
Stormwater Fund	-	248,909
Gas		50,000
Totals	$ 410,482	$ 410,482

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, 2019, the City made the following transfers:

	Operating Transfers In	Operating Transfers Out
General Fund	$ 2,593,828	$ 248,198
Capital Projects Funds	-	1,453,633
Community Redevelopment Tax Fund	248,198	-
Special Grants Fund (CDBG)	8,633	4,906
Enterprise Funds:		
Water and Sewer Utility Fund	-	1,214,622
Stormwater Fund	4,906	24,676
Gas Fund	640,000	221,730
Sanitation Fund	-	327,800
Totals	$ 3,495,565	$ 3,495,565

Note 10 - Capital Assets

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

	Beginning Balance 9/30/2018	Additions	Deletions/ Transfers	Ending Balance 9/30/2019
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 1,819,051	$ 5,278	$ -	$ 1,824,329
Construction in Progress	648,289	-	(587,774)	60,515
Total Capital Assets Not Being Depreciated	2,467,340	5,278	(587,774)	1,884,844
Capital Assets Being Depreciated:				
Buildings	4,081,370	50,188	-	4,131,558
Improvements Other Than Buildings	1,711,265	493,996	23,800	2,229,061
Machinery and Equipment	4,552,381	269,177	(109,160)	4,712,398
Infrastructure	6,516,197	1,185,050	563,974	8,265,221
Total Capital Assets Being Depreciated	16,861,213	1,998,411	478,614	19,338,238
Less Accumulated Depreciation:				
Buildings	(1,405,073)	(109,851)	-	(1,514,924)
Improvements Other Than Buildings	(1,008,439)	(92,129)	-	(1,100,568)
Machinery and Equipment	(3,638,387)	(217,289)	109,116	(3,746,560)
Infrastructure	(1,446,319)	(271,823)	-	(1,718,142)
Total Accumulated Depreciation	(7,498,218)	(691,092)	109,116	(8,080,194)
Total Capital Assets Being Depreciated, Net	9,362,995	1,307,319	587,730	11,258,044
Governmental Activities Capital Depreciated, Net	$ 11,830,335	$ 1,312,597	$ (44)	$ 13,142,888

Note 10 – Capital Assets - continued

	Beginning Balance 9/30/2018	Additions	Deletions/ Transfers	Ending Balance 9/30/2019
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 1,602,184	$ -	$ -	$ 1,602,184
Construction in Progress	114,179	29,305	(114,179)	29,305
Total Capital Assets Not Being Depreciated	1,716,363	29,305	(114,179)	1,631,489
Capital Assets Being Depreciated:				
Buildings	1,193,402	-	-	1,193,402
Wastewater Treatment Plant	24,235,343	-	-	24,235,343
Improvement Other than Buildings	45,052,168	725,528	114,179	45,891,875
Machinery and Equipment	2,764,052	30,574	(237,375)	2,557,251
Total Capital Assets Being Depreciated	73,244,965	756,102	(123,196)	73,877,871
Less Accumulated Depreciation:				
Buildings	(299,969)	(21,025)	-	(320,994)
Wastewater Treatment Plant	(4,713,284)	(490,650)	-	(5,203,934)
Improvement Other than Buildings	(11,821,995)	(968,391)	-	(12,790,386)
Machinery and Equipment	(1,751,273)	(133,628)	236,660	(1,648,241)
Total Accumulated Depreciation	(18,586,521)	(1,613,694)	236,660	(19,963,555)
Total Capital Assets Being Depreciated, Net	54,658,444	(857,592)	113,464	53,914,316
Total Business-type Activities Capital Assets, Net	$ 56,374,807	$ (828,287)	$ (715)	$ 55,545,805

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

Governmental Activities	
General Government	98,276
Physical Environment	132,950
Public Safety	167,636
Transportation	292,230
Total Depreciation Expense - Governmental Activities	691,092
Business-type Activities	
Water Utility	1,460,782
Storm Utility	66,655
Gas Utility	9,265
Sanitation	76,992
Total Depreciation Expense - Business-type Activities	1,613,694

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% annually require semi-annual payments of $410,044 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.

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.

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, 2019, 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	2,721,228	1,361,305	50.03%	14,707,956	2030
Projects 66207P and 662070	Net Stormwater Revenues	72,218	41,679	57.71%	458,460	2030

Note 11 – Long-term Debt – continued

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Balances 9/30/18	Additions	Reductions	Balances 9/30/19	Due Within One Year
Governmental activities:					
Compensated absences	$ 245,065	$ -	(33,584)	$ 211,481	$ 110,372
OPEB liability	393,057	56,347	-	449,404	-
Net Pension Liability -					
Florida Retirement	4,687,019	878,361	-	5,565,380	-
Firefighters Plan	152,906	67,047	-	219,953	-
Governemntal activity Long-term liabilities	$ 5,478,047	$ 1,001,755	$ (33,584)	$ 6,446,218	$ 110,372
Business-type activities:					
Notes payable - DEP	14,577,374	-	(1,120,244)	13,457,130	1,142,427
Garbage Truck 2yr Lease*	204,153	-	(57,547)	146,606	146,606
Mini Backhoe 3yr Lease*	54,316	-	(14,810)	39,506	16,670
Business-type activity Long-term liabilities	$ 14,835,843	$ -	$ (1,192,601)	$ 13,643,242	$ 1,305,703

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

Long-term debt – future requirements

Debt service requirements for all notes payable as of September 30, 2019, is as follows:

	Business-type Activities Note Payable - DEP	
	Principal	Interest
2020	1,142,427	260,557
2021	1,165,668	237,315
2022	1,187,516	215,467
2023	1,211,673	191,301
2024	1,235,685	167,299
2025-2029	6,175,306	587,198
2030-2032	1,338,855	50,148
	$ 13,457,130	$ 1,709,285

Note 11 – Long-term Debt – continued

Long-term debt – future requirements

The City has entered into certain capital lease agreements under which the related equipment could become the property of the City when all terms of the lease agreements are met:

Business-type activities	Stated Interest Rate	2020 Commitments	2021 Commitments	Total
Garbage Truck	4.221%	$ 147,936	$ -	$ 147,936
Mini Excuvator	3.50%	16,723	25,000	41,723
Total Business-type lease agreements				189,659
Less interest				2,947
Present value of Minimum Lease Payments				$ 186,712

Leased equipment under capital leases at September 30, 2019 include the following:

Equipment	$ 325,578
Less Accumulated amortization	61,907
Net Value	$ 263,671

Amortization of leased facilities and equipment under capital assets is included with depreciation expense.

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 give (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.

Plan Membership as of October 1, 2018:

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

Benefits Provided
The Plan provides retirement, termination, disability and death benefits.
A summary of the benefit provisions can be found in the October 1, 2018 Actuarial Valuation Report for the City of Live Oak Firefighters' Substitute Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Note 12 – Employees' Pension Plans – continued

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

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, 2019:

Asset Class	Target Allocation
Large Cap US Equity	40%
Small/Mid Cap US Equity	15%
Non-US Equity-Developed	10%
US Scorps Bonds-Core	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.

Rate of Return:
For the year ended September 30, 2019, the annual money-weighted rate of return of Pension Plan investments, net of Pension Plan investment expense, was 2.72 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, 2019 were as follows:

Total Pension Liability	$ 1,885,322
Plan Fiduciary Net Position	$ (1,665,369)
Sponsor's Net Pension Liability	$ 219,953
Plan Fiduciary Net Position as a percentage of Total Pension Liability	88.33%

Note 12 – Employees' Pension Plans – continued

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

Actuarial Assumptions:
The Total Pension Liability was determined by an actuarial valuation as of October 1 2018, updated to September 30, 2019 using the following actuarial assumptions:

Inflation	2.30%
Salary Increases	N/A
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate Healthy Inactive Lives:
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.
The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption 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 non-special risk lives. We feel the assumption sufficiently accommodates future mortality improvements

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.
For 2019 the inflation rate assumption of the investment advisor was 1.90%
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, 2019 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Large Cap US Equity	5.70%
Small/Mid Cap US Equity	5.93%
Non-US Equity-Developed	5.20%
US Corps Bonds-Core	1.80%

[1]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.

Note 12 – Employees' Pension Plans – continued

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

Discount Rate:
The discount rate used to measure the total pension liability was 7.50 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 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension Liability	$382,279	$219,953	$79,830

Changes in Net Pension Liability

	Total Pension Liability	***Plan Fiduciary Net Position***	***Net Pension Liability***
Reporting Period Ending September 30, 2018	$1,912,851	$1,759,945	$152,906
Changes for the Year			
Interest	136,697	0	136,697
Differences between Expected and Actual Experience	16,213	0	16,213
Contributions - Employer	0	53,782	(53,782)
Net Investment Income	0	45,985	(45,985)
Benefit Payments, including Refunds of Employee Contributions	(180,439)	(180,439)	0
Administrative Expense	0	(13,904)	13,904
Net Changes	(27,529)	(94,576)	67,047
Reporting Period Ending September 30, 2019	$1,885,322	$1,665,369	$219,953

Plan Description- The FRS Pension Plan was created in Chapter 121 Florida Statues, 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 member ship 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

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 Statues; Chapter 112 Part IV, Florida Statues: 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.

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 2018-19 fiscal year were as follows:

	Year Beginning July 1, 2018 Percent of Gross Salary		Year Beginning July 1, 2018 Percent of Gross Salary	
Class	**Employee**	**Employer** (1)	**Employee**	**Employer** (1)
Regular	3.00	8.47	3.00	8.26
Elected Officers	3.00	48.82	3.00	48.70
Senior Management Serivce	3.00	25.41	3.00	24.06
Special Risk Regular	3.00	25.48	3.00	24.50
DROP	0.00	14.60	0.00	14.03

(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 $529,479 for the fiscal year ended September 30, 2019.

Net Pension Liability

At September 30, 2019, the City reported the following net pension liability:

	FRS Pension Plan
City's Proportion	0.0136968810%
City's Proportionate Share of Net Pension Liability	$4,717,015

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, 2019, the City's proportion increased 0.2044 from its proportion measured as of June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

Note 12 – Employees' Pension Plans – continued

B. Florida Retirement System- continued

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:

	FRS Pension Plan
Inflation	2.60%
Salary Increases	3.25%
Investment Rate of Return, Including Inflation	6.90%
Mortality Table	RP2000
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:

Asset Class	Annual Target Allocation (1)	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1%	3.3%	3.3%	1.2%
Fixed Income	18%	4.1%	4.1%	3.5%
Global Equity	54%	8.0%	6.8%	16.5%
Real Estate	10%	6.7%	6.1%	11.7%
Private Equity	11%	11.2%	8.4%	25.8%
Strategic Investments	6%	5.9%	5.7%	6.7%
Total	100%			
Assumed Inflation - Mean			2.6%	1.7%

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

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 6.90%, 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 (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
City's Proportionate Share of the Net Pension Liability - FRS	8,154,148	4,717,015	1,846,427

The actuarial assumptions used in the July 2, 2019 valuation, were based on the results of an actuarial experience study for the period July 1 2008, through June 30, 2013.

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, 2019, 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 $57,237 for the fiscal year ended September 30, 2019.

Note 12 – Employees' Pension Plans – continued

HIS Pension Plan- continued

Net Pension Liability
At September 30, 2019, the City reported the following net pension liability:

	HIS Pension Plan
City's Proportion	0.0075821350%
City's Proportionate Share of Net Pension Liability	$848,365

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, 2019, the City's proportion increased 0.1008 from its proportion measured as of June 30, 2018.

Discount Rate
The discount rate used to measure the total pension liability was 2.85% for the HIS Pension Plan's fiscal year ended June 30, 2019. 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	2.60%
Salary Increases	3.25%
Mortality Table	RP2000
Actuarial Cost Method	Individual Entry Age

The actuarial assumptions used in the July 2, 2019 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 2.85%, 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 (1.85%) or 1-percentage-point higher (3.85%) than the current rate:

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
City's Proportionate Share of the Net Pension Liability - HIS	968,452	848,365	748,346

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, 2019, 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.

Note 12 – Employees' Pension Plans – continued

FRS Investment Plan- continued

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, 2019, were as follows**:**

Class	Percent of Gross Compensation
Regular	6.30
Elected Officers	11.34
Senior Management Serivce	7.67
Special Risk Regular	14.00

The City's Investment Plan pension expense totaled $172,969 for the fiscal year ended September 30, 2019.

Additional Disclosures– Defined Benefit Plans

	Firefighter's Plan	FRS	HIS	Total
Net Pension Liability	219,953	4,717,015	848,365	5,785,333

Deferred Outflows of Resources

	Firefighter's Plan	FRS	HIS	Total
Employer Contributions After Measurement Date		98,840	9,505	108,345
Difference Between Expected and Actual Experience		279,780	10,304	290,084
Changes in Assumptions		1,211,532	98,233	1,309,765
Net Difference Between Projected and Actual Earnings on Investments	67,648		547	68,195
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions		218,456	37,953	256,409
Total Deferred Outflows of Resources	67,648	1,808,608	156,542	2,032,798

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		2,927	1,039	3,966
Changes in Assumptions			69,338	69,338
Net Difference Between Projected and Actual Earnings on Investments	55,335	260,970		316,305
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions		25,595	41,617	67,212
Total Deferred Inflows of Resources	55,335	289,492	111,994	456,821

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, 2019. 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
2020	(4,151)	499,313	8,663
2021	(7,207)	172,980	8,904
2022	7,523	354,822	2,831
2023	16,148	277,984	(3,367)
2024		90,738	6,412
Thereafter		24,439	11,600
Total	12,313	1,420,276	35,043

Note 12 – Employees' Pension Plans – continued

Additional Disclosures–- Defined Benefit Plans

Pension Expense
For the year ended September 30, 2019, the City recognized pension expense from the defined benefit pension plans as follows:

Firefighter's Plan	70,062
FRS	1,213,405
HIS	57,237
Total	1,340,704

Payables to the Pension Plan
At September 30, 2019, 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 Pebsco-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 $7,408 for fiscal year ended September 30, 2018, 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, 2019.

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.

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

Employees Covered by Benefit Terms-

At October 1, 2017, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	56
	57

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, 2019.
The measurement period for the OPEB expense was October 1, 2018 to September 30, 2019.
The reporting period is October 1, 2018 through September 30, 2019.

The City's Total OPEB Liability was measured as of September 30, 2019.

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2019 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.18%
Initial Trend Rate	8.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	55

For all lives, mortality rates were RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale AA.

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 3.58%. 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.

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

OPEB Expense

For the year ended September 30, 2019, the Sponsor will recognize OPEB Expense of $77,847.

CHANGES IN TOTAL OPEB LIABILITY

	Increases and Decreases in Total OPEB Liability
Reporting Period Ending September 30, 2018	$ 393,057
Changes for a Year:	
Service Cost	21,243
Interest	16,950
Differences Between Expected and Actual Experience	-
Changes of Assumptions	35,954
Changes of Benefit Terms	-
Contributions - Employer	-
Benefit Payments	(17,800)
Other Changes	-
Net Changes	56,347
Reporting Period Ending September 30 2019	$ 449,404

Changes of assumptions reflect a change in the discount rate from 4.18% for the fiscal year ending September 30, 2018 to 3.58% for the fiscal year ending September 30, 2019.

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

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor'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 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Total OPEB Liability (Asset)	$ 519,475	$ 449,404	$ 391,649

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

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor'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 3.00 - 7.50%	Healthcare Cost Trend Rates 4.00% - 8.50%	1% Increase 5.00 - 9.50%
Total OPEB Liability (Asset)	$ 381,330	$ 449,404	$ 533,461

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).

The City is in a dispute with our Plant and Public Works contractor regarding certain price escalation provisions of the contract. The contractor contends the contract allows for an automatic calculated increase in the event a contractual increase cannot be agreed upon. The City contends that it was agreed that no increase would be applied in two of the three years of the contract. In one of the years, the City agreed to and has paid a 1.5% increase in the contract. Any outstanding commitment is yet to be determined, however, the estimated range of loss is between $0 and $896,206.

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.

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.

Note 17 – Fund Balance Classifications- continued

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 after which time fees will be renegotiated to be in line with fees for services provided at similar facilities. Suwannee Correctional Institution will remit to the City on a monthly basis $111,387. This revenue is pledged to support the debt service required for Phase II improvements to the wastewater plant improvements.

During the year ended September 30, 2019 total water and sewer fund operating revenue was $5,428,739. Of this amount, $1,336,644 or 24.6% was paid by the State of Florida Department of Corrections associated with the Suwannee Correctional Institution.

During the year-ended September 30, 2019 total gas revenue was $912,583 Pilgrim's Pride remitted $292,374 which represents 32% of the total revenue.

Note 19 – Subsequent Events

Subsequent Event

The COVID-19 pandemic has created economic disruptions throughout the country as of the date of this report causing significant declines in the financial markets and economic activity overall. The City expects to experience losses of various local and state shared revenues, declines in user fees, declines in investment values for the pension plans which could result in increased pension contributions and declines in financial reserves as a result. Depending upon the length and severity of the economic disruption the City may also not be able to meet all debt covenants. The ultimate effects of these items is expected to be significant but is not quantifiable at this time. Federal financial assistance for state and local governments is expected to help offset the effects of the above, it is not currently known how much the City will be eligible to receive.

CITY OF LIVE OAK, FL
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Heart of the Suwannee River Valley
IN GOD WE TRUST

Required Supplemental Information

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Taxes:				
General Property Taxes:				
Ad Valorem Taxes	$ 1,892,285	$ 1,892,285	$ 1,894,967	$ 2,682
In lieu of Ad Valorem Property Taxes	198,903	198,903	210,503	11,600
Utility Tax	656,360	656,360	673,502	17,142
Fire Fee	350,000	350,000	380,994	30,994
Franchise Fees:				
Power and Light	483,750	483,750	470,969	(12,781)
Telecommunications	220,368	220,368	251,679	31,311
Total Taxes	3,801,666	3,801,666	3,882,614	80,948
Licenses and Permits:				
Business Tax Receipts	100,000	100,000	100,503	503
Building Permits	70,000	70,000	79,762	9,762
Other	15,000	15,000	15,775	775
Total Licenses and Permits	185,000	185,000	196,040	11,040
Intergovernmental Revenues:				
State Shared Revenues:				
Municipal Revenue Sharing	299,000	299,000	231,775	(67,225)
Motor Fuel Tax	75,000	75,000	69,505	(5,495)
Mobile Home Licenses	2,600	2,600	2,552	(48)
Beverage Tax	2,800	2,800	4,408	1,608
Sales Tax	319,729	319,729	339,467	19,738
Firefighter Supliment	2,640	2,640	3,960	1,320
Fuel Tax Refund	7,600	7,600	7,407	(193)
DOT SCOPE Grant	215,000	215,000		(215,000)
TS FEMA	-	-	95,719	95,719
TS State	-	-	4,652	4,652
Local Source:				
Training Grant CareerSource N.F.	10,000	10,000	6,703	(3,297)
Housing Authority in Lieu	23,000	23,000	22,544	(456)
Total Intergovernmental Revenues	957,369	957,369	788,692	(168,677)
Charges for Services:				
Pound Fees	1,000	1,000	1,015	15
Traffic Assistance	83,350	83,350	83,351	1
Right-of-way Maintenance - D.O.T.	58,560	58,560	58,920	360
Zoning Fees	9,000	9,000	8,125	(875)
Miscellaneous	5,700	5,700	4,007	(1,693)
Total Charges for Services	157,610	157,610	155,418	(2,192)
Fines and Forfeitures	15,100	15,100	17,325	2,225
Miscellaneous Revenues:				
Interest	2,000	2,000	11,457	9,457
Tower Rental	49,296	49,296	53,202	3,906
Cemetery Lots	28,000	28,000	26,125	(1,875)
Other	4,000	4,000	1,622	(2,378)
Total Miscellaneous Revenues	83,296	83,296	92,406	9,110
Total Revenues	5,200,041	5,200,041	5,132,495	(67,546)

CITY OF LIVE OAK, FLORIDA
BUDGET COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures:				
General Government:				
Legislative:				
Personal Services	$ 182,049	$ 182,049	$ 174,671	$ 7,378
Operating Expenses	24,293	24,293	10,429	13,864
	206,342	206,342	185,100	21,242
Financial and Administrative:				
Personal Services	1,050,342	1,050,342	1,004,461	45,881
Operating Expenses	505,054	505,054	422,485	82,569
Capital Outlay	161,009	161,009	22,411	138,598
	1,716,405	1,716,405	1,449,357	267,048
Total General Government	1,922,747	1,922,747	1,634,457	288,290
Public Safety:				
Law Enforcement:				
Personal Services	1,454,627	1,454,627	1,307,756	146,871
Operating Expenses	211,461	211,461	216,017	(4,556)
Capital Outlay	128,000	128,000	82,290	45,710
	1,794,088	1,794,088	1,606,063	188,025
Fire Protection:				
Personal Services	1,122,578	1,122,578	1,062,678	59,900
Operating Expenses	130,945	130,945	119,492	11,453
Capital Outlay	-	-	-	-
	1,253,523	1,253,523	1,182,170	71,353
Inspection and Code Enforcement:				
Personal Services	116,864	116,864	104,451	12,413
Operating Expenses	25,442	25,442	22,979	2,463
Capital Outlay	25,000	25,000	-	25,000
	167,306	167,306	127,430	39,876
Animal Control:				
Personal Services	39,541	39,541	11,736	27,805
Operating Expenses	11,596	11,596	10,449	1,147
Capital Outlay	-	-	-	-
	51,137	51,137	22,185	28,952
Total Public Safety	3,266,054	3,266,054	2,937,848	328,206

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Concluded)

	Budgeted Amounts		Actual	Variance with
	Original	**Final**	Amounts	**Final Budget**
Expenditures *(Concluded)*				
Transportation:				
Road and Street Facilities:				
Operating Expenses	$ 1,568,987	$ 1,568,987	$ 1,361,473	$ 207,514
Capital Outlay	1,092,000	1,092,000	449,501	642,499
	2,660,987	2,660,987	1,810,974	850,013
Economic Development				
Personal Services			-	-
Operating Expenses	21,600	21,600		21,600
	21,600	21,600	-	21,600
Culture and Recreation				
Operating Expenses	210,392	210,392	207,392	3,000
	210,392	210,392	207,392	3,000
Physical Environment:				
Operating Expenses	230,613	230,613	229,343	1,270
Capital Outlay	1,000	1,000	-	1,000
	231,613	231,613	229,343	2,270
Human Services:				
Operating Expenses	29,750	29,750	29,750	-
	29,750	29,750	29,750	-
Total Expenditures	8,343,143	8,343,143	6,849,764	1,493,379
Excess (Deficiency Revenues Over (Under) Expenditures	(3,143,102)	(3,143,102)	(1,717,269)	1,425,833
Other Financing Sources (Uses)				
Transfers from:				
Infrastructure Fund	807,199	807,199	325,000	(482,199)
Capital Projects Fund	797,075	797,075	480,000	(317,075)
Water and Sewer Utility Fund	1,214,622	1,214,622	1,214,622	-
Stormwater Fund	24,676	24,676	24,676	-
Gas Utility Fund	221,730	221,730	221,730	-
Sanitation Fund	327,800	327,800	327,800	-
Transfers to:				
Community Redevelopment Tax Fund	(250,000)	(250,000)	(248,198)	1,802
Total Financing Sources (Uses)	3,143,102	3,143,102	2,345,630	(797,472)
Excess (Deficiency) of Revenue and Other sources Over (Under) Expenditures and Other Uses	-	-	628,361	628,361
Fund Balance, Beginning of Year	-	-	1,692,728	927,098
Fund Balance, End of Year	$ -	$ -	$ 2,321,089	$ 1,555,459

*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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 250,000	$ 250,000	$ 243,408	$ (6,592)
Interest Earned	1,000	1,000	8,500	7,500
Miscellaneous	-	-	46	46
Total Revenues	251,000	251,000	251,954	954
Expenditures				
General Government	326,400	326,400	151,296	175,104
Public Safety	27,500	27,500	-	27,500
Transportation	10,000	10,000	3,784	6,216
Physical Environment	-	-	-	-
Recreation	22,000	22,000	15,931	6,069
Economic Environment	201,473	201,473	141,951	59,522
Capital Outlay				
General Government	238,627	238,627	1,536	237,091
Transportation	170,000	170,000	10,561	159,439
Physical Environment		-		-
Recreation	45,000	45,000	15,000	30,000
Human Services	-	-	-	-
Total Expenditures	1,041,000	1,041,000	340,059	700,941
Excess (Deficiency) of Revenues Over (Under) Expenditures	(790,000)	(790,000)	(88,105)	699,987
Other Financing Resources (Uses)				
Transfers in				
General Fund	250,000	250,000	248,198	(1,802)
Total Other Financing Sources (Uses)	250,000	250,000	248,198	(1,802)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	(540,000)	(540,000)	160,093	698,185
Fund Balance, Beginning of Year			693,598	
Fund Balance, End of Year	$ -	$ -	$ 853,691	$ 853,691

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

Total Pension Liability	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Service Cost	-	-	-	-	-	-	-
Interest	136,697	141,363	142,480	135,680	138,318	141,696	145,003
Change in Excess State Money	-	-	-	-	-	-	-
Change in Funding Standard Account	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-
Expected vs Actual Experience	16,213	-21,441	26,766	27,974	15,106	-	-
Changes in Assumptions	-	-	-	115,424	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(180,439)	(183,822)	(184,462)	(192,342)	(184,871)	(188,607)	(189,562)
Net Change in Total Pension Liability	(27,529)	(63,900)	(15,216)	86,736	(31,447)	(46,911)	(44,559)
Total Pension Liability - Beginning	1,912,851	1,976,751	1,991,967	1,905,231	1,936,678	1,983,589	2,028,148
Total Pension Liability - Ending (a)	$1,885,322	$1,912,851	$1,976,751	$1,991,967	$1,905,231	$1,936,678	$1,983,589
Plan Fiduciary Net Position							
Contributions - Employer	53,782	57,179	56,011	43,177	27,114	25,454	52,589
Contributions - State	-	-	-	-	-	-	-
Contributions - Employee	-	-	-	-	-	-	-
Contributions - Buy Back	-	-	-	-	-	-	-
Net Investment Income	45,985	167,912	194,641	108,639	(32,672)	152,834	231,740
Benefit Payments, Including Refunds of Employee Contributions	(180,439.00)	(183,822)	(184,462)	(192,342)	(184,871)	(188,607)	(189,562)
Administrative Expense	(13,904.00)	(17,008)	(15,879)	(1,837)	-	(1,910)	(1,837)
Other	-	-	-	-	-	-	-
Net Change in Plan Fuduciary Net Position	(94,576)	24,261	50,311	(42,363)	(190,429)	(12,229)	92,930
Plan Fiduciary Net Position - Beginning	1,759,945	1,735,684	1,685,373	1,727,736	1,918,165	1,930,394	1,837,464
Plan Fiduciary Net Position - Ending (b)	$1,665,369	$1,759,945	$1,735,684	$1,685,373	$1,727,736	$1,918,165	$1,930,394
Net Pension Liability - Ending (a) - (b)	$219,953	$152,906	$241,067	$306,594	$177,495	$18,513	$53,195
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.33%	92.01%	87.80%	84.61%	90.68%	99.04%	97.32%

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 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 IINFORMATION
SUBSTITUE 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
9/30/2019	$ 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
9/30/2013	$ 52,568	$ 52,589	$ (21)	N/A	N/A

Differences between the actuarial determined contribution above and the amounts presented in the financial statements are due to certain accruals that resulted in timing differences. These timing differences were not considered to be significant.

Notes to Schedule

Valuation Date: 10/1/2018

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

Methods and assumptions used to determine contribution rates:

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 Flordia. 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 conpounded 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
9/30/2019	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%
9/30/2013	14.10%

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

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
City's Proportion of the FRS Net Pension Plan	0.013696881%	0.013002250%	0.012486026%	0.012796910%	0.012608384%
City's Proportionate Share of the FRS Net Pension Plan	4,717,015	3,916,345	3,693,283	3,231,230	1,628,542
City's Covered-Employee Payroll (9/30)	2,473,718	2,396,262	2,015,895	1,490,336	1,737,938
City's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered- Employee Payroll	190.69%	163.44%	183.21%	216.81%	93.71%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
City's Proportion of the HIS Net Pension Plan	0.007582135%	0.007281423%	0.007166783%	0.007344800%	0.007969916%
City's Proportionate Share of the HIS Net Pension Plan	848,365	770,674	766,305	856,011	812,806
City's Covered-Employee Payroll (9/30)	2,473,718	2,396,262	2,015,895.00	1,490,336	1,737,938
City's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered- Employee Payroll	34.30%	32.16%	38.01%	57.44%	46.77%
HIS Plan Fiduciary Net Position as a Percentage of theTotal Pension Liability	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, 2019

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2019	2018	2017	2016	2015
Contractually Required Contribution	414,561	385,401	323,424	330,190	310,709
FRS Contribution in Relation to the Contractually Required Contribution	(414,561)	(385,401)	(323,424)	(330,190)	(310,709)
FRS Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
City's Covered-Employee Payroll (FYE 9/30)	$ 2,473,718	$ 2,396,262	$ 2,015,895	$ 1,490,336	$ 1,737,938
FRS Contributions as a Percentage of Covered-Employee Payroll	16.76%	16.08%	16.04%	22.16%	17.88%

HEALTH INSURANCE SUBSIDY PENSION PLAN

	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 41,072	$ 39,826	$ 37,929	$ 37,683	$ 32,416
HIS Contribution in Relation to the Contractually Required Contribution	(41,072)	(39,826)	(37,929)	(37,683)	(32,416)
HIS Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
City's Covered-Employee Payroll (FYE 9/30)	$ 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%	1.88%	2.53%	1.87%

Notes to Schedule:
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 RATI

Measurement Date	9/30/2019	9/30/2018
Total OPEB Liability		
Service Cost	21,243	22,887
Interest	16,950	15,182
Changes of benefit terms	-	-
Differences b etween Expected and Acutal Experience	-	-
Changes of Assumptions	35,954	(30,938)
Benefit Payments	(17,800)	(16,368)
Net Change in Total OPEB Liability	56,347	(9,237)
Total OPEB Liability - Beginning	393,057	402,294
Total OPEB Liability - Ending	$ 449,404	$ 393,057
Covered Employee Payroll*	$ 2,316,469	$ 2,259,970
	19.40%	17.39%

*FY 2018 Covered Payroll, projected based on actual FY2017 Covered Payroll

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, 2019: 3.58%
Fiscal Year Ending September 30, 2018: 4.18%
Fiscal Year Ending September 30, 2017: 3.64%

Combining and Individual Fund Financial Statements

CITY OF LIVE OAK, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	CDBG Fund	Special Projects Fund	State Grant Fund	Victim's Advocate Fund	Public Safety Fund	Total
Assets						
Cash and cash equivalents		$ -		$ -	$ 2,856	2,856
Due from other governments	100,478	6,887	$ -	3,656	-	111,021
Total Assets	100,478	6,887	-	3,656	2,856	113,877
Liabilities and Fund Balances:						
Liabilities:						
Due to other funds/internal balance	100,478	6,887	-	3,656	-	111,021
Total Liabilities	100,478	6,887	-	3,656	-	111,021
Fund Balances:						
Reserved for:						
Law enforcement	-	-	-	-	2,856	2,856
Total Fund Balances	-	-	-	-	2,856	2,856
Total Liabilities and Fund Balances	$ 100,478	$ 6,887	$ -	$ 3,656	$ 2,856	$ 113,877

CITY OF LIVE OAK, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	CDBG Fund	Special Projects Fund	State Grant Fund	Victim's Advocate Fund	Public Safety Fund	Total
Revenues:						
Intergovernmental	$ 150,857	$ 28,550	$ 509,512	$ 26,859	$ -	$ 715,778
Fines and Forfeitures		-	-	-	1,218	1,218
Interest		-	-	-	-	-
Total Revenues	150,857	28,550	509,512	26,859	1,218	716,996
Expenditures:						
General Government	0		33,403			33,403
Public Safety	-	28,550		26,859	1,035	56,444
Transportation	154,584					154,584
Recreation			476,109			476,109
Stormwater						
Total Expenditures	154,584	28,550	509,512	26,859	1,035	720,540
(Deficiency) excess of revenues over (under) expenditures	(3,727)	-	-	-	183	(3,544)
Other financing sources (uses):						
Transfers in	8,633	-	-	-	-	8,633
Transfers out	(4,906)	-		-	-	(4,906)
Total other financing sources (uses)	3,727	-	-	-	-	3,727
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-		-	183	183
Fund Balances, Beginning of Year		-	-	-	2,673	2,673
Fund Balances, End of Year	$ -	$ -	$ -	$ -	$ 2,856	$ 2,856

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, 2019 AND 2018

	2019	2018
Governmental Funds Capital Assets:		
Land	1,824,329	1,819,051
Buildings	4,131,558	4,081,370
Improvements other than buildings	2,229,061	1,711,265
Machinery and equipment	4,712,398	4,552,381
Infrastructure	8,265,221	6,516,197
Construction work in progress	60,515	648,289
Total governmental fund capital assets	21,223,082	19,328,553
Investments in Governmental Funds Capital Assets by Source:		
General Fund	8,972,415	8,519,696
Special Revenue Funds	1,259,428	1,104,844
Capital Projects Fund	76,366	76,366
Federal, State, and County Grants	7,051,194	6,520,263
General Obligation Bonds	359,781	359,781
Grants and other contributed capital	3,503,898	2,747,603
Total investment in governmental funds capital assets	21,223,082	19,328,553

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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, 2019

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction Work in Progress	Total
General Government:							
Legislative	$ -	$ -	$ -	$ 33,137	$ -	$ -	33,137
Financial and Administrative	1,492,501	2,286,461	436,434	606,314	-	-	4,821,710
	1,492,501	2,286,461	436,434	639,451	-	-	4,854,847
Public Safety:							
Police protection	40,000	676,909		1,057,738	-		1,774,647
Protective Insp.	40,000	445,105	-	53,305	-	-	538,410
Fire protection	35,576	641,471	-	1,760,056	-	-	2,437,103
	115,576	1,763,485	-	2,871,099	-	-	4,750,160
Transportation:							
Roads and Streets Facilities	174,013	-	-	1,115,138	6,442,635	60,515	7,792,301
Maintenance	-	65,436	-	86,710	-	-	152,146
	174,013	65,436	-	1,201,848	6,442,635	60,515	7,944,447
Physical Environment:							
Cemetery	42,239	16,176	-	-	-	-	58,415
Other	-	-	1,792,627	-	1,822,586	-	3,615,213
	42,239	16,176	1,792,627	-	1,822,586	-	3,673,628
Total governmental Capital Assets	$ 1,824,329	$ 4,131,558	$ 2,229,061	$ 4,712,398	$ 8,265,221	$ 60,515	$ 21,223,082

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, 2019

Function and Activity	Governmental Funds Capital Assets 09/30/2018	Additions	Deletions	Governmental Funds Capital Assets 09/30/2019
General Government:				
Legislative	$ 33,137	$ -	$ -	$ 33,137
Financial and Administrative	4,756,686	65,024		4,821,710
	4,789,823	65,024	-	4,854,847
Public Safety:				
Police protection	1,719,123	84,288	(28,764)	1,774,647
Protective Inspection	538,410	-	-	538,410
Fire protection	2,438,791	-	(1,688)	2,437,103
	4,696,324	84,288	(30,452)	4,750,160
Transportation:				
Roads and Streets Facilities	7,301,133	568,707	(77,539)	7,792,301
Maintenance	141,735	11,580	(1,169)	152,146
	7,442,868	580,287	(78,708)	7,944,447
Physical Environment:				
Cemetery	58,415	-	-	58,415
Other	2,341,123	1,274,090	-	3,615,213
	2,399,538	1,274,090	-	3,673,628
Total governmental funds capital assets	$ 19,328,553	$ 2,003,689	$ (109,160)	$ 21,223,082

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
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2019

Federal Agency Pass-through Entity Federal Program Project	CFDA#	Contract/Grant Number	Expenditures
U.S. Department of Homeland Security			
Direct Programs:			
Federal Emergency Management Administration	97.036		220,320
Hurricane Irma			
Indirect Programs:			
U.S. Department of Justice			
Passed through Florida Department of Law Enforcement			
JAG Printer	16.738	2019-JAGD	2,258
Pass through the Office of the Attorney General Victim's Advocate			
Victims of Crime Act (VOCA)	16.575	VOCA-2018 Live Oak Police 00574	26,859
National Highway Traffic Safety Administration			
Pass through the Florida Department of Transportation			
LOPD Occupant Protection 2019	20.616	G1141	7,162
LOPD Speed and Aggressive Driving 2019	20.600	G1120	19,130
U.S. Department of Housing and Urban Development			
Pass through State of Florida			
Department of Ecnomic Opportunity	14.228	17-DB-OL-03-71-02-N31	150,857
Total Expenditures of Federal Awards			**426,586**

State Agency Pass-through Entity	CSFA#	Contract/Grant Number	Expenditures
Florida Department of Environmental Protection			
City of Live Oak Sand and Grit Project	37.075	SG032	122,590
Florida Recreation Development Assistant Program			
Unique Ability	37.017	U7013	476,109
Florida Divison of Historical Resources			
Municipal Building Repair	45.031	19.h.sm.100.06	33,403
Total Expenditures of State Finanical Assistance			**632,102**
Total Expenditures of Federal Awards and State Finanical Assistance			**1,058,688**

CITY OF LIVE OAK, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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, 2019. There were no loan expenditures incurred during the year ended September 30, 2019.

All FDEP Program Title Expenditures Loan Amounts		
U.S. Department of Environmental Protection	CFDA No.	Outstanding
State Revolving Fund Loan No. WW66206P	66.458	437,451
State Revolving Fund Loan No. WW662080	66.458	1,529,098
State Revolving Fund Loan No. WW662111	66.458	8,072,857
State Revolving Fund Loan No. WW662110	66.458	151,555
State Revolving Fund Loan No. WW610201	66.458	92,377
State Revolving Fund Loan No. WW610220	66.458	1,360,177
State Revolving Fund Loan No. WW610200	66.458	848,933
State Revolving Fund Loan No. WW66207P	66.458	74,092
State Revolving Fund Loan No. WW662070	66.458	334,551
State Revolving Fund Loan No. DW610211	66.458	263,975
State Revolving Fund Loan No. DW610210	66.458	292,064
Total		13,457,130

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.

PURVIS GRAY

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 5, 2020.

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) to determine the 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.

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

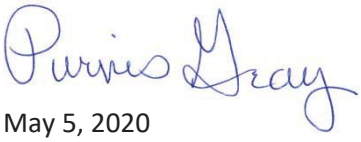
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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 determination of financial statement amounts. 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 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.



May 5, 2020
Tallahassee, Florida

PURVIS GRAY

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, as of and for the year ended September 30, 2019. City management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance 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 aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of 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.

Purvis Gray

May 5, 2020
Tallahassee, Florida

CERTIFIED PUBLIC ACCOUNTANTS
Gainesville | Ocala | Tallahassee | Sarasota | Orlando
purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA.

PURVIS GRAY

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, 2019, and have issued our report thereon dated May 5, 2020.

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 May 5, 2020, 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.

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.

Purvis Gray

May 5, 2020
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
Joanne M. Luther, Finance Director

STATE OF FLORIDA
COUNTY OF SUWANNEE

SWORN TO AND SUBSCRIBED before me this 29th day of April, 2020.

R Marie Walker
NOTARY PUBLIC
Print Name R. Marie Walker

Personally known ✓ or produced identification _____

Type of identification produced: _____

R. MARIE WALKER
Notary Public - State of Florida
Commission # GG 337910
My Comm. Expires Sep 14, 2023
Bonded through National Notary Assn.

My Commission Expires:

Sept 14 2023