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Fiscal Year 2018-2019 Audit

The Community Redevelopment Agency for the City of Live Oak's Financial Audit for the Fiscal Year Ending 9/30/2019 is part of the Audited Financial Statement (AFR) for the City of Live Oak.

The pertinent pages of the City's AFR relating to the CRA are included herein.

For the complete City of Live Oak AFR, please see:

https://www.cityofliveoak.org/fin_statements

For additional information, you may contact:

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Thank you.

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
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	<u>5,132,495</u>	<u>1,143,958</u>	<u>251,954</u>	<u>716,996</u>	<u>7,245,403</u>
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	<u>6,849,764</u>	<u>-</u>	<u>340,059</u>	<u>720,540</u>	<u>7,910,363</u>
(Deficiency) Excess of Revenue (Under) Over Expenditures	<u>(1,717,269)</u>	<u>1,143,958</u>	<u>(88,105)</u>	<u>(3,544)</u>	<u>(664,960)</u>
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)	<u>2,345,630</u>	<u>(1,453,633)</u>	<u>248,198</u>	<u>3,727</u>	<u>1,143,922</u>
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	<u>\$2,321,089</u>	<u>\$ 4,334,363</u>	<u>\$ 853,691</u>	<u>\$ 2,856</u>	<u>\$ 7,511,999</u>

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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2019

Note 1 – Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2019

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.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2019

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, Department 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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2019

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	<u><u>\$ 3,495,565</u></u>	<u><u>\$ 3,495,565</u></u>

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	<u>2,467,340</u>	<u>5,278</u>	<u>(587,774)</u>	<u>1,884,844</u>
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	<u>16,861,213</u>	<u>1,998,411</u>	<u>478,614</u>	<u>19,338,238</u>
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	<u>(7,498,218)</u>	<u>(691,092)</u>	<u>109,116</u>	<u>(8,080,194)</u>
Total Capital Assets Being Depreciated, Net	<u>9,362,995</u>	<u>1,307,319</u>	<u>587,730</u>	<u>11,258,044</u>
Governmental Activities Capital Depreciated, Net	<u><u>\$ 11,830,335</u></u>	<u><u>\$ 1,312,597</u></u>	<u><u>\$ (44)</u></u>	<u><u>\$ 13,142,888</u></u>