



City of Live Oak

101 White Avenue S.E., Live Oak, Florida 32064

*Audited Financial Statements and Independent Auditors
Report – Year ended 9/30/2024*



**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS

CITY OF LIVE OAK, FLORIDA

SEPTEMBER 30, 2024**

CITY OF LIVE OAK, FLORIDA

CITY OFFICIALS

September 30, 2024

<u>Officials</u>	Elected Term Expiration
<u>Mayor</u>	
Frank C. Davis	June 2026
<u>City Council</u>	
Gladys Owens	June 2028
David Alford	June 2028
Tommie Jefferson	June 2026
Matt Campbell	June 2026
Vanessa Robinson	June 2028
<u>City Clerk</u>	
John Gill	June 2026
<u>City Attorney</u>	
Thomas J. Kennon	
<u>City Administration</u>	
Larry C. Sessions	City Manager
Joanne M. Luther	Director of Finance

CITY OF LIVE OAK, FLORIDA

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CITY OF LIVE OAK, FLORIDA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2024, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

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

INDEPENDENT AUDITOR'S REPORT

Supplementary 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 accompanying combining and individual non-major fund financial statements, the capital asset schedules, and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *Florida Single Audit Act*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statements 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the capital asset schedules on pages 87 through 89 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2025, 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 solely 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 the effectiveness of the City's 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.

Purvis Gray

May 14, 2025
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, 2024, with selected comparative information for the fiscal year ended September 30, 2023. 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 of resources at the close of fiscal year 2024 by \$77,161,535 (net position). Requirements of GASB 68 ensure that all long-term debt is reflected in Net Position, therefore with GASB 68 reporting, the 2024 Governmental Activities' Unrestricted Net Position is \$1,711,243.
- The City's total net position increased by \$6,112,174 or 8.6%. The governmental activities net position increased by 3,383,229 or 15% including the current adjustment for GASB 68 long-term pension debt. Also the business-type net position increased by \$2,728,945 or 6%. This increase is primarily due to revenues earned in excess of expenditures in all proprietary funds as increases in service charges were able to adequately keep pace with increases in expenses.
- At the closing of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$16,868,910, an increase of \$2,632,696 in comparison with the prior year. At that time, \$6,899,523 is at the government's discretion (unassigned fund balance).

Overview of the Financial Statements

This discussion and analysis is 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, provides the basis for computing the 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 useful indicators 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, human services 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 17-18 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

Fund Financial Statements

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

The City maintains nine individual governmental funds. Information is presented separately for the general fund and community redevelopment, ARPA, and capital projects fund and all 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 19 and 21 of this report.

Proprietary Funds - The City maintains four proprietary funds. 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 23 to 26 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 27 to 28 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 30 of this report.

Other information - The City adopts an annual appropriated budget for its general fund, ARPA fund, and community redevelopment tax funds. A budgetary comparison schedule has been provided as required supplementary information for the general, ARPA, and community redevelopment tax funds to demonstrate compliance with this budget. This information can be found beginning on page 72.

The combining statements referred to earlier in connection with non-major governmental funds can be found beginning on page 84 of this report.

Infrastructure Assets

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-Wide Financial Analysis

Our analysis of the government-wide financial statements of the City begins below. One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse off as a result of the year's activities?" The Summary of Net Position and the Summary of Activities report information about the City's activities in a way that will help answer this question. These two summaries report the net position of the City and changes in them. You can think of the City's net position – the difference between assets and deferred outflows and liabilities and deferred inflows – as one way to measure the financial health of financial position. Over time, increases 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, deferred outflows and inflows, liabilities, and net position at September 30, 2024:

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals		Total % Change
	2024	2023	2024	2023	2024	2023	2023-2024
Current and other assets	21,079,035	17,926,196	8,724,437	6,482,010	29,803,472	24,408,206	22.1%
Capital assets	14,693,028	14,006,857	53,208,244	52,864,474	67,901,272	66,871,331	1.5%
Total assets	35,772,063	31,933,053	61,932,681	59,346,484	97,704,744	91,279,537	7.0%
Total Deferred Outflows	2,015,238	1,619,741	68,860	39,753	2,084,098	1,659,494	25.6%
Current liabilities	4,257,676	3,729,353	2,679,373	1,241,588	6,937,049	4,970,941	39.6%
Noncurrent liabilities	6,490,405	6,320,682	8,271,105	9,831,449	14,761,510	16,152,131	-8.6%
Total liabilities	10,748,081	10,050,035	10,950,478	11,073,037	21,698,559	21,123,072	2.7%
Total Deferred Inflows	905,877	752,645	22,871	13,953	928,748	766,598	21.2%
Net Position							
Net Investment in capital assets	14,605,798	13,898,167	44,318,037	43,123,347	58,923,835	57,021,514	3.3%
Restricted for debt service	-	-	208,458	207,410	208,458	207,410	0.5%
Restricted for other purposes	9,816,302	8,656,643	953,373	821,673	10,769,675	9,478,316	13.6%
Unrestricted	1,711,243	195,304	5,548,324	4,146,817	7,259,567	4,342,121	67.2%
Total Net Position	26,133,343	22,750,114	51,028,192	48,299,247	77,161,535	71,049,361	8.6%

The majority of the City's net position, 76.3% and 80.3% at September 30, 2024 and 2023 respectively, represents 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 14.2% and 13.6% of net position at September 30, 2024 and 2023 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
	2024	2023	2024	2023	2024	2023	2024-2023
Revenues							
Program revenue							
Charges for services	498,274	461,282	9,476,963	8,966,369	9,975,237	9,427,651	5.81%
Capital Grants/Contributions	98,996	1,057,812	850,197	1,066,955	949,193	2,124,767	-55.33%
Operating contributions	1,749,992	78,528	-	-	1,749,992	78,528	2128.49%
General revenue							
Taxes	7,808,812	6,877,979	261,951	250,154	8,070,763	7,128,133	13.22%
Intergovernmental	424,294	435,097	-	-	424,294	435,097	-2.48%
Investment earnings	515,805	343,581	121,190	65,432	636,995	409,013	55.74%
Miscellaneous	180,678	174,956	94,422	16,456	275,100	191,412	43.72%
	<u>11,276,851</u>	<u>9,429,235</u>	<u>10,804,723</u>	<u>10,365,366</u>	<u>22,081,574</u>	<u>19,794,601</u>	<u>11.55%</u>
Expenses							
General government	2,316,845	1,931,032	-	-	2,316,845	1,931,032	19.98%
Public safety	4,044,932	4,048,975	-	-	4,044,932	4,048,975	-0.10%
Transportation	1,445,454	1,523,181	-	-	1,445,454	1,523,181	-5.10%
Physical environment	341,188	292,393	-	-	341,188	292,393	16.69%
Human services	65,309	56,961	-	-	65,309	56,961	14.66%
Economic Environment	140,485	41,196	-	-	140,485	41,196	241.02%
Culture/recreation	284,281	397,259	-	-	284,281	397,259	-28.44%
Water, sewer, stormwater, gas, and sanitation	-	-	7,330,906	6,924,208	7,330,906	6,924,208	5.87%
	<u>8,638,494</u>	<u>8,290,997</u>	<u>7,330,906</u>	<u>6,924,208</u>	<u>15,969,400</u>	<u>15,215,205</u>	<u>5.0%</u>
Changes in net position before transfers	2,638,357	1,138,238	3,473,817	3,441,158	6,112,174	4,579,396	33.47%
Interfund Services							
Provided (Used)	744,872	379,706	(744,872)	(379,706)	-	-	-
Change in net position	<u>3,383,229</u>	<u>1,517,944</u>	<u>2,728,945</u>	<u>3,061,452</u>	<u>6,112,174</u>	<u>4,579,396</u>	<u>33.47%</u>
Net position - beginning	<u>22,750,114</u>	<u>21,232,170</u>	<u>48,299,247</u>	<u>45,237,795</u>	<u>71,049,361</u>	<u>66,469,965</u>	<u>6.89%</u>
Net position - ending	<u>26,133,343</u>	<u>22,750,114</u>	<u>51,028,192</u>	<u>48,299,247</u>	<u>77,161,535</u>	<u>71,049,361</u>	<u>8.60%</u>

The City's total revenue increased by 11.55% or \$2,286,973. This was primarily due to an increase in Operating contributions of \$1,671,464 and 212.85%, and increase in Investment earnings of \$227,982 and 55.74%.

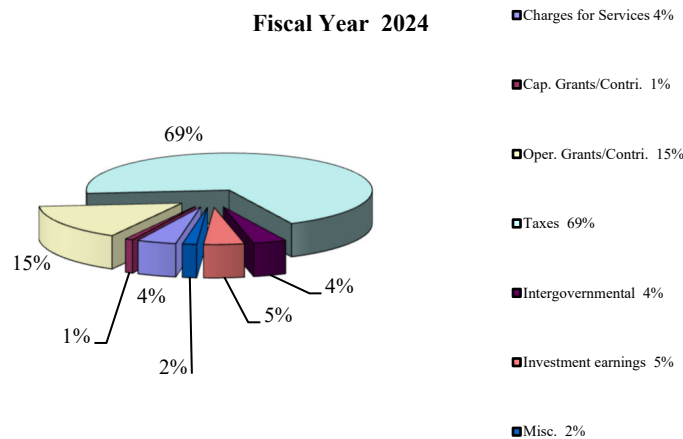
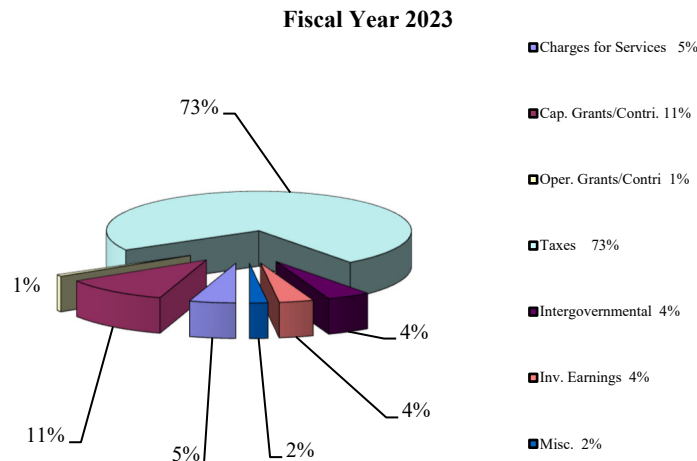
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental Activities

The cost of all governmental activities this year was \$8.6 million compared to \$8.2 million last year. However, as shown in the Statement of Activities on page 18, the amount the City's taxpayers ultimately paid for these activities through City and State taxes was \$7.8 million with the remaining amount being paid by Capital Grants, and Charges for Services and other sources. Overall, the City's governmental program revenues increased in fiscal year 2024 from \$9,429,235 to \$11,276,851 due increased funding from Operating and Capital Grants.

Below is a comparison of the composition of fiscal year 2023 and 2024 governmental funds revenues and expenses:

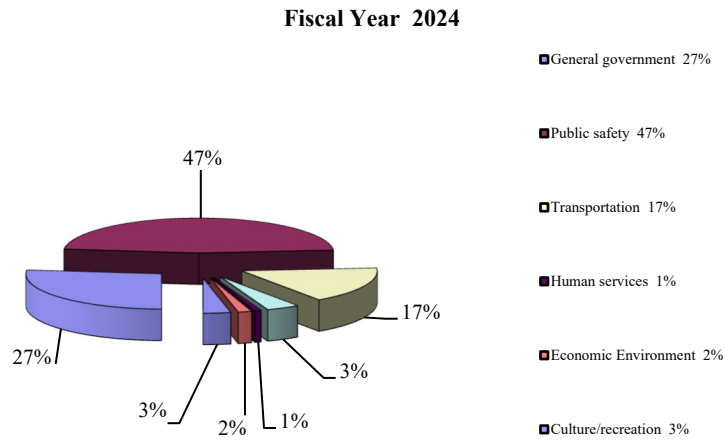
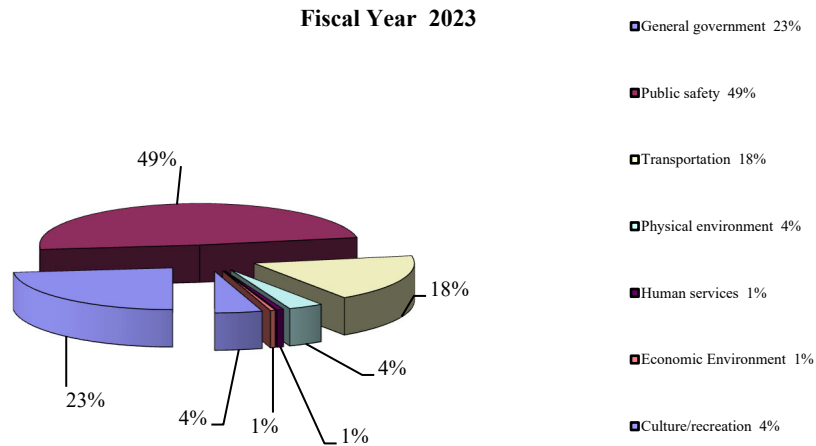
Revenue Comparison by Source



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental Activities (continued)

Expenditure Comparison by Source

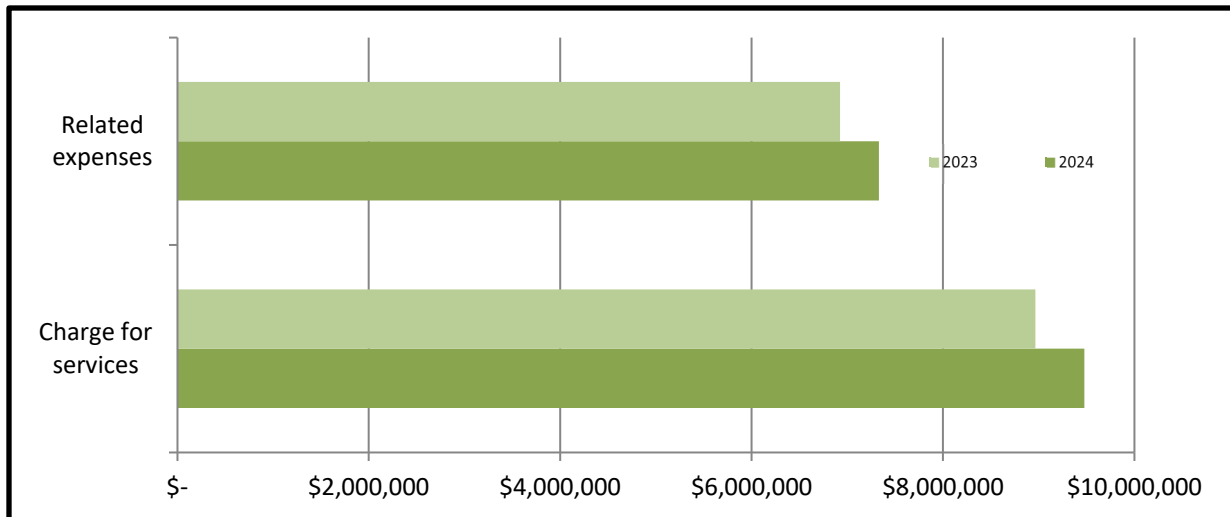


MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-type Activities

Charges for services of 2024 of the City's business-type activities increased 5.69% or \$510,593 over fiscal year 2023 and operating expenses increased by 5.87% or \$406,698 from the prior year. The increase in revenue is due to a rate increase of Sanitation fees due to an increase in landfill disposal costs. Gas revenue and expenses all increased this past fiscal year, offsetting each other. The following is a graphic comparison of revenue and expenses of the City's business type activities.

Revenue and Expense Comparison Fiscal Years 2024 and 2023



Capital Assets

At the end of 2024 the City had \$67,901,272 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 \$1,029,941 in capital assets which is reflected in governmental activities increase of \$686,171 or 4.90% and an increase of \$343,770 or .65% for business-type activities. Although there were some Capital equipment purchases and street paving improvements, those additions were offset by depreciation reductions. The following table illustrates the changes in capital assets (see pages 47 and 48 in the notes to the financial statements for detailed changes in capital assets).

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Capital Assets (continued)

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Capital Assets:						
Land	\$ 1,853,263	\$ 1,853,263	\$ 1,615,585	\$ 1,615,585	\$ 3,468,848	\$ 3,468,848
Buildings and improvements	7,403,822	7,128,324	74,930,006	73,377,543	82,333,828	80,505,867
Machinery and equipment	4,739,235	4,570,288	3,520,745	3,236,140	8,259,980	7,806,428
Right-to-Use Assets Under Leases	129,023	107,188	55,164	55,164	184,187	162,352
Right-to-Use Assets Under SBITA	45,366	45,366	-	-	45,366	45,366
Infrastructure	10,230,961	9,920,237	-	-	10,230,961	9,920,237
Construction work in progress	691,697	139,006	659,414	468,757	1,351,111	607,763
Subtotal	\$ 25,093,367	\$ 23,763,672	\$ 80,780,914	\$ 78,753,189	\$ 105,874,281	\$ 102,516,861
Less Accumulated Depreciation and Amortizations	(10,400,339)	(9,756,815)	(27,572,670)	(25,888,715)	(37,973,009)	(35,645,530)
Capital Assets, Net	\$ 14,693,028	\$ 14,006,857	\$ 53,208,244	\$ 52,864,474	\$ 67,901,272	\$ 66,871,331

The City's capital budget for fiscal year 2024 calls for approximately \$14,750,000 in capital projects. This is partially comprised of \$3,300,000 for Street improvements, \$4,000,000 for Water line improvements, \$4,000,000 Sewer projects, \$2,000,000 for Stormwater improvements. Funding for these projects include \$3,400,000 Federal ARPA funds as well as \$3,200,000 Federal FDEP funding and \$2,200,000 FDOT Transportation alternative funding and SRWMD stormwater project funding.

Debt

At September 30, 2024 the City had \$8,863,555 in notes payable. This is a decrease over fiscal year 2023 of (\$833,167). 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 51.

	Business-type Activities	
	2024	2023
*Note Payable-DEP	\$ 8,863,555	\$ 9,696,722

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

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

While the City of Live Oak continues to be challenged by ageing infrastructure, we strive to continue to make improvements as we are able. Housing and job creation remains 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Public Works Department / Streets

In 2024 the City experienced several extreme hurricanes. Hurricane Debby in early August was a severe flooding storm and Hurricane Helene brought very high winds in late September, both storms caused power outages for several days. As a City we were still repairing damages suffered from Hurricane Idalia in late 2023. Idalia and Helene caused massive downed trees and power lines as well as building damages due to the high winds. Our Public Works department is still working on replacing many damaged decorative street lights.

Utility Fund

Construction is in process for the \$6,000,000 Septic to Sewer project that will add a sewer lift station and make sewer connections available to an additional 30 to 60 residential and commercial locations. This project has been funded by the Federal Department of Environmental Protection through Suwannee River Water Management District.

Water line rehabilitation is being performed along Louis, Richardson, Taylor, Lincoln, Ruby, Main, and Irvin and 7th. The project includes replacing old undersized lines, the projects should be complete by the end of 2025.

Live Oak Fire Department

Closing out 2023 and stepping into 2024, Live Oak Fire Department (LOFD) continued to make waves and redirect the department both operationally and administratively. So much had occurred in 2023 and that was just the tip of the iceberg. Starting on January 17th 2024, the department was finally back to full staffing. Meaning all 3 of the 24-hour shifts had 4 full-time personnel and was still utilizing the part-time staff for PTO filling positions or acting as extra staffing for event heavy days. Noteworthy is that all part-time staff are practicing paramedics with nearby agencies. These staff greatly assist in managing overtime while increasing man-hours counted towards our ISO rating (more on that later).

Even months later, the department and the city were still feeling the effects of Hurricane Idalia. The backup generator that serviced the station and the department emergency radio communication tower was still offline with a permanent replacement months to possibly a year away. Then Hurricane Debby occurred on August 5th, and much like Tropical Storm Debby of 2012, there was enormous amounts of rain leading to flooding of streets and homes. Several rescues were made due to citizens trapped in their homes from rising waters. While at the station, it was stressful to be without a main generator, but the resourceful crew members made do. Luckily, no major power outage occurred, and small generators were utilized for a few hours. Then towards the end of hurricane season, a new generator was installed with its first "testing" being a trial by fire during Hurricane Helene on September 24th. The generator was turned on as Helene made landfall and ran consistently for 36 hours without fail. A good machine had been picked. Though not as devastating as Hurricane Idalia, Helene still brought destruction as multiple calls for rescue had to be answered as soon as the winds slowed to operational permitting speeds. Just before the storm hit, SCFR sent multiple emergency crews over to ride the storm out at the LOFD station. Talk about a packed house, but all crews worked well together with the safety of the citizens at the forefront of concerns and planning.

Another big move in the department was the promotion of Senior Firefighter Tim Williams to Fire Safety Inspector at the end of June. With the increasing commercial growth within the city limits, it was needed that Inspector Williams focus full-time on commercial building inspections and new plan reviews to ensure the highest standards maintained for citizen safety. Inspector Williams' office is located in the City Hall Annex with the building department allowing him to work hand-in-hand with the city building inspector and code enforcement officials. That working relationship has been instrumental in many aspects of city growth commercially speaking.

Not only was LOFD improving internally, but the external relationships were also improving. SCFR experienced a leadership change in August with Chief Dan Miller taking the helm. Chief Miller opened a progressive dialogue with Chief Hayes allowing the two departments to work well together. Discussions in late 2024 began about LOFD responding and assisting on medical calls within the city limits. The future is looking bright.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Live Oak Fire Department (continued)

With Inspector Tim Williams's promotion, the open Senior Firefighter position was filled by 2023 hire William "Will" Johnson. SFF Johnson is not completely new to (LOFD), as he was full-time in the early 2000s before leaving to explore other employment opportunities. SFF Johnson continued the grant writing process Chief Hayes started with winning two more Benevity grants that provided two electric car fire blankets and a hose testing machine (all hoses within the department must be pressure tested annually).

With the consistent application of grants and the continual strive to improve the grant writing process, LOFD is able to acquire equipment that improves how the department operates. This operation includes constantly being prepared for ISO (Insurance Services Office) assessment. This assessment sets the standard for which a fire department is judged. The rating scale goes from ISO 9 (which is the lowest and still be considered a fire department) to ISO 1 (the best possible). Of approximately 50,000 departments nationwide only 411 are ISO 1, so the standard is set quite high. ISO assesses many areas of the department. Hydrant status (flushing, testing, maintenance, etc.), staffing levels, (how many days are there extra or short staffed), apparatus (new vs old units with all or missing required equipment) and radio communications (ability to "talk" to neighboring departments, radio continuity through storms). LOFD has operated at an ISO 3 since 2014 with an ISO 2 within reasonable reach. Reaching ISO 2 would help facilitate a lowering in insurance premiums for citizens. Lower premiums are a win for everyone.

Last but not least, is the public relations LOFD began in 2023 and increased in 2024. Along with the established presence at Candy Carnival, All Aboard Festival and various career days, LOFD had a booth at the county fair while helping sell boiled sweet corn for the Fair Board. Positive interaction with the public is the utmost importance to LOFD. Without the citizens of our great city, there is no Live Oak Fire Department.

Police Department:

The Live Oak Police Department (LOPD) 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 LOPD takes a proactive approach in solving crimes and is involved in local organizations, businesses and not for profits to network and ensure that the latest technology and other crime-solving tactics are at our disposal. The LOPD 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. Mandatory retraining and new requirements are kept up to date and ahead of the curve in this manner. The LOPD, has organized the annual "Fall Festival" and continues to participate regularly in community events like "Christmas on the Square", parades, sporting events, and other community events to give back and show support for our community.

Since 2018 the LOPD has received 2 grants per year 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 LOPD has also implemented Project Lifesaver and was essential in passing Leo's Law which was 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 10 GPS units assigned currently. To add to our Project Lifesaver program, the LOPD was awarded a federal JAG grant to purchase supplies that will allow us to operate PLS for years to come. Additionally, we were able to purchase gear such as a Polaris Ranger, thermal imaging as well as other equipment to aid us in searching for any potentially lost PLS participants. This grant has allowed us to be more prepared to handle any future tragedies like the one experienced in Leo Walker's case.

The LOPD is active in Job fairs and career days in the local area, working to increase the number and quality of applications. We are more proactive in community events to try and gain community trust and increase positive citizen interactions. We have interacted with our local veteran's affairs officer to encourage more out-processing military members to pursue a career in law enforcement. We are constantly striving for new and inventive ways to overcome employee short falls and low application rates among law enforcement nationwide.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Police Department: (continued)

Our Agency is continuing to seek grants to provide more and better equipment, so our Officers can better serve our community. Grant funding and external sources have provided additional fire extinguishers, blood loss stop kits and tourniquets, additional vehicle lighting and safety equipment, speed measurement trailers, camera equipment, sign boards, trailers, jump start boxes and upgraded Bullet Proof Vests with rifle trauma plating material.

During Hurricane Idalia in 2023 The LOPD played a key role in safely navigating our community through the tragedy and loss of property that this storm brought to bear. Additionally in 2024 we saw storms Tropical storm Debbie, Hurricane Helene and Hurricane Milton. Much of the ability for our agency to respond in this difficult time with vigor and professional resourcing was due to an aggressive program toward grant funding and opportunities.

Through our state funded report writing and record keeping system we are cooperating with state and federal partners for crime statistic reporting and navigating our way through an ever-expanding technical future. Body worn cameras, officer complaint processes and public information request response help keep us transparent and accountable to our community. Our future endeavor is to continue to be ever vigilant in pursuing ways to bring community together with policing, stop crime and improve our community relationships.

Stormwater improvements

With primary funding from the Suwannee River Water Management District, 3 storm drain well projects which include Irvin, Houston, and Haines stormwater drain well rehabilitation construction are completed for approximately \$900,000.

Future Projects

- The City has received several Department of Commerce grants to plan and improve utilities in the US129 North area. One of the projects is a joint effort with Suwannee County to install water, sewer and gas utilities along 68th Terrace, will see construction underway mid-year 2025.
- State of Florida Department of Transportation has awarded the 3rd and 4th funding of TAP funds for additional stormwater drainage wells to help control storm water runoff along US129 or US90. The funding package was reformatted by DOT and we anticipate the ability to get the project under contract in 2025.
- The City has been awarded funding from PHMSA (Pipeline Hazardous Materials Safety Administration) to replace our natural gas anode beds. Florida Gas Utility will be assisting us with the project.
- Our Recreation department will be extending lighting along the Heritage Trail with FRDAP funding as well as various Heritage Park & Gardens improvements utilizing \$400,000 in FRDAP grants

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.



Larry C. Sessions, City Manager



Joanne M. Luther, Finance Director



CITY OF LIVE OAK, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 18,145,715	\$ 4,191,451	\$ 22,337,166
Receivables, Net of Allowance for Uncollectible Accounts	268,846	1,108,616	1,377,462
Internal Balances	2,166,628	279,491	2,446,119
Due from Other Governments	399,555	1,082,410	1,481,965
Prepaid Items	98,291	122,164	220,455
Noncurrent Restricted Cash	-	1,940,305	1,940,305
Capital Assets:			
Land, Improvements, and Construction in Progress	2,544,960	2,274,999	4,819,959
Other Capital Assets, Net of Depreciation	12,033,247	50,908,881	62,942,128
Right-To-Use Assets Under Leases, Net of Amortization	114,821	24,364	139,185
Total Assets	35,772,063	61,932,681	97,704,744
Total Deferred Outflows of Resources	2,015,238	68,860	2,084,098
Liabilities			
Accounts Payable and Other Accrued Liabilities	999,551	470,717	1,470,268
Due to Other Governments	1,111	-	1,111
Unearned Revenue	1,314,988	-	1,314,988
Internal Balances	1,894,475	551,644	2,446,119
Restricted Fund Liabilities:			
Customer Deposits	-	779,524	779,524
Notes, Leases, and Other Payables:			
Accrued Interest Payable	-	34,074	34,074
Due or payable Within One Year	47,551	843,414	890,965
Due or Payable in More Than One Year	39,679	8,046,793	8,086,472
Compensated Absences	186,212	4,406	190,618
Net Pension Liability	6,070,970	186,755	6,257,725
OPEB Liability	193,544	33,151	226,695
Total Liabilities	10,748,081	10,950,478	21,698,559
Total Deferred Inflows of Resources	905,877	22,871	928,748
Net Position			
Net Investment in Capital Assets	14,605,798	44,318,037	58,923,835
Restricted for:			
Law Enforcement	27,751	-	27,751
Recreation	100,000	-	100,000
Community Redevelopment	1,566,033	-	1,566,033
Capital Improvements	7,465,609	953,373	8,418,982
Road Improvements	656,909	-	656,909
Debt Service	-	208,458	208,458
Unrestricted	1,711,243	5,548,324	7,259,567
Total Net Position	\$ 26,133,343	\$ 51,028,192	\$ 77,161,535

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, 2024

	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities							
General Government	\$ 2,316,845	\$ 95,217	\$ 1,663,600	\$ -	\$ (558,028)	\$ -	\$ (558,028)
Public Safety	4,044,932	208,477	55,258	10,000	(3,771,197)	-	(3,771,197)
Transportation	1,445,454	194,580	-	-	(1,250,874)	-	(1,250,874)
Physical Environment	341,188	-	-	-	(341,188)	-	(341,188)
Human Services/Health	65,309	-	31,134	-	(34,175)	-	(34,175)
Economic Environment	140,485	-	-	-	(140,485)	-	(140,485)
Culture/Recreation	284,281	-	-	88,996	(195,285)	-	(195,285)
Total Governmental	\$ 8,638,494	\$ 498,274	\$ 1,749,992	\$ 98,996	(6,291,232)	-	(6,291,232)
Business-type Activities							
Water and Sewer Utility	5,288,403	6,842,908	-	291,834	-	1,846,339	1,846,339
Stormwater	178,071	198,466	-	558,363	-	578,758	578,758
Gas Utility	702,336	881,252	-	-	-	178,916	178,916
Sanitation	1,162,096	1,554,337	-	-	-	392,241	392,241
Total Business-type	\$ 7,330,906	\$ 9,476,963	\$ -	\$ 850,197	-	2,996,254	2,996,254
Total Governmental and Business-type Activities	\$ 15,969,400	\$ 9,975,237	\$ 1,749,992	\$ 949,193	(6,291,232)	2,996,254	(3,294,978)
General Revenues and Transfers							
Property Taxes, Levied for General Purposes					3,346,304	-	3,346,304
Property Taxes, Levied for Tax Increment District					351,923	-	351,923
Fire Assessment Fee					390,858	-	390,858
Sales Taxes					1,569,699	-	1,569,699
Local Option Gas Tax					439,843	-	439,843
Franchise Taxes					907,038	-	907,038
Utility Taxes					803,147	261,951	1,065,098
State Revenue Sharing					315,576	-	315,576
Other Intergovernmental Revenues					108,718	-	108,718
Investment Earnings					515,805	121,190	636,995
Rental Space					60,659	-	60,659
Miscellaneous Revenue					120,019	94,422	214,441
Transfers					744,872	(744,872)	0
Total General Revenues and Transfers					9,674,461	(267,309)	9,407,152
Changes in Net Position					3,383,229	2,728,945	6,112,174
Net Position, Beginning of Year					22,750,114	48,299,247	71,049,361
Net Position, Ending of Year					\$ 26,133,343	\$ 51,028,192	\$ 77,161,535

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

CITY OF LIVE OAK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General	Capital Projects Fund	Community Redevelopment Tax Fund	American Rescue Plan	Non-major Funds	Total
Assets						
Cash and Cash Equivalents	\$ 5,792,364	\$ 7,794,376	\$ 1,634,559	\$ 2,903,683	\$ 20,733	\$ 18,145,715
Accounts Receivable, Net	268,846	-	-	-	-	268,846
Due from Other Funds/Internal						
Balance	2,050,980	-	-	-	115,648	2,166,628
Due from Other Governments	123,195	172,406	-	-	103,954	399,555
Prepaid Items	98,291	-	-	-	-	98,291
Total Assets	\$ 8,333,676	\$ 7,966,782	\$ 1,634,559	\$ 2,903,683	\$ 240,335	\$ 21,079,035
Liabilities						
Accounts Payable and Other						
Current Liabilities	\$ 942,308	\$ -	\$ 57,243	\$ -	\$ -	\$ 999,551
Due to Other Funds/Internal						
Balance	115,648	-	11,283	1,663,590	103,954	1,894,475
Due to Other Governments	1,111	-	-	-	-	1,111
Unearned Revenue	222,001	-	-	1,084,357	8,630	1,314,988
Total Liabilities	1,281,068	-	68,526	2,747,947	112,584	4,210,125
Fund Balances						
Nonspendable:						
Prepaid Items	98,291	-	-	-	-	98,291
Restricted for:						
Law Enforcement	-	-	-	-	27,751	27,751
Community Redevelopment	-	-	1,566,033	-	-	1,566,033
Capital Improvements		7,309,873	-	155,736	-	7,465,609
Recreation	-	-	-	-	100,000	100,000
Road Improvements	-	656,909	-	-	-	656,909
Committed:						
Annual Leave Reserve	54,794	-	-	-	-	54,794
Unassigned, Reported in:						
General fund	6,899,523	-	-	-	-	6,899,523
Total Fund Balances	7,052,608	7,966,782	1,566,033	155,736	127,751	16,868,910
Total Liabilities and Fund Balances	\$ 8,333,676	\$ 7,966,782	\$ 1,634,559	\$ 2,903,683	\$ 240,335	\$ 21,079,035

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, 2024

Total Fund Balances of Governmental Funds	\$ 16,868,910
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.	14,693,028
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	2,015,238
Deferred Inflows of Resources	(905,877)
Net pension liability does not require the use of current financial resources and, therefore, is not reported as a liability in governmental funds.	(6,070,970)
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:	
Liability under Leases	(58,932)
Liability under SBITAs	(28,298)
Compensated Absences	(186,212)
Other Post Employment Benefit Liability	(193,544)
Net Position of Governmental Activities	<u>\$ 26,133,343</u>

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, 2024

	General	Capital Projects Funds	Community Redevelopment Tax	American Rescue Plan	Nonmajor Funds	Total
Revenues						
Taxes	\$ 5,429,990	\$ 1,544,590	\$ 351,923	\$ -	\$ -	\$ 7,326,503
Licenses and Permits	237,591	-	-	-	-	237,591
Intergovernmental	937,737	-	-	1,663,600	154,254	2,755,591
Charges for Services	238,733	-	-	-	-	238,733
Fines and Forfeitures	20,899	-	-	-	1,052	21,951
Tower Rental	60,659	-	-	-	-	60,659
Interest	169,913	208,961	53,410	83,520	1	515,805
Donations	-	-	-	-	11,750	11,750
Miscellaneous	108,280	-	-	-	-	108,280
Total Revenue	<u>7,203,802</u>	<u>1,753,551</u>	<u>405,333</u>	<u>1,747,120</u>	<u>167,057</u>	<u>11,276,863</u>
Expenditures						
General Government	2,287,959	-	197,535	-	1,687	2,487,181
Public Safety	4,058,472	-	-	-	69,155	4,127,627
Transportation	1,737,359	-	272,919	-	-	2,010,278
Physical Environment	186,900	-	-	-	-	186,900
Human Services	61,384	-	-	-	3,925	65,309
Economic Environment	-	-	140,485	-	-	140,485
Culture/Recreation	266,023	-	38,075	-	88,996	393,094
Total Expenditures	<u>8,598,097</u>	<u>-</u>	<u>649,014</u>	<u>-</u>	<u>163,763</u>	<u>9,410,874</u>
(Deficiency) Excess of Revenue (Under) Over Expenditures	<u>(1,394,295)</u>	<u>1,753,551</u>	<u>(243,681)</u>	<u>1,747,120</u>	<u>3,294</u>	<u>1,865,989</u>
Other Financing Sources (Uses):						
Financing of leases	21,835	-	-	-	-	21,835
Transfers in	3,216,972	-	371,475	-	-	3,588,447
Transfers out	(371,475)	(658,510)	(150,000)	(1,663,590)	-	(2,843,575)
Total Other Financing Sources (Uses)	<u>2,867,332</u>	<u>(658,510)</u>	<u>221,475</u>	<u>(1,663,590)</u>	<u>-</u>	<u>766,707</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	1,473,037	1,095,041	(22,206)	83,530	3,294	2,632,696
Fund Balances, Beginning of Year	5,579,571	6,871,741	1,588,239	72,206	124,457	14,236,214
Fund Balances, End of Year	<u>\$7,052,608</u>	<u>\$ 7,966,782</u>	<u>\$ 1,566,033</u>	<u>\$ 155,736</u>	<u>\$ 127,751</u>	<u>\$ 16,868,910</u>

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, 2024

Net Change in Fund Balances - Total Governmental Funds **\$ 2,632,696**

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 and amortization expenses for the current period:

Capital Outlay Expenditures	\$ 1,437,698	
Donations of Capital Assets	155,369	
Depreciation and Amortization Expenses	<u>(899,391)</u>	686,174

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	73,033
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment is for the following items:

Principal Payments on Lease and SBITA Liabilities	43,290
New Lease Obligations	(21,834)
Change in Compensated Absences Liabilities	(10,700)
Change in OPEB Liability	<u>(19,430)</u>

Change in Net Position of Governmental Activities	<u><u>\$ 3,383,229</u></u>
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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, 2024

	Business-Type Activities-Enterprise Funds				
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 3,589,024	\$ 54,665	\$ 203,630	\$ 344,132	\$ 4,191,451
Accounts Receivables, Net	796,290	18,791	119,123	174,412	1,108,616
Due from Other Governments	408,188	674,222	-	-	1,082,410
Due from Other Funds	279,491	-	-	-	279,491
Other Current Assets	122,164	-	-	-	122,164
Total Current Assets	5,195,157	747,678	322,753	518,544	6,784,132
Property and Equipment					
Land	1,592,058	22,927	600	-	1,615,585
Building and Improvements	69,887,564	3,488,186	1,554,257	-	74,930,007
Machinery and Equipment	1,738,896	88,348	255,494	1,438,006	3,520,744
Right-To-Use Assets Under Leases	55,164	-	-	-	55,164
Total Property and Equipment	73,273,682	3,599,461	1,810,351	1,438,006	80,121,500
Less Accumulated Depreciation	(25,353,671)	(938,125)	(948,319)	(301,755)	(27,541,870)
Less Accumulated Amortization on Right-To-Use Assets Under Leases	(30,800)	-	-	-	(30,800)
Construction Work in Progress	659,414	-	-	-	659,414
Net Property and Equipment	48,548,625	2,661,336	862,032	1,136,251	53,208,244
Noncurrent Restricted Cash	1,435,530	19,103	165,327	320,345	1,940,305
Total Assets	55,179,312	3,428,117	1,350,112	1,975,140	61,932,681
Total Deferred Outflows of Resources	7,361	-	-	61,499	68,860
Liabilities					
Current Liabilities:					
Accounts Payable	278,548	127,275	26,633	38,261	470,717
Due to Other Funds	-	551,644	-	-	551,644
Accrued Interest Payable	31,860	2,214	-	-	34,074
Current Portion of Notes and Leases Payable	806,343	37,072	-	-	843,415
Total Current Liabilities	1,116,751	718,205	26,633	38,261	1,899,850
Deposits	449,794	-	165,327	164,403	779,524
OPEB Liability	7466	-	-	25,685	33,151
Compensated Absences	703	-	-	3,703	4,406
Notes and Leases Payable	7,849,671	197,121	-	-	8,046,792
Net Pension Liability	4,590	-	-	182,165	186,755
Total Liabilities	9,428,975	915,326	191,960	414,217	10,950,478
Total Deferred Inflows of Resources	2,255	-	-	20,616	22,871
Net Position					
Net Investment in Capital Assets	39,892,611	2,427,143	862,032	1,136,251	44,318,037
Restricted for Capital Replacement	797,430	-	-	155,943	953,373
Restricted for Debt Service	189,355	19,103	-	-	208,458
Unrestricted	4,876,047	66,545	296,120	309,612	5,548,324
Total Net Position	\$ 45,755,443	\$ 2,512,791	\$ 1,158,152	\$ 1,601,806	\$ 51,028,192

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

CITY OF LIVE OAK, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities-Enterprise Funds				
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Operating Revenues					
Charges for Services	\$ 6,842,908	\$ 198,466	\$ 881,252	\$ 1,554,337	9,476,963
Operating Expenses					
Personnel Services	125,160	-	-	408,619	533,779
Cost of Sales	-	-	351,421	491,778	843,199
Materials and Supplies	423,031	11,446	31,908	85,604	551,989
Utilities	346,089	-	3,059	-	349,148
Taxes	-	-	18,210	-	18,210
Maintenance and Repairs	458,656	15,689	26,925	32,187	533,457
Depreciation	1,611,032	105,864	53,963	128,576	1,899,435
Insurance	132,452	2,435	3,523	15,332	153,742
Contractual Services	2,009,504	37,623	213,327	-	2,260,454
Total Operating Expenses	5,105,924	173,057	702,336	1,162,096	7,143,413
Operating Income (Loss)	1,736,984	25,409	178,916	392,241	2,333,550
Nonoperating Revenues (Expenses)					
Interest Earnings	98,162	2	2,708	20,318	121,190
Utility Tax	261,951	-	-	-	261,951
Interest Expense	(182,479)	(5,014)	-	-	(187,493)
Other Revenues (Expenses)	18,757	-	18,053	57,612	94,422
Total Nonoperating Income (Expenses)	196,391	(5,012)	20,761	77,930	290,070
Income Before Other Revenues, Expenses, Gains, and, Transfers	1,933,375	20,397	199,677	470,171	2,623,620
Capital Contributions (Grants) and Transfers					
Capital Grants	291,834	558,363	-	-	850,197
Transfers in	279,491	245,778	-	-	525,269
Transfers out	(821,463)	(38,928)	(131,120)	(278,630)	(1,270,141)
Total Capital Contributions (Grants) and Transfers	(250,138)	765,213	(131,120)	(278,630)	105,325
Increase (Decrease) in Net Position	1,683,237	785,610	68,557	191,541	2,728,945
Net Position, Beginning of Year	44,072,206	1,727,181	1,089,595	1,410,265	48,299,247
Net Position, End of Year	\$ 45,755,443	\$ 2,512,791	\$ 1,158,152	\$ 1,601,806	\$ 51,028,192
	\$ (45,755,443)	\$ (2,512,791)	\$ (1,158,152)	\$ (1,601,806)	\$ (51,028,192)

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, 2024

	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	\$ 6,681,493	\$ (361,294)	\$ 901,299	\$ 1,555,930	\$ 8,777,428
Cash Paid to Suppliers	(3,465,780)	55,112	(656,499)	(655,429)	(4,722,596)
Cash Payments to Employees for Services	7,653	-	-	(394,048)	(386,395)
Net Cash Provided by (Used In)					
Operating Activities	<u>3,223,366</u>	<u>(306,182)</u>	<u>244,800</u>	<u>506,453</u>	<u>3,668,437</u>
Cash Flows From Noncapital and Related Financing Activities					
Utility Taxes	261,951	-	-	-	261,951
Due from Other Funds	(279,394)	587,001	-	-	307,607
Miscellaneous	18,757	-	19,805	(4,000)	34,562
Operating Transfers In	279,491	245,778	-	-	525,269
Operating Transfers Out	(821,463)	(38,928)	(131,120)	(278,630)	(1,270,141)
Net Cash Provided by (Used in) Noncapital and Related Financing Activities	<u>(540,658)</u>	<u>793,851</u>	<u>(111,315)</u>	<u>(282,630)</u>	<u>(140,752)</u>
Cash Flows From Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(845,781)	(1,001,492)	(5,514)	(456,550)	(2,309,337)
Proceeds from sale of Property, Plant and Equipment	-	-	-	125,993	125,993
Principal Paid on Capital Debt	(814,597)	(36,324)	-	-	(850,921)
Interest Paid on Capital Debt	(182,479)	(5,014)	-	-	(187,493)
Capital Grants and Contributions	291,834	558,363	-	-	850,197
Net Cash (Used In) Capital and Related Financing Activities	<u>(1,551,023)</u>	<u>(484,467)</u>	<u>(5,514)</u>	<u>(330,557)</u>	<u>(2,371,561)</u>
Cash Flows From Investing Activities					
Interest Received	98,162	2	2,708	20,318	121,190
Net Cash Provided By (Used in) for Investing Activities	<u>98,162</u>	<u>2</u>	<u>2,708</u>	<u>20,318</u>	<u>121,190</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,229,847	3,204	130,679	(86,416)	1,277,314
Cash and Cash Equivalents, Beginning of Year	<u>3,794,707</u>	<u>70,564</u>	<u>238,278</u>	<u>750,893</u>	<u>4,854,442</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,024,554</u>	<u>\$ 73,768</u>	<u>\$ 368,957</u>	<u>\$ 664,477</u>	<u>\$ 6,131,756</u>
As presented on the accompanying statement of net position:					
Cash and cash equivalents	3,589,024	54,665	203,630	344,132	4,191,451
Non-current restricted cash	1,435,530	19,103	165,327	320,345	1,940,305
	<u>5,024,554</u>	<u>73,768</u>	<u>368,957</u>	<u>664,477</u>	<u>6,131,756</u>

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

CITY OF LIVE OAK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(Concluded)

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
<u>Reconciliation of Operating Income to</u>					
<u>Net Cash Provided by Operating</u>					
<u>Activities:</u>					
Operating Income	\$ 1,736,984	\$ 25,409	\$ 178,916	\$ 392,241	\$ 2,333,550
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	1,611,032	105,864	53,963	128,576	1,899,435
(Increase) Decrease in Assets:					
Accounts Receivable	(3,250)	(1,397)	21,730	(4,279)	12,804
Prepaid	(1,362)	-	-	-	(1,362)
Due from Other Governmental Units	(174,155)	(558,363)	-	-	(732,518)
(Decrease) Increase in Liabilities:					
Accounts Payable	30,474	122,305	(8,126)	(30,528)	114,125
Customer Deposits	15,990	-	(1,683)	5,872	20,179
Accrued Compensated Absences	703	-	-	-	703
Other Postemployment Benefits and Related Deferred InFlows and Outflows	7,466	-	-	16,095	23,561
Net Pension Liability and Pension Related Deferred Inflows and Outflows	(516)	-	-	(1,524)	(2,040)
Net Cash Provided by Operating Activities	\$ 3,222,663	\$ (306,182)	\$ 244,800	\$ 506,453	\$ 3,668,437
<u>Supplemental Disclosure of Non-Cash Activities</u>					
Transfer of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Right-of-Use Assets Acquired Under Leases	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2024

Assets:	
Accrued interest	\$ 3,837
Other Receivable	554
	<u>4,391</u>
Investments, at fair value	
Money Market funds	34,601
U.S. Treasury notes/Gov't bonds	384,404
Corporate bonds	157,065
Common stocks and equity securities	1,087,124
Total investments	<u>1,663,194</u>
Total Assets	<u><u>1,667,585</u></u>
Liabilities:	
Accounts Payable	<u>141</u>
Net Position	
Net Position Restricted for Pensions	<u><u>\$ 1,667,444</u></u>

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

CITY OF LIVE OAK, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Additions:

Contributions from:

City	\$ 73,256
Total contributions	<u>73,256</u>

Investment income:

Net increase (decrease) in fair value of investments	301,308
Interest and Dividend earnings	32,178
Less Investment Expense	<u>(14,564)</u>
Total investment income	<u>318,922</u>
Total additions	<u>392,178</u>

Deductions:

Benefit payments	175,085
Administrative expenses	<u>5,161</u>
Total deductions	<u>180,246</u>

Net increase (decrease)	211,932
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Net Position, Beginning of Year	<u>1,455,512</u>
Net Position, End of year	<u><u>\$ 1,667,444</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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. As required by Florida Statutes, the CRA also issues 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, comprising 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, 2024

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:

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.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 1 – Summary of Significant Accounting Policies – continued

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

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).

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.

American Rescue Plan Act Fund – Coronavirus Local Fiscal Recovery Funds are governed by the CSLFRF final rule. The City choose to report its Federal ARPA funds under the “revenue loss” category for reporting purposes. The majority of the ARPA funds will be utilized to improve and rehabilitate Water, Sewer, and Stormwater facilities.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 1 – Summary of Significant Accounting Policies – continued

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

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 city with refuse services, the costs of which are recovered by user charges.

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 1 – Summary of Significant Accounting Policies – continued

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

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".

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

Receivables and payable - continued

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 1 – Summary of Significant Accounting Policies – continued

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

Capital Assets - continued

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

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

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

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

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

Leases (GASB 87)

Lessee: The City recognizes a lease liability and an intangible right-to-use asset (lease asset) in the government-wide financial statements. A lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. See Note 14 for a description of the City's applicable lease agreements.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 1 – Summary of Significant Accounting Policies – continued

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

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 an 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

Compensated absences represent the portion of employees' payroll costs paid subsequent to year-end, which 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 if due and payable within one fiscal year of the financial statement date. 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 City's 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 if not utilized after PTO balances are utilized.

Regular full-time City employees receive personal leave as follows:

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

Unearned Revenue

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

Long-term Debt Obligations

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

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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 1 – Summary of Significant Accounting Policies – continued

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

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.

E. Accounting Changes

Implementation of GASB Statement No. 100, Accounting Changes and Error Corrections

During the year ended September 30, 2024, the City adopted GASB Statement No. 100, Accounting Changes and Error Corrections. The statement enhances accounting and financial reporting requirements for accounting changes and error corrections. The statement defines accounting changes as: (a) changes in accounting principles, (b) changes in accounting requirements. Disclosure requirements include descriptions of accounting changes and error corrections and their quantitative effects on account balances. There was no impact to the City's financial statements as a result of the adoption of this statement for the fiscal year ended September 30, 2024.

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.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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. All appropriations 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, community redevelopment tax and capital projects funds have legally adopted budgets. ARPA was budgeted this year. ARPA dollars expended were budgeted for infrastructure improvements in the water and sewer fund with the funding as an interfund transfer.

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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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 9.50 mills for the year ended September 30, 2024.

The property tax calendar is as follows:

Valuation Date	January 1, 2023												
Property appraiser prepares the assessment roll with values as of January 1, 2022, submits preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1, 2023												
City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year.	September, 2023												
Property appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable (Levy date).	November 1, 2023												
A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes are paid November 2023 through March 2024, with the following applicable discounts:	November 1, 2023												
<table> <tr> <th><u>Month Paid</u></th><th><u>Discount Percent</u></th></tr> <tr> <td>November</td><td>4</td></tr> <tr> <td>December</td><td>3</td></tr> <tr> <td>January</td><td>2</td></tr> <tr> <td>February</td><td>1</td></tr> <tr> <td>March</td><td>0</td></tr> </table>	<u>Month Paid</u>	<u>Discount Percent</u>	November	4	December	3	January	2	February	1	March	0	
<u>Month Paid</u>	<u>Discount Percent</u>												
November	4												
December	3												
January	2												
February	1												
March	0												
All unpaid taxes on real and tangible personal property become delinquent.	April 1, 2024												
A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April/May 2024												
Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date).	May/June 2024												
A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent taxes.	September 10, 2024												

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

NOTE 5 – Cash Deposits and Investments

Deposits

	Carrying Amount	Bank Balance
Insured (1)	\$ 24,276,396	\$ 24,877,767
Uninsured:		
Uncollateralized (2)	34,601	34,601
Cash Funds	1,075	-
Total Deposits	<u>24,312,072</u>	<u>24,912,368</u>

Investments

	Fair Value	Maturities	Credit Rating
Pension Fund investments held by trustee:			
Common stock listed on ASE, NYSE, and NASDAQ	1,087,124	N/A	N/A
U.S. Government bonds	384,404	N/A	N/A
Corporate bonds	9,236	7 years or less	AA2/AA
Corporate bonds	13,170	6 years or less	BAA1/A-
Corporate bonds	9,302	6 years or less	A2/A
Corporate bonds	9,224	6 years or less	A1/A-
Corporate bonds	12,485	5 years or less	A3/A-
Corporate bonds	9,233	5 years or less	A2/A
Corporate bonds	5,518	5 years or less	A2/A
Corporate bonds	14,672	5 years or less	A1/A
Corporate bonds	9,131	4 years or less	A1/A+
Corporate bonds	9,248	3 years or less	A2/A
Corporate bonds	8,440	3 years or less	AA3/AA+
Corporate bonds	2,924	3 years or less	A1/AA-
Corporate bonds	7,889	3 years or less	AA3/A+
Corporate bonds	3,945	3 years or less	A3/A-
Corporate bonds	11,370	2 years or less	A2/A-
Corporate bonds	14,296	2 years or less	A2/A-
Corporate bonds	6,982	2 year or less	A1/A
Total fair value	<u>\$ 1,628,593</u>		

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

(2) Money market funds held by trustees in the Firefighter's Substitute Pension Trust Fund are uninsured, uncollateralized
A reconciliation of cash and investments to the financial statements of the primary government is as follows:

Carrying value of deposits	\$ 24,312,072	
Carrying value of investments	<u>1,628,593</u>	
Total per note detail		<u>\$ 25,940,665</u>
Cash and Cash equivalents	\$ 22,337,166	
Restricted cash and cash equivalents	1,940,305	
Fiduciary fund cash and investments	<u>1,663,194</u>	
Total reported in statement of net position and statement of fiduciary net position		<u>\$ 25,940,665</u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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 ADRs 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's and the pension plan's 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.

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.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 5 – Cash Deposits and Investments – continued

Credit Quality Risk - continued

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, 2024 the City's investments in corporate bonds, held by trustees of the Substitute Firefighters Pension Trust Fund, were rated BAA1 to AAA by Moody's and A- to AAA by Standard & Poor's.

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 an overconcentration of assets 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.

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 \$1,663,189 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.

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.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 5 – Cash Deposits and Investments – continued

Fair Value Measurements - continued

□ 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, 2024:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Amount			
Money Market Funds	\$ 34,601	\$ 34,601	\$ -	\$ -
U.S. Bonds & Bills	384,404	384,404	-	-
Common Stocks/Equity	1,087,124	1,087,124	-	-
Corporate Bonds	157,065	-	157,065	-
Total Investments by Fair Value Level	\$ 1,663,194	\$ 1,506,129	\$ 157,065	\$ -

Note: As of September 30, 2024, the City had accrued interest receivable related to investments of \$3,837.

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

A summary of restricted assets of the City, at September 30, 2024, is as follows:

Business-type Activities:

	Water and Sewer Utility Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Checking Account	1,435,530	19,103	165,327	320,345	1,940,305
	<u>\$ 1,435,530</u>	<u>\$ 19,103</u>	<u>\$ 165,327</u>	<u>\$ 320,345</u>	<u>\$ 1,940,305</u>

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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 7 – Accounts Receivable

The City's accounts receivable at September 30, 2024 consists of the following:

Governmental Activities:

General Fund:

Delinquent taxes receivable	\$ 10,992
Accounts receivable	273,854
Less allowance for doubtful accounts	<u>(16,000)</u>

Total governmental activities accounts receivable, net	<u><u>\$ 268,846</u></u>
--	--------------------------

Business-type Activities:

Enterprise Funds:

Water and Sewer Utility	
Accounts receivable	\$ 1,030,881
Less allowance for doubtful accounts	<u>(234,591)</u>

Stormwater Utility Fund:

Accounts receivable	25,791
Less allowance for doubtful accounts	<u>(7,000)</u>

Gas Utility Fund:

Accounts receivable	166,307
Less allowance for doubtful accounts	<u>(47,184)</u>

Sanitation Fund:

Accounts receivable	260,779
Less allowance for doubtful accounts	<u>(86,367)</u>

Total business-type activities accounts receivable, net	<u><u>\$ 1,108,616</u></u>
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CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 8 – Due from Other Governments

The City's due from other governments at September 30, 2024 consists of the following:

Governmental Activities	
Suwannee County	\$ 37,228
State of Florida, Department of Revenue	242,808
State of Florida, Department of Transportation	18,179
State of Florida, Department of Legal Affairs	5,745
Florida Department of Recreation and Parks	95,595
	<u>\$ 399,555</u>
Business-type Activities	
State of Florida, Department of Corrections	\$ 184,227
State of Florida, Department of Environmental Protection	191,961
State of Florida, Department of Economic Opportunity	32,000
Suwannee River Water Management District	674,222
	<u>\$ 1,082,410</u>

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, 2024, comprise the following:

Fund	Interfund Receivables	Interfund Payables
Internal balances - due to/from other funds:		
General Fund	2,050,980	115,648
Special Revenue Funds:		
Local Government Fund	115,648	-
State Grant Fund		95,595
Special Projects	-	2,614
Community Involvement/ARPA	-	1,663,590
Victim's Advocate Fund	-	5,745
Community Redevelopment Tax Fund	-	11,283
Enterprise Funds:		
Water and Sewer Fund	279,491	-
Stormwater Fund	-	551,644
Totals	<u>\$ 2,446,119</u>	<u>\$ 2,446,119</u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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, 2024 the City made the following transfers:

	Operating Transfers In	Operating Transfers Out
General Fund	\$ 3,216,972	\$ 371,475
Capital Projects Funds	-	658,510
Community Redevelopment Tax Fund	371,475	150,000
Community Involvement/ARPA	-	1,663,590
Enterprise Funds:		
Water and Sewer Utility Fund	279,491	821,463
Stormwater Fund	245,778	38,928
Gas Fund	-	131,120
Sanitation Fund	-	278,630
Totals	<u>\$ 4,113,716</u>	<u>\$ 4,113,716</u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

**CITY OF LIVE OAK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 10 - Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balance 10/1/2023	Additions	Deletions/ Transfers	Ending Balance 9/30/2024
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,853,263	\$ -	\$ -	\$ 1,853,263
Construction in Progress	139,006	594,640	(41,949)	691,697
Total Capital Assets Not Being Depreciated	<u>1,992,269</u>	<u>594,640</u>	<u>(41,949)</u>	<u>2,544,960</u>
Capital Assets Being Depreciated or Amortized:				
Buildings	4,847,276	253,498	-	5,100,774
Improvements Other Than Buildings	2,281,048	22,000	-	2,303,048
Machinery and Equipment	4,570,288	428,174	(259,227)	4,739,235
Right-To-Use Assets under lease	107,188	21,835	-	129,023
Right-To-Use SBITA under lease	45,366	-	-	45,366
Infrastructure	9,920,237	272,920	37,804	10,230,961
Total Capital Assets Being Depreciated or Amortized	<u>21,771,403</u>	<u>998,427</u>	<u>(221,423)</u>	<u>22,548,407</u>
Less Accumulated Depreciation and Amortization:				
Buildings	(1,986,643)	(138,289)	-	(2,124,932)
Improvements Other Than Buildings	(1,463,069)	(82,524)	-	(1,545,593)
Machinery and Equipment	(3,138,763)	(246,228)	255,867	(3,129,124)
Right-To-Use Assets under lease	(23,009)	(25,043)	-	(48,052)
Right-To-Use SBITA under lease	(3,780)	(7,736)	-	(11,516)
Infrastructure	(3,141,551)	(399,571)	-	(3,541,122)
Total Accumulated Depreciation and Amortization	<u>(9,756,815)</u>	<u>(899,391)</u>	<u>255,867</u>	<u>(10,400,339)</u>
Total Capital Assets Being Depreciated or Amortized, Net	<u>12,014,588</u>	<u>99,036</u>	<u>34,444</u>	<u>12,148,068</u>
Governmental Activities Capital Assets Net	<u><u>\$ 14,006,857</u></u>	<u><u>\$ 693,676</u></u>	<u><u>\$ (7,505)</u></u>	<u><u>\$ 14,693,028</u></u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

	Beginning Balance 10/1/2023	Additions	Deletions/ Transfers	Ending Balance 9/30/2024
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,615,585	\$ -	\$ -	\$ 1,615,585
Construction in Progress	468,757	308,238	(117,581)	659,414
Total Capital Assets Not Being Depreciated	<u>2,084,342</u>	<u>308,238</u>	<u>(117,581)</u>	<u>2,274,999</u>
Capital Assets Being Depreciated or Amortized:				
Buildings	1,209,564	-	-	1,209,564
Wastewater Treatment Plant	24,342,571	78,720	-	24,421,291
Improvement Other than Buildings	47,825,408	1,356,162	117,581	49,299,151
Machinery and Equipment	3,236,140	566,218	(281,613)	3,520,745
Right-To-Use Assets under lease	55,164	-	-	55,164
Total Capital Assets Being Depreciated or Amortized	<u>76,668,847</u>	<u>2,001,100</u>	<u>(164,032)</u>	<u>78,505,915</u>
Less Accumulated Depreciation and Amortization:				
Buildings	(406,363)	(22,530)	-	(428,893)
Wastewater Treatment Plant	(7,168,323)	(500,470)	-	(7,668,793)
Improvement Other than Buildings	(16,872,796)	(1,092,782)	-	(17,965,578)
Machinery and Equipment	(1,429,039)	(265,047)	215,480	(1,478,606)
Right-To-Use Assets under lease	(12,194)	(18,606)	-	(30,800)
Total Accumulated Depreciation and Amortization	<u>(25,888,715)</u>	<u>(1,899,435)</u>	<u>215,480</u>	<u>(27,572,670)</u>
Total Capital Assets Being Depreciated or Amortized, Net	<u>50,780,132</u>	<u>101,665</u>	<u>51,448</u>	<u>50,933,245</u>
Total Business-type Activities				
Capital Assets, Net	<u>\$ 52,864,474</u>	<u>\$ 409,903</u>	<u>\$ (66,133)</u>	<u>\$ 53,208,244</u>

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

Governmental Activities	
General Government	(119,125)
Physical Environment	(160,566)
Public Safety	(193,442)
Transportation	<u>(426,258)</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u>(899,391)</u>
Business-type Activities	
Water Utility	(1,611,032)
Stormwater Utility	(105,864)
Gas Utility	(53,963)
Sanitation	<u>(128,576)</u>
Total Depreciation and Amortization Expense - Business-type Activities	<u>(1,899,435)</u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 11 – Long-term Debt

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

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

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

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

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

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

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

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

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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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, 2024, 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 and 662080	Net Water & Sewer Revenues	3,222,669	979,965	30.41%	9,825,738	2040
Projects 66207P and 662070	Net Stormwater Revenues	131,273	41,679	31.75%	250,075	2030

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 11 – Long-term Debt – continued

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Balances 10/1/23	Additions	Reductions	Balances 9/30/24	Due Within One Year
Governmental activities:					
Compensated absences	\$ 175,512	\$ 10,700	\$ -	\$ 186,212	\$ 111,420
OPEB liability	174,113	19,431	-	193,544	-
Copiers Lease	14,001	-	(7,858)	6,143	6,143
SBITA Lease	35,848	-	(7,551)	28,297	8,491
Vehicle Lease	58,841	21,835	(27,886)	52,790	25,891
Net Pension Liability -					
Florida Retirement	5,617,229	402,844	-	6,020,073	-
Firefighters Plan	284,509	-	(233,612)	50,897	-
Governmental activity					
Long-term liabilities	<u>\$ 6,360,053</u>	<u>\$ 454,810</u>	<u>\$ (276,907)</u>	<u>\$ 6,537,956</u>	<u>\$ 151,945</u>
Business-type activities:					
Notes payable - DEP*	9,696,722	-	(833,167)	8,863,555	824,189
Compensated absences	2,179	2,227	-	4,406	-
OPEB liability	11,114	22,037	-	33,151	-
Copiers Lease	1,564	-	(462)	1,102	556
Vehicle Lease	42,841	-	(17,291)	25,550	18,669
Net Pension Liability FRS	168,606	18,149	-	186,755	-
Business-type activity					
Long-term liabilities	<u>\$ 9,923,026</u>	<u>\$ 42,413</u>	<u>\$ (850,920)</u>	<u>\$ 9,114,519</u>	<u>\$ 843,414</u>

*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, 2024, are as follows:

	Business-type Activities	
	Note Payable - DEP	
	Principal	Interest
2025	824,189	171,973
2026	866,506	155,138
2027	883,678	137,966
2028	775,543	120,449
2029	664,225	106,116
2029-2033	2,378,511	359,026
2034-2038	2,038,574	155,171
2039-2043	432,329	6,419
	<u>\$ 8,863,555</u>	<u>\$ 1,212,258</u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 12 – Employees’ Pension Plans

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

Plan Description

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

1. Two (2) residents of the City, recommended by the Mayor and appointed by the City Council;
2. Two (2) active or retired Firefighters/plan members, spouses of active or retired plan members, elected by a majority of the active and retired firefighters who are members of this Plan. In the event that there are no persons meeting the aforementioned criteria, the position(s) may be filled by a City Resident or City Business Owner recommended by the fire pension board; and
3. A fifth Trustee to be selected by the other four Trustees and appointed as a ministerial act by the City Council. This trustee must have a business background in the financial and/or investment field. In the event a majority of the trustees appointed pursuant to paragraphs 6(A)(2) above do not select a trustee provided for by paragraph 6(A)(3) within 30 days of a vacancy created by death, resignation, removal, term expiration or otherwise, then the fifth trustee shall be appointed by the City Council upon the recommendation of the Mayor. Active members of this Plan shall include any Firefighter who was an active Member of the Predecessor Plan on the date the Predecessor Plan was terminated, including all Members receiving benefits on that termination date.

Plan Membership as of October 1, 2024:

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

Benefits Provided- The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the October 1, 2024 Actuarial Valuation Report for the City of Live Oak Firefighters’ Substitute Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Contributions- Member Contributions: 3.0% of Compensation.

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

Investments

Investment Policy:

The following was the Board’s adopted asset allocation policy as of September 30, 2024:

Asset Class	Target Allocation
Domestic Equity	55.00%
International Equity	10.00%
Fixed Income	<u>35.00%</u>
Total	<u><u>100%</u></u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 12 – Employees’ Pension Plans – continued

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

Concentration- 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, 2024, the annual money-weighted rate of return of Pension Plan investments, net of Pension Plan investment expense, was 22.72 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, 2024 were as follows:

Total Pension Liability	\$ 1,718,341
Plan Fiduciary Net Position	(1,667,444)
Sponsor’s Net Pension Liability	<u>\$ 50,897</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	<u>97.04%</u>

Actuarial Assumptions- The Total Pension Liability was determined by an actuarial valuation as of October 1 2024, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	N/A
Discount Rate	6.75%
Investment Rate of Return	6.75%

Mortality Rate Healthy Retiree:

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

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

Mortality Rate Beneficiary Lives:

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

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

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

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2024 FRS valuation report for special risk employees.

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

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 12 – Employees’ Pension Plans – continued

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

For 2024 the inflation rate assumption of the investment advisor was 2.40%

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, 2024 are summarized in the following table:

Target Allocation	Long Term Expected Real Rate of Return
55.00%	5.70%
10.00%	4.60%
35.00%	1.07%
100%	

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.

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

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Sponsor's Net Pension Liability	\$186,295	\$50,897	(\$67,465)

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 12 – Employees’ Pension Plans – continued

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2023	\$ 1,740,021	\$ 1,455,512	\$ 284,509
Interest	111,542	-	111,542
Experience Gains/Losses	41,863	-	-
Contributions - Employer	-	73,256	(73,256)
Net Investment Income	-	318,922	(318,922)
Benefit Payments, Including	(175,085)	(175,085)	-
Administrative Expense	-	(5,161)	5,161
Net Changes	(21,680)	211,932	(233,612)
Balance at September 30, 2024	\$ 1,718,341	\$ 1,667,444	\$ 50,897

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2024, the inflation rate assumption remained 2.50%.

B. Florida Retirement System

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

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

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

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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 12 – Employees’ Pension Plans – continued

B. Florida Retirement System -continued

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

DROP is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 96 months, except that certain instructional personnel may participate for up to 120 months. While in the DROP, the member’s retirement benefits accumulate in the FRS Pension Plan trust fund (increased by a cost-of-living adjustment each July). DROP participants starting the program prior to July 1, 2011, earn monthly interest equivalent to an annual rate of 6.5%. Participants starting the program on or after July 1, 2011, earn an effective annual rate of 1.3%. When the DROP period ends, the DROP account is paid out as a lump-sum payment, a rollover, or a combination, and monthly benefits are subsequently paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years. In most cases, the DROP participant must cease employment when the DROP period ends.

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

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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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 2023-24 fiscal year were as follows:

Class	Year Beginning July 1, 2024		Year Beginning July 1, 2023	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer ⁽¹⁾	Employee	Employer ⁽¹⁾
Regular	3.00	11.57	3.00	11.51
Elected Officers	3.00	56.62	3.00	56.62
Senior Management Service	3.00	32.46	3.00	32.46
Special Risk Regular	3.00	30.73	3.00	30.61
DROP	0.00	19.13	0.00	19.13

⁽¹⁾ These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for the Retiree Health Insurance Subsidy (HIS) of 2.00% for the years ended June 30, 2024 and 2025, respectively, 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 \$788,909 for the fiscal year ended September 30, 2024.

Net Pension Liability

At September 30, 2024, the City reported the following net pension liability:

	<u>FRS Pension Plan</u>
City's Proportion	0.012669768%
City's Proportionate Share of Net Pension Liability	\$4,901,262

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, 2024, the City’s proportion increased by .001367762% from its proportion measured as of June 30, 2023.

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. The FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 12 – Employees’ Pension Plans – continued

B. Florida Retirement System- continued

Actuarial Assumptions

The total pension liability in the July 1, 2024 actuarial valuation, was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

	<u>FRS Pension Plan</u>
Inflation	2.40%
Salary Increases	3.50%
Investment Rate of Return, Including Inflation	6.70%
Mortality Table	Generational PUB-2010
	Individual
Actuarial Cost Method	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	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	<u>100%</u>			
Assumed Inflation – Mean		2.4%		1.5%

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

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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 6.70%, 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 (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	1 % Decrease 5.70%	Current Discount Rate 6.70%	1 % Increase 7.70%
City’s Proportionate Share of the Net Pension Liability	\$8,621,149	\$4,901,361	1,785,068

The actuarial assumptions used in the July 1, 2024 valuation, were based on the results of an actuarial experience study for the period July 1 2018, through June 30, 2023.

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, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes, retirees under a state administered retirement system must provide proof of health insurance coverage (to include Medicate) 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. For the fiscal year ended June 30, 2024, the contribution rate was 2.00% of payroll, pursuant to Section 112.363, Florida Statutes.

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 \$80,387 for the fiscal year ended September 30, 2024.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 12 – Employees’ Pension Plans – continued

HIS Pension Plan- continued

Net Pension Liability

At September 30, 2024, the City reported the following net pension liability:

	<u>HIS Pension Plan</u>
City's Proportion	0.0087032050%
City's Proportionate Share of	
Net Pension Liability	\$1,305,566

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, 2024, the City’s proportion increased by .000629297% from its proportion measured as of June 30, 2023.

Discount Rate

The discount rate used to measure the total pension liability was 3.93% for the HIS Pension Plan’s fiscal year ended June 30, 2024. 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, 2024 actuarial valuation, was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

	<u>HIS Pension Plan</u>
Inflation	2.40%
Salary Increases	3.50%
Mortality Table	Generational PUB-2010 with Projection Scale MP-2021
	Individual
Actuarial Cost Method	Entry Age

The actuarial assumptions used in the July 1, 2024 valuation, were based on the results of an actuarial experience study for the period July 1 2018, through June 30, 2023.

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 3.93%, 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 (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1 % Decrease 2.93%	Current Discount Rate 3.93%	1 % Increase 4.93%
City’s Proportionate Share of the Net Pension Liability	\$1,486,219	\$1,305,566	1,155,595

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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.

The Investment plan is funded with the same employer and employee contribution rates that are based on salary and membership class as the FRS defined benefit plan. These blended rates include the applicable taxes for the unfunded actuarial accrued liability of the FRS defined benefit plan was 2.00% HIS contribution rates for the year 2024, and .06% administrative fee. 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 (employer and employee) during the 2023-2024 fiscal year were as follows:

Class	Year Beginning July 1, 2023		Year Beginning July 1, 2024	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer ⁽¹⁾	Employee	Employer ⁽¹⁾
Regular	3.00	13.57	3.00	13.63
Elected Officers	3.00	58.68	3.00	58.68
Senior Management Service	3.00	34.52	3.00	34.52
Special Risk Regular	3.00	32.67	3.00	32.79

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, 2024, 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.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 12 – Employees’ Pension Plans – continued

FRS Investment Plan - continued

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.

Additional Disclosures– Defined Benefit Plans

Contributions- The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members’ accounts (employee and employer) during the Investment Plan’s fiscal years ending June 30, 2024 and June 30, 2025, were as follows:

	Fiscal year ending June 30, 2025	Fiscal year ending June 30, 2024
	Percent of Gross	Percent of Gross
Class	Compensation	Compensation
Regular	8.30	8.30
Elected Officers	13.34	13.34
Senior Management Service	9.67	9.67
Special Risk Regular	16.00	16.00

The City’s Investment Plan pension expense totaled \$59,815 for the fiscal year ended September 30, 2024.

	Fire fighter's			
	Plan	FRS	HIS	Total
Net Pension Liability	50,897	4,901,262	1,305,566	6,257,725

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 12 – Employees’ Pension Plans – continued

Additional Disclosures— Defined Benefit Plans - continued

Deferred Outflows of Resource

	Fire fighter's Plan	FRS	HIS	Total
Employer Contributions				
After Measurement Date		224,497	22,926	247,423
Difference Between Expected and Actual Experience		495,159	12,606	507,765
Changes in Assumptions		671,763	23,105	694,868
Net Difference Between Projected and Actual Earnings on Investments	-	-	-	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions		460,636	173,406	634,042
Total Deferred Outflows of Resources	-	1,852,055	232,043	2,084,098

Deferred Inflows of Resources

	Fire fighter's Plan	FRS	HIS	Total
Difference Between Expected and Actual Experience			2,507	2,507
Changes in Assumptions			154,562	154,562
Net Difference Between Projected and Actual Earnings on Investments	112,451	325,763	472	438,686
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions		285,696	47,297	332,993
Total Deferred Inflows of Resources	112,451	611,459	204,838	928,748

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 12 – Employees’ Pension Plans – continued

Additional Disclosures-- Defined Benefit Plans - continued

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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending	Firefighter's Plan Amount	FRS Amount	HIS Amount
2025	(24,123)	(96,243)	11,208
2026	19,088	817,727	2,797
2027	(62,559)	131,602	(14,033)
2028	(44,857)	93,926	(2,790)
2029		69,087	5,892
Thereafter			1,205
Total	<u>(112,451)</u>	<u>1,016,099</u>	<u>4,279</u>

Pension Expense

For the year ended September 30, 2024, the City recognized pension expense from the defined benefit pension plans as follows:

Firefighter's Plan	45,594
FRS	737,014
HIS	84,941
Total	<u>867,549</u>

Payables to the Pension Plan

At September 30, 2024, the City did not report any payables to the pension plans for the outstanding amount of contributions.

Deferred Employee Benefits:

The City provides its employees with two deferred compensation plans, created in accordance with Internal Revenue Code Section 457(b). The assets of these plans are administered by The Legend Group and Pebeco-Nationwide Retirement Solutions. The plans have been amended to include provisions changed by the Economic Growth and Tax Relief Reconciliation Act of 2001. Annual employee contributions of \$312 for fiscal year ended September 30, 2024, are optional and determined by the participant as a percentage of compensation. Such contributions may not exceed the lesser of \$23,000 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, 2024.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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.

Employees Covered by Benefit Terms

At October 1, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	0
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	67
	<u>67</u>

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, 2024.

The measurement period for the OPEB expense was October 1, 2023 to September 30, 2024.

The reporting period is October 1, 2023 through September 30, 2024.

The City's Total OPEB Liability was measured as of September 30, 2024.

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2022, updated to September 30, 2024 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.06%
Initial Trend Rate	7.25%
Ultimate Trend Rate	4.00%
Years to Ultimate	52

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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

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 4.06%. 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.

OPEB Expense

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

For the year ended September 30, 2024, the City will recognize OPEB Expense/(Revenue) of \$47,237

CHANGES IN TOTAL OPEB LIABILITY

	Increases and Decreases in Total OPEB Liability
Reporting Period Ending September 30, 2023	\$ 185,227
Changes for a Year:	
Service Cost	8,823
Interest	9,374
Differences Between Expected and Actual Experience	-
Changes of Assumptions	26,460
Changes of Benefit Terms	-
Contributions - Employer	-
Benefit Payments	(3,190)
Other Changes	-
Net Changes	41,467
Reporting Period Ending September 30, 2023	\$ 226,694

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

Changes of assumptions:

Changes of assumptions reflect a change in the discount rate from 4.87% for the fiscal year ending September 30, 2023 to 4.06% for the fiscal year ending September 30, 2024.

Fiscal Year Ending September 30, 2024:	4.06%
Fiscal Year Ending September 30, 2023:	4.87%
Fiscal Year Ending September 30, 2022:	4.77%

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

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

OPEB Expense - continued

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

Benefit Payments:

The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2024. Expected new benefit payments produced by the valuation model for the same period are shown in the table above.

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

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

	1% Decrease 3.06%	Current Discount Rate 4.06%	1% Increase 5.06%
Total OPEB Liability (Asset)	\$ 266,306	\$ 226,694	\$ 194,622

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

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

	1% Decrease 3.00 - 6.25%	Healthcare Cost Trend Rates 4.00% - 7.25%	1% Increase 5.00 - 8.25%
Total OPEB Liability (Asset)	\$ 188,999	\$ 226,694	\$ 273,859

Note 14 – Leases and SBITAs

The City Leases Copiers and a Postage Machine. The leases have various terms. The lease is not renewable and the City will not acquire the equipment at the end of the agreement period.

This year the City entered into several vehicle lease agreements. The city does not hold the vehicle title but does report this debt as a right-to-use asset.

The City Police department entered into a subscription-based information technology agreement (SBITA) for the management and storage of body camera images. The 5-year contract requires an upfront payment of \$9,899 for initial installation of remote access and annual license installments due July 1st. The contract end date is July 31, 2028.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 14 – Leases and SBITAs – continued

City of Live Oak Leases and SBITAS

Governmental Activities:

Leases						
Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance 9/30/2024
Admin - Copier	8/1/2020	4 years	\$ 2,804	15.51%	\$ 11,205	\$ 2,173
Admin - Postage Machine	7/20/2020	5 years	1,635	18.39%	5,324	1,138
Annex - Copier	8/23/2021	4 years	2,848	15.53%	11,398	2,216
Fire - Copier	4/7/2021	4 years	1,112	15.53%	4,448	616
Street-Ford Pick-up	3/5/2024	3 years	8,025	6.49%	24,076	17,913
Street - Ford Pick-up	12/1/2029	3 years	2,470	7.95%	19,922	11,598
Street - Chevy Pick-up	12/5/2029	3 years	8,389	7.95%	26,790	11,182
Street- Dodge Pick-up	6/1/2029	3 years	7,649	7.25%	27,142	12,097
Total						\$ 58,933

SBITAS						
Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance 9/30/2024
Police - SBITA	5/1/2023	5 years	9,899	6.55%	45,366	\$ 28,297

Business-type activities:

Leases						
Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance 9/30/2024
Public Works -Water - Copier	10/1/2021	4 years	1,950	18.39%	\$ 2,851	\$ 1,102
WWTP - Ford Pick-up	12/1/2029	3 years	10,468	7.95%	33,429	13,952
Water - Dodge Pick-up	6/1/2029	3 years	7,649	7.25%	19,922	11,598
Total						\$ 26,652

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 14 – Leases and SBITAs – continued

City of Live Oak Leases and SBITAs

Annual requirements to amortize long-term obligations and related interest are as follows:

Governmental Activities:

Leases	Year	Principal	Interest
	2025	39,110	2,704
	2026	16,531	234
	2027	3,292	-
		<u>\$ 58,933</u>	<u>\$ 2,938</u>

SBITAs	Year	Principal	Interest
	2025	8,441	1,853
	2026	9,406	1,301
	2027	10,451	685
		<u>\$ 28,298</u>	<u>\$ 3,839</u>

Business-type activities:

Leases	Year	Principal	Interest
	2025	19,225	1,458
	2026	7,427	199
		<u>\$ 26,652</u>	<u>\$ 1,657</u>

Note 15 – 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 16 – Commitments and Contingencies

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

Note 17 – 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 18 – 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.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2024

Note 18 – Fund Balance Classifications (continued)

Spendable Fund Balance

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

The City designates 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 19 – Economic Dependency

The City has provided utility services to the Suwannee Correctional Institution since 2011. Their contract expired January of 2021 and reverted to the original contract for several months. A new contract was negotiated with Department of Corrections for a monthly water and sewer rate of \$92,113.50, providing an annual revenue of \$1,105,362 through January of 2028. During the year ended September 30, 2024 total water and sewer fund operating revenue was \$6,550,231. Of this amount, \$1,105,362 or 18% was paid by the State of Florida Department of Corrections associated with the Suwannee Correctional Institution.

During the year-ended September 30, 2024 total gas revenue was \$873,455. Pilgrim’s Pride remitted \$261,500 which represents 30% of the total revenue.

Note 20 – Subsequent Events

The following events have been completed or have made substantial progress/impact subsequent to September 30, 2024.

Many damages from Hurricanes Idalia, Debby, and Helene have been completed. Decorative lighting downtown is still in process, as well as several building repairs still need to be procured. Insurance reimbursements have been forthcoming as damage reports were made. The beginning of fiscal year 2025, the City has begun receiving FEMA funds from Hurricane Idalia. Staff continues to work on FEMA reimbursement requests for all projects.

During the first quarter of 2025 the City determined they were a victim of fraudulent request for information resulting in a loss. The report to Law Enforcement is currently an active criminal investigation. The loss claim with our insurance provider is currently under review.

The District 2 roadway project was complete in December. The \$600,000 project paved segments of Horne, Center, Lincoln and was funded with City funds.

Required Supplemental Information

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
General Property Taxes:				
Ad Valorem Taxes	\$ 2,738,380	\$ 2,738,380	\$ 3,089,420	\$ 351,040
In lieu of Ad Valorem Property Taxes	221,700	221,700	239,527	17,827
Utility Tax	695,500	695,500	803,147	107,647
Fire Fee	380,000	380,000	390,858	10,858
Franchise Fees:				
Power and Light	495,750	495,750	583,130	87,380
Telecommunications	322,618	322,618	323,908	1,290
Total Taxes	4,853,948	4,853,948	5,429,990	576,042
Licenses and Permits:				
Business Tax Receipts	106,000	106,000	77,167	(28,833)
Building Permits	120,000	120,000	142,374	22,374
Other	15,000	15,000	18,050	3,050
Total Licenses and Permits	241,000	241,000	237,591	(3,409)
Intergovernmental Revenues:				
State Shared Revenues:				
Municipal Revenue Sharing	397,471	397,471	315,576	(81,895)
Motor Fuel Tax	90,000	90,000	87,283	(2,717)
Mobile Home Licenses	2,600	2,600	2,698	98
Beverage Tax	8,000	8,000	4,338	(3,662)
Sales Tax	458,335	458,335	464,952	6,617
Firefighter Supliment	4,000	4,000	4,468	468
Fuel Tax Refund	7,800	7,800	9,931	2,131
Mosquito Grant	-	-	31,134	31,134
Housing Authority in Lieu	20,000	20,000	17,357	(2,643)
Total Intergovernmental Revenues	988,206	988,206	937,737	(50,469)
Charges for Services:				
Pound Fees	1,000	1,000	1,300	300
Traffic Assistance	132,580	132,580	132,580	-
Right-of-way Maintenance - D.O.T.	60,000	60,000	62,000	2,000
Zoning Fees	13,000	13,000	31,546	18,546
Miscellaneous	7,900	7,900	11,307	3,407
Total Charges for Services	214,480	214,480	238,733	24,253
Fines and Forfeitures	13,100	13,100	20,899	7,799
Miscellaneous Revenues:				
Interest	40,000	40,000	169,913	129,913
Tower Rental	50,000	50,000	60,659	10,659
Cemetery Lots	30,000	30,000	39,025	9,025
Private Contributions	-	-	9,875	9,875
Other	4,500	4,500	59,380	54,880
Total Miscellaneous Revenues	124,500	124,500	338,852	214,352
Total Revenues	\$ 6,435,234	\$ 6,435,234	\$ 7,203,802	\$ 768,568

CITY OF LIVE OAK, FLORIDA
BUDGET COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures:				
General Government:				
Legislative:				
Personnel Services	\$ 199,070	\$ 199,070	\$ 191,063	\$ 8,007
Operating Expenses	48,185	\$ 48,185	43,760	4,425
	247,255	247,255	234,823	12,432
Financial and Administrative:				
Personnel Services	1,389,785	\$ 1,389,785	1,320,020	69,765
Operating Expenses	697,401	\$ 697,401	657,113	40,288
Capital Outlay	104,500	\$ 104,500	70,218	34,282
Debt Expense	40,180	\$ 40,180	5,785	34,395
	2,231,866	2,231,866	2,053,136	178,730
Total General Government	2,479,121	2,479,121	2,287,959	191,162
Public Safety:				
Law Enforcement:				
Personnel Services	1,807,320	\$ 1,807,320	1,684,234	123,086
Operating Expenses	282,920	\$ 282,920	216,821	66,099
Capital Outlay	173,000	\$ 173,000	114,086	58,914
Debt Expense	2,600	\$ 2,600	10,545	(7,945)
	2,265,840	2,265,840	2,025,686	240,154
Fire Protection:				
Personnel Services	1,453,150	\$ 1,453,150	1,397,098	56,052
Operating Expenses	225,795	\$ 225,795	172,422	53,373
Capital Outlay	-	\$ -	90,220	(90,220)
Debt Expense	1,200	\$ 1,200	1,112	88
	1,680,145	1,680,145	1,660,852	19,293
Inspection and Code Enforcement:				
Personnel Services	247,260	\$ 247,260	189,463	57,797
Operating Expenses	123,955	\$ 123,955	65,843	58,112
Capital Outlay	120,000	\$ 120,000	33,669	86,331
Debt Expense	1,350	\$ 1,350	1,936	(586)
	492,565	492,565	290,911	201,654
Animal Control:				
Personnel Services	62,900	\$ 62,900	59,209	3,691
Operating Expenses	34,300	\$ 34,300	21,814	12,486
Capital Outlay	35,000	\$ 35,000	-	35,000
Debt Expense	11,000	\$ 11,000	-	11,000
	143,200	143,200	81,023	62,177
Total Public Safety	4,581,750	4,581,750	4,058,472	523,278

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(Concluded)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Expenditures <i>(Concluded)</i>				
Transportation:				
Road and Street Facilities:				
Personnel Services	\$ 479,200	\$ 479,200	\$ 393,402	\$ 85,798
Operating Expenses	872,535	\$ 872,535	611,905	260,630
Capital Outlay	3,300,000	\$ 3,300,000	699,696	2,600,304
Debt Expense	21,000	\$ 21,000	32,356	(11,356)
	<u>4,672,735</u>	<u>4,672,735</u>	<u>1,737,359</u>	<u>2,935,376</u>
Culture and Recreation				
Operating Expenses	266,023	\$ 266,023	266,023	-
Capital Outlay	50,000	\$ 50,000	-	50,000
	<u>316,023</u>	<u>316,023</u>	<u>266,023</u>	<u>50,000</u>
Physical Environment:				
Personnel Services	190,800	\$ 190,800	149,344	41,456
Operating Expenses	32,750	\$ 32,750	37,556	(4,806)
Capital Outlay	8,000	\$ 8,000	-	8,000
	<u>231,550</u>	<u>231,550</u>	<u>186,900</u>	<u>44,650</u>
Human Services:				
Operating Expenses	69,143	\$ 69,143	61,384	7,759
	<u>69,143</u>	<u>69,143</u>	<u>61,384</u>	<u>7,759</u>
Total Expenditures	<u>12,350,322</u>	<u>12,350,322</u>	<u>8,598,097</u>	<u>3,752,225</u>
(Deficiency) Excess Revenues (Under) Over Expenditures	<u>(5,915,088)</u>	<u>(5,915,088)</u>	<u>(1,394,295)</u>	<u>4,520,793</u>
Other Financing Sources (Uses)				
Transfers from:				
Interfund ARPA Fund	-	-	1,384,099	1,384,099
Capital Projects Fund	2,530,000	\$ 2,530,000	562,732	(1,967,268)
Water and Sewer Utility Fund	821,463	\$ 821,463	821,463	-
Stormwater Fund	38,928	\$ 38,928	38,928	-
Gas Utility Fund	131,120	\$ 131,120	131,120	-
Sanitation Fund	278,630	\$ 278,630	278,630	-
Other Financing Sources - Leases and SBITAs	98,000	\$ 98,000	21,835	76,165
Cash Carry Forward	681,947	\$ 681,947	-	681,947
Transfers to:				
Community Redevelopment Tax Fund	360,000	\$ 360,000	(371,475)	(731,475)
Total Financing Sources (Uses)	<u>4,940,088</u>	<u>4,940,088</u>	<u>2,867,332</u>	<u>(556,532)</u>
(Deficiency) Excess of Revenue and Other sources (Under) Over Expenditures and Other Uses	-	-	1,473,037	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>5,579,571</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,052,608</u>	<u>\$ -</u>

*Budgetary control is exercised at function level. See page 38 for more information.

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 360,000	\$ 360,000	\$ 351,923	\$ (8,077)
Interest Earned	30,000	30,000	53,410	23,410
Total Revenues	<u>390,000</u>	<u>390,000</u>	<u>405,333</u>	<u>15,333</u>
Expenditures				
General Government	279,060	279,060	177,717	101,343
Economic Environment	287,000	287,000	140,485	146,515
Capital Outlay				
General Government	1,003,965	1,003,965	19,818	984,147
Transportation	300,000	300,000	272,919	27,081
Recreation	445,000	445,000	38,075	406,925
Total Expenditures	<u>2,315,025</u>	<u>2,315,025</u>	<u>649,014</u>	<u>1,666,011</u>
(Deficiency) Excess of Revenue (Under) Over Expenditures	<u>(1,925,025)</u>	<u>(1,925,025)</u>	<u>(243,681)</u>	<u>1,681,344</u>
Other Financing Resources (Uses)				
Donations				
Transfers in				
General Fund	<u>360,000</u>	<u>360,000</u>	<u>371,475</u>	<u>11,475</u>
Transfers out:				
Transfer to Stormwater Fund	<u>150,000</u>	<u>150,000</u>	<u>(150,000)</u>	
Total Other Financing Sources (Uses)	<u>510,000</u>	<u>510,000</u>	<u>221,475</u>	<u>(288,525)</u>
(Deficiency) Excess of Revenues and Other Sources (Under) Over Expenditures	<u>(1,415,025)</u>	<u>(1,415,025)</u>	<u>(22,206)</u>	<u>1,392,819</u>
Fund Balance, Beginning of Year	<u> </u>	<u> </u>	<u>1,588,239</u>	<u> </u>
Fund Balance, End of Year	<u> </u>	<u> </u>	<u>\$ 1,566,033</u>	<u> </u>

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Interest Earned	\$ 6,000	\$ 6,000	\$ 83,520	\$ 77,520
Intergovernmental Grant	-	-	1,663,600	1,663,600
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>1,747,120</u>	<u>1,741,120</u>
Expenditures				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Deficiency) Excess of Revenue (Under) Over Expenditures	<u>6,000</u>	<u>6,000</u>	<u>1,747,120</u>	<u>1,741,120</u>
Other Financing Resources (Uses)				
Transfers from:				
Cash Carry Forward	<u>2,840,312</u>	<u>2,840,312</u>	<u>-</u>	<u>(2,840,312)</u>
Transfer to General Fund			(1,384,099)	
Transfer to Utility Fund	<u>(2,846,312)</u>	<u>\$ (2,846,312)</u>	<u>(279,491)</u>	
Total Other Financing Sources (Uses)	<u>(6,000)</u>	<u>(6,000)</u>	<u>(1,663,590)</u>	<u>(1,657,590)</u>
(Deficiency) Excess of Revenues and Other Sources (Under) Over Expenditures	-	-	83,530	
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>72,206</u>	
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,736</u>	

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

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Total Pension Liability										
Interest	111,542	117,457	124,424	124,432	134,560	136,697	141,363	142,480	135,680	138,318
Differences between Expected vs Actual Experience	-	-	-	-	38,923	16,213	-21,441	26,766	27,974	15,106
Changes in Assumptions	41,863	(29,992)	-	-	55,153	-	-		115,424	-
Benefit Payments, Including										
Refunds of Employee Contributions	(175,085)	(175,085)	(176,506)	(176,284)	(182,383)	(180,439)	(183,822)	(184,462)	(192,342)	(184,871)
Net Change in Total Pension Liability	(21,680)	(87,620)	(52,082)	(51,852)	46,253	(27,529)	(63,900)	(15,216)	86,736	(31,447)
Total Pension Liability - Beginning	1,740,021	1,827,641	1,879,723	1,931,575	1,885,322	1,912,851	1,976,751	1,991,967	1,905,231	1,936,678
Total Pension Liability - Ending (a)	<u>\$1,718,341</u>	<u>\$1,740,021</u>	<u>\$1,827,641</u>	<u>\$1,879,723</u>	<u>\$1,931,575</u>	<u>\$1,885,322</u>	<u>\$1,912,851</u>	<u>\$1,976,751</u>	<u>\$1,991,967</u>	<u>\$1,905,231</u>
Plan Fiduciary Net Position										
Contributions - Employer	73,256	73,256	60,869	60,869	53,782	53,782	57,179	56,011	43,177	27,114
Net Investment Income	318,922	178,744	(290,189)	320,993	90,843	45,985	167,912	194,641	108,639	(32,672)
Benefit Payments, Including										
Refunds of Employee Contributions	(175,085)	(175,085)	(176,506)	(176,284)	(182,383)	(180,439)	(183,822)	(184,462)	(192,342)	(184,871)
Administrative Expense	(5,161)	(18,215)	(7,986)	(14,579)	(7,986)	(13,904)	(17,008)	(15,879)	(1,837)	-
Net Change in Plan Fiduciary Net Position	211,932	58,700	(413,812)	190,999	(45,744)	(94,576)	24,261	50,311	(42,363)	(190,429)
Plan Fiduciary Net Position - Beginning	1,455,512	1,396,812	1,810,624	1,619,625	1,665,369	1,759,945	1,735,684	1,685,373	1,727,736	1,918,165
Plan Fiduciary Net Position - Ending (b)	<u>\$1,667,444</u>	<u>\$1,455,512</u>	<u>1,396,812</u>	<u>\$1,810,624</u>	<u>\$1,619,625</u>	<u>\$1,665,369</u>	<u>\$1,759,945</u>	<u>\$1,735,684</u>	<u>\$1,685,373</u>	<u>\$1,727,736</u>
Net Pension Liability - Ending (a) - (b)	<u>\$50,897</u>	<u>\$284,509</u>	<u>\$430,829</u>	<u>\$69,099</u>	<u>\$311,950</u>	<u>\$219,953</u>	<u>\$152,906</u>	<u>\$241,067</u>	<u>\$306,594</u>	<u>\$177,495</u>
Plan Fiduciary Net Position as a										
Percentage of the Total Pension Liability	97.04%	83.65%	76.43%	96.32%	83.85%	88.33%	92.01%	87.80%	84.61%	90.68%

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

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.

Changes of assumptions

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

CITY OF LIVE OAK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SUBSTITUTE FIREFIGHTER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contributions Deficiency (Excess)	Covered Employee Payroll	Contributions as a percentage of Covered Employee Payroll
9/30/2024	\$ 73,256	\$ 73,256	\$ -	N/A	N/A
9/30/2023	\$ 73,256	\$ 73,256	\$ -	N/A	N/A
9/30/2022	\$ 60,869	\$ 60,869	\$ -	N/A	N/A
9/30/2021	\$ 60,869	\$ 60,869	\$ -	N/A	N/A
9/30/2020	\$ 53,782	\$ 53,782	\$ -	N/A	N/A
9/30/2019	\$ 53,782	\$ 53,782	\$ -	N/A	N/A
9/30/2018	\$ 57,179	\$ 57,179	\$ -	N/A	N/A
9/30/2017	\$ 56,011	\$ 56,011	\$ -	N/A	N/A
9/30/2016	\$ 43,177	\$ 43,177	\$ -	N/A	N/A
9/30/2015	\$ 25,887	\$ 27,114	\$ (1,227)	N/A	N/A

Notes to Schedule

Valuation Date: 10/1/2022

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

Methods and assumptions used to determine contribution rates can be found in October 1, 2022. Actuarial Valuation for the City of Live Oak Firefighters' Substitute Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Mortality Rate: *Healthy Retiree:*
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.
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
For 2024 the inflation rate assumption of the investment advisor was 2.50%.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees.

Interest Rate: 6.75% per year compounded annually, gross of investment-related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Payroll Growth: none

Asset Method: Fair Market Value

Funding Method: Aggregate Actuarial Cost Method

CITY OF LIVE OAK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SUBSTITUTE FIREFIGHTER PENSION PLANS
SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return
	Net of Investment Expense
9/30/2024	22.72%
9/30/2023	13.20%
9/30/2022	-16.58%
9/30/2021	20.54%
9/30/2020	5.66%
9/30/2019	2.72%
9/30/2018	9.99%
9/30/2017	12.06%
9/30/2016	6.56%
9/30/2015	-1.76%

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

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
City's Proportion of the FRS Net Pension Plan	0.01266976825%	0.01130200600%	0.010744895%	0.012325665%	0.012973489%	0.013696881%	0.013002250%	0.012486026%	0.012796910%	0.012608384%
City's Proportionate Share of the FRS Net Pension Plan	4,901,262	4,503,591	3,997,964	931,064	5,622,902	4,717,015	3,916,345	3,693,283	3,231,230	1,628,542
City's Covered-Employee Payroll (6/30)	3,684,200	3,199,518	2,753,434	2,870,000	2,483,735	2,536,325	2,378,735	2,284,880	2,267,892	1,835,301
City's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered-Employee Payroll	133.03%	140.76%	145.20%	32.44%	226.39%	185.98%	164.64%	161.64%	142.48%	88.73%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

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
HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
City's Proportion of the HIS Net Pension Plan	0.008703205%	0.008073908%	0.007553852%	0.008105052%	0.007154758%	0.007582135%	0.007281423%	0.007166783%	0.007344800%	0.007969916%
City's Proportionate Share of the HIS Net Pension Plan	1,305,566	1,282,244	800,074	994,206	873,584	848,365	770,674	766,305	856,011	812,806
City's Covered-Employee Payroll (6/30)	3,684,200	3,199,518	2,753,434	2,870,000	2,483,735	2,536,325	2,378,735	2,284,880	2,267,892	1,835,301
City's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered- Employee Payroll	35.44%	40.08%	29.06%	34.64%	35.17%	33.45%	32.40%	33.54%	37.74%	44.29%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.99%

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

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

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2024**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Contractually Required Contribution	788,909	583,640	457,570	479,839	435,952	414,561	385,401	323,424	330,190	310,709
FRS Contribution in Relation to the										
Contractually Required Contribution	<u>(788,909)</u>	<u>(583,640)</u>	<u>(457,570)</u>	<u>(479,839)</u>	<u>(435,952)</u>	<u>(414,561)</u>	<u>(385,401)</u>	<u>(323,424)</u>	<u>(330,190)</u>	<u>(310,709)</u>
FRS Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's Covered-Employee Payroll (FYE 9/30)	4,019,350	3,365,066	2,745,422	2,934,523	2,507,952	2,473,718	2,396,262	2,015,895	1,490,336	1,737,938
FRS Contributions as a Percentage of										
Covered-Employee Payroll	19.63%	17.34%	16.67%	16.35%	17.38%	16.76%	16.08%	16.04%	22.16%	17.88%

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Contractually Required Contribution	80,387	58,618	45,574	48,585	41,632	41,072	39,826	33,464	24,740	21,898
HIS Contribution in Relation to the										
Contractually Required Contribution	<u>(80,387)</u>	<u>(58,618)</u>	<u>(45,574)</u>	<u>(48,585)</u>	<u>(41,632)</u>	<u>(41,072)</u>	<u>(39,826)</u>	<u>(33,464)</u>	<u>(24,740)</u>	<u>(21,898)</u>
HIS Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's Covered-Employee Payroll (FYE 9/30)	4,019,350	3,365,066	2,745,422	2,934,523	2,507,952	2,473,718	2,396,262	2,015,895	1,490,336	1,737,938
HIS Contributions as a Percentage of										
Covered-Employee Payroll	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%

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

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

Reporting Period Ending/ Measurement Date	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability							
Service Cost	8,823	12,382	32,640	31,196	21,799	21,243	22,887
Interest	9,374	11,775	11,162	8,917	14,760	16,950	15,182
Differences between Expected and Actual Experience	-	(98,204)	-	(44,571)	(49,765)	-	-
Changes of benefit terms			-			-	-
Changes of Assumptions	26,460	(71,257)	(131,801)	8,706	15,909	35,954	(30,938)
Benefit Payments	(3,190)	4,220	(7,851)	(7,311)	(18,443)	(17,800)	(16,368)
Net Change in Total OPEB Liability	41,467	(149,524)	(95,850)	(3,063)	(15,740)	56,347	(9,237)
Total OPEB Liability - Beginning	185,227	334,751	430,601	433,664	449,404	393,057	402,294
Total OPEB Liability - Ending	226,694	185,227	334,751	430,601	433,664	449,404	393,057
Covered Employee Payroll (Projected)	\$ 2,878,050	\$ 2,807,854	\$ 2,862,377	\$ 2,792,563	\$ 2,351,736	\$ 2,316,469	\$ 2,259,970
Total OPEB Liability as a % of Covered Employee Payroll	7.88%	6.60%	11.69%	15.42%	18.44%	19.40%	17.39%

Notes to Schedule:

Covered Payroll:

Covered payroll is projected to the measurement date based on actual covered payroll as of the valuation date using applicable salary increase assumptions. The above schedule will build to 10 years as information becomes available.

Changes of assumptions

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

Fiscal Year Ending September 30, 2024	4.06%
Fiscal Year Ending September 30, 2023	4.87%
Fiscal Year Ending September 30, 2022	4.77%
Fiscal Year Ending September 30, 2021	2.43%
Fiscal Year Ending September 30, 2020	2.14%
Fiscal Year Ending September 30, 2019	3.58%
Fiscal Year Ending September 30, 2018	4.18%

Combining and Individual Fund Financial Statements

**CITY OF LIVE OAK, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Local Government Fund	State Grant Fund	Special Project Fund	Victim's Advocate Fund	Public Safety Fund	Total
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 20,733	\$ 20,733
Due from other funds/internal balance	115,648	-	-	-	-	115,648
Due from other governments	-	95,595	\$ 2,614	5,745	-	103,954
Total Assets	<u>115,648</u>	<u>95,595</u>	<u>2,614</u>	<u>5,745</u>	<u>20,733</u>	<u>240,335</u>
Liabilities and Fund Balances:						
Liabilities:						
Due to other funds/internal balance	-	95,595	2,614	5,745	-	103,954
Unearned revenue	-	-	-	-	8,630	8,630
Total Liabilities	<u>-</u>	<u>95,595</u>	<u>2,614</u>	<u>5,745</u>	<u>8,630</u>	<u>112,584</u>
Fund Balances:						
Restricted for:						
Law enforcement	15,648	-	-	-	12,103	27,751
Recreation	100,000	-	-	-	-	100,000
Total Fund Balances	<u>115,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,103</u>	<u>127,751</u>
Total Liabilities and Fund Balances	<u>\$ 115,648</u>	<u>\$ 95,595</u>	<u>\$ 2,614</u>	<u>\$ 5,745</u>	<u>\$ 20,733</u>	<u>\$ 240,335</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Local Government Fund	State Grant Fund	Special Project Fund	Victim's Advocate Fund	Public Safety Fund	Total
Revenues:						
Intergovernmental	\$ -	\$ 88,996	\$ 34,265	\$ 30,993	\$ -	\$ 154,254
Donation-private	11,750	-	-	-	-	11,750
Interest	-	-	-	-	1	1
Fines and Forfeitures	-	-	-	-	1,052	1,052
Total Revenues	<u>11,750</u>	<u>88,996</u>	<u>34,265</u>	<u>30,993</u>	<u>1,053</u>	<u>167,057</u>
Expenditures:						
General Government	1687	-	-	-	-	1,687
Public Safety	3,897	-	34,265	30,993	-	69,155
Culture/Recreation	-	88,996	-	-	-	88,996
Human Services	3,925	-	-	-	-	3,925
Total Expenditures	<u>9,509</u>	<u>88,996</u>	<u>34,265</u>	<u>30,993</u>	<u>-</u>	<u>163,763</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	2,241	-	-	-	1,053	3,294
Fund Balances, Beginning of Year	<u>113,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,050</u>	<u>124,457</u>
Fund Balances, End of Year	<u>\$ 115,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,103</u>	<u>\$ 127,751</u>

Capital Assets
Used in the Operation of Governmental Funds

CITY OF LIVE OAK, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
SEPTEMBER 30, 2024 AND 2023

	2024	2023
Governmental Funds Capital Assets:		
Land	\$ 1,853,263	\$ 1,853,263
Buildings	5,100,774	4,847,276
Improvements other than buildings	2,303,048	2,281,048
Machinery and equipment	4,739,235	4,570,288
Right-To-Use Assets Under Leases	129,023	107,188
Right-To-Use Assets Under SBITA	45,366	45,366
Infrastructure	10,230,961	9,920,237
Construction work in progress	691,697	139,006
Total governmental fund capital assets	<u>25,093,367</u>	<u>23,763,672</u>
Investments in Governmental Funds Capital Assets by Source:		
General Fund	10,579,222	9,669,110
Special Revenue Funds	1,496,887	1,485,843
Capital Projects Fund	76,366	76,366
Federal, State, and County Grants	9,041,532	8,623,192
General Obligation Bonds	359,781	359,781
Grants and other contributed capital	3,539,579	3,539,579
Total investment in governmental funds capital assets	<u>\$ 25,093,367</u>	<u>\$ 23,763,672</u>

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, 2024

Function and Activity	Land	Buildings	Improve- ments Other Than Buildings	Machinery and Equipment	Right-to- Use Assets Under Leases	Right-to-Use Assets Under SBITA	Infra- structure	Construction Work in Progress	Total
General Government:									
Legislative	\$ -	\$ -	\$ -	\$ 45,599	\$ -	\$ -	\$ -	\$ -	45,599
Financial and Administrative	1,516,444	3,052,770	458,434	483,446	25,412	-	-	1,500	5,538,006
	1,516,444	3,052,770	458,434	529,045	25,412	-	-	1,500	5,583,605
Public Safety:									
Police protection	40,000	838,772		1,370,775	4,881	45,366	-		2,299,794
Protective Insp.	40,000	445,105	-	77,969	-	-	-	-	563,074
Fire protection	35,576	655,970	-	1,641,876	3,041	-	-	-	2,336,463
	115,576	1,939,847	-	3,090,620	7,922	45,366	-	-	5,199,331
Transportation:									
Roads and Streets Facilities	174,013	-	-	1,034,130	95,689	-	7,976,628	690,197	9,970,657
Maintenance	-	91,981	-	85,440	-	-	-	-	177,421
	174,013	91,981	-	1,119,570	95,689	-	7,976,628	690,197	10,148,078
Physical Environment:									
Cemetery	47,230	16,176	-	-	-	-	-	-	63,406
Other	-	-	1,844,614	-	-	-	2,254,333	-	4,098,947
	47,230	16,176	1,844,614	-	-	-	2,254,333	-	4,162,353
Total governmental Capital Assets	<u>\$ 1,853,263</u>	<u>\$ 5,100,774</u>	<u>\$ 2,303,048</u>	<u>\$ 4,739,235</u>	<u>\$ 129,023</u>	<u>\$ 45,366</u>	<u>\$ 10,230,961</u>	<u>\$ 691,697</u>	<u>\$ 25,093,367</u>

CITY OF LIVE OAK, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Function and Activity	Governmental Funds Capital Assets 09/30/2023	Additions	Transfer/ Deletions	Governmental Funds Capital Assets 09/30/2024
General Government:				
Legislative	\$ 47,403	\$ -	\$ (1,804)	\$ 45,599
Financial and Administrative	5,264,787	295,754	(22,535)	5,538,006
	<u>5,312,190</u>	<u>295,754</u>	<u>(24,339)</u>	<u>5,583,605</u>
Public Safety:				
Police protection	2,254,294	124,086	(78,586)	2,299,794
Protective Inspection	563,074	-	-	563,074
Fire protection	2,371,980	90,221	(125,738)	2,336,463
	<u>5,189,348</u>	<u>214,307</u>	<u>(204,324)</u>	<u>5,199,331</u>
Transportation:				
Roads and Streets Facilities	9,241,720	801,450	(72,513)	9,970,657
Maintenance	168,784	8,637	-	177,421
	<u>9,410,504</u>	<u>810,087</u>	<u>(72,513)</u>	<u>10,148,078</u>
Physical Environment:				
Cemetery	63,406	-	-	63,406
Other	3,788,224	272,919	37,804	4,098,947
	<u>3,851,630</u>	<u>272,919</u>	<u>37,804</u>	<u>4,162,353</u>
Total governmental funds capital assets	<u>\$ 23,763,672</u>	<u>\$ 1,593,067</u>	<u>\$ (263,372)</u>	<u>\$ 25,093,367</u>

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

CITY OF LIVE OAK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Federal Agency Pass-through Entity Federal Program	Assistance Listing #	Contract/Grant Number	Expenditures
Passed through the Office of the Attorney General Victim's Advocate Victims of Crime Act (VOCA)	16.575	VOCA-2023-LIVE OAK POLICE DEPARTMENT -00232	30,993
Total all U.S. Department of Justice			<u>30,993</u>
National Highway Traffic Safety Administration Passed through the Florida Department of Transportation Occupant Protection	20.600	G2G45	5,994
Speed and Aggressive Driving	20.600	G2G66	18,006
Subtotal of ALN 20.600			<u>24,000</u>
U.S. Department of Treasury (SLFRP) Passed through Florida Department of Environmental Protection Passed through Suwannee River Water Management District Live Oak Septic to Sewer to Reuse	21.027	WG051	55,329
U.S. Department of Treasury (SLFRP) Passed through Florida Department of Environmental Protection Coronavirus State & Local Fiscal Recovery Funds	21.027	WG051	1,663,600
Subtotal of ALN 21.027			<u>1,718,929</u>
Total all U.S. Department of Treasury			<u>1,718,929</u>
Total Expenditures of Federal Awards			<u>1,773,922</u>
State Agency Pass-through Entity	CSFA#	Contract/Grant Number	Expenditures
Florida Department of Commerce Regional Community Development and Infrastructure	40.042	DO288	32,000
Florida Department of Environmental Protection Statewide Quality Restoration Projects LI 1705A	37.039	LPA	212,115
Florida Department of Forestry Cooperative Forestry Assistance	10.664	VFA	10,266
Florida Department of Agricultural and Consumer Services Division of Agricultural Environmental Services City of Live Oak Mosquito Control	42.003	29518	31,134
Florida Recreation Development Assistant Program Baker Park	37.017	A23050	42,845
Azalea Park	37.017	A23053	46,151
Subtotal of CSFA# 37.017			<u>88,996</u>
Total Expenditures of State Financial Assistance			<u>374,511</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u><u>2,148,433</u></u>

CITY OF LIVE OAK, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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, 2024. There were no loan expenditures incurred during the year ended September 30, 2024.

All FDEP Program Title Expenditures Loan Amounts	Assistance	
U.S. Department of Environmental Protection	Listing #	Outstanding
State Revolving Fund Loan No. WW66206P	66.458	188,059
State Revolving Fund Loan No. WW662080	66.458	659,520
State Revolving Fund Loan No. WW662111	66.458	5,968,567
State Revolving Fund Loan No. WW662110	66.458	86,498
State Revolving Fund Loan No. WW610201	66.458	52,859
State Revolving Fund Loan No. WW610220	66.458	853,276
State Revolving Fund Loan No. WW610200	66.458	485,696
State Revolving Fund Loan No. WW66207P	66.458	42,227
State Revolving Fund Loan No. WW662070	66.458	191,966
State Revolving Fund Loan No. DW610211	66.458	158,795
State Revolving Fund Loan No. DW610210	66.458	176,092
Total		8,863,555

4. De Minimis Indirect Cost Rate Election

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Live Oak, Florida (the City) as of and for the year ended September 30, 2024, 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 14, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 were not identified.

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The Honorable Mayor and
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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***

Report on Compliance and Other Matters

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

Purpose of this Report

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

Purvis Gray

May 14, 2025
Tallahassee, Florida

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Live Oak, Florida’s (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended September 30, 2024. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s federal programs.

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

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of non-compliance, which are required to be reported in accordance with the Uniform Guidance in the accompanying schedule of findings and questioned costs.

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

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Purvis Gray

May 14, 2025
Tallahassee, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
CITY OF LIVE OAK, FLORIDA**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal Control Over Major Federal Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of Major Federal Programs:	
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	Assistance Listing Number: 21.027
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low risk auditee?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

SECTION IV - SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There was no federal single audit requirement in the prior year; therefore, no matters were reported.

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 Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. 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 the procedures selected depend on our judgement, including an assessment of the risks 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

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

Purvis Gray

May 14, 2025
Tallahassee, Florida

CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Live Oak, Florida (the City) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 14, 2025.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *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 14, 2025, 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 is a municipal corporation created by Charter appearing as Chapter 21361, Page 1008, *Laws of Florida*, 1941, which became law on June 16, 1941.

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

MANAGEMENT LETTER

Financial Condition and Management

- Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) 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 the 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.

Property Assessed Clean Energy (PACE) Programs

- As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. The PACE program is actively involved in Suwannee County but is not active within the City Limits of Live Oak. Residents participating in the PACE program live in Suwannee County. The City has not passed a resolution nor an ordinance regarding the PACE program.
- As required by Section 10.554(1)(i)6.b., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the City, the City is required to include a list of all program administrators and third-party administrators that administered the program. As described above, no PACE program was authorized or operating within the geographical boundaries of the City during the fiscal year ended September 30, 2024.
- As required by Section 10.554(1)(i)6.c., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the City, the City is required to include the full names and contact information of each such program administrator and third-party administrator. As described above, no PACE program was authorized or operating within the geographical boundaries of the City during the fiscal year ended September 30, 2024.

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

MANAGEMENT LETTER

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. Information for the Community Redevelopment District (the CRA) is included in the separately issued financial statements of the CRA.

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 fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has 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 City Council, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

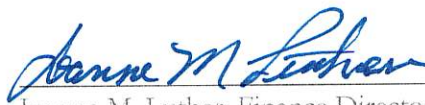
May 14, 2025
Tallahassee, Florida

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

FURTHER AFFIANT SAYETH NAUGHT.


Joanne M. Luther, Finance Director

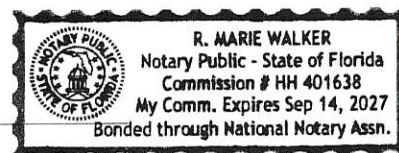
STATE OF FLORIDA
COUNTY OF SUWANNEE

SWORN TO AND SUBSCRIBED before me this 6th day of May, 2025


NOTARY PUBLIC
Print Name R. Marie Walker

Personally known ✓ or produced identification _____

Type of identification produced: _____



My Commission Expires:

9-14-2027