City of Live Oak

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



Audited Financial Statements and Independent Auditors Report - Year ended 9/30/2023

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS

CITY OF LIVE OAK, FLORIDA

SEPTEMBER 30, 2023

CITY OF LIVE OAK, FLORIDA

CITY OFFICIALS

September 30, 2023

Officials		Elected Term Expiration
Mayor		
Frank C. Davis		June 2026
City Council		
Tesie Allen		June 2024
David Burch		June 2024
Tommie Jefferson		June 2026
Matt Campbell		June 2026
Lynda Brown Owens		June 2024
City Clerk		
John Gill		June 2026
City Attorney		
Thomas J. Kennon		
City Administration		
Larry C. Sessions	City Manager	
Joanne M. Luther	Director of Finance	

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PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2023, 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, 2023, 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.

Emphasis of Matter

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements,* as of October 1, 2022. Our opinions are not modified with respect to this matter.

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.

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

INDEPENDENT AUDITOR'S REPORT

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.

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

INDEPENDENT AUDITOR'S REPORT

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.

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.

The capital asset schedules on pages 87 through 89 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2024, 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 15, 2024
Tallahassee, Florida


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

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, 2023, with selected comparative information for the fiscal year ended September 30, 2022. 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 2023 by $71,049,361 (net position). Requirements of GASB 68 ensure that all long-term debt is reflected in Net Position, therefore with the GASB 68 reporting, the 2023 Governmental Activities' Unrestricted Net Position is $195,304.
- The City's total net position increased by $4,579,396 or 6.9% The governmental activities net position increased by 1,517,944 including the current adjustment for GASB 68 long-term pension debt and the business-type net position increased by $3,061,452 or 7.2% and 6.8% respectively. This large increase is primarily due to ARPA grant funds.
- At the closing of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $14,236,214, an increase of $1,751,676 in comparison with the prior year. At that time, $5,420,613 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.

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 types of 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.

Government-Wide Financial Analysis

Our analysis of the government-wide financial statements of the City begins below. One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse off as a result of the year's activities?" The Summary of Net Position and the Summary of Activities report information about the City's activities in a way that will help answer this question. These two summaries report the net position of the City and changes in them. You can think of the City's net position – the difference between assets and liabilities – as one way to measure the financial health of financial position. Over time, 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, 2023:

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals		Total % Change
	2023	2022	2023	2022	2023	2022	2022-2023
Current and other assets	17,926,196	11,022,586	6,482,010	4,249,605	24,408,206	15,272,191	59.8%
Capital assets	14,006,857	13,631,807	52,864,474	51,399,953	66,871,331	65,031,760	2.8%
Total assets	31,933,053	30,055,926	59,346,484	57,209,280	91,279,537	80,303,951	13.7%
Total Deferred Outflows	1,619,741	1,622,102	39,753	36,147	1,659,494	1,658,249	0.1%
Current liabilities	3,729,353	491,808	1,241,588	1,718,965	4,970,941	2,210,773	124.9%
Noncurrent liabilities	6,320,682	5,595,017	9,831,449	9,853,813	16,152,131	15,448,830	4.6%
Total liabilities	10,050,035	9,545,022	11,073,037	11,987,417	21,123,072	17,659,603	19.6%
Total Deferred Inflows	752,645	900,836	13,953	20,215	766,598	921,051	-16.8%
Net Position							
Net Investment in capital assets	13,898,167	13,631,807	43,123,347	41,155,770	57,021,514	54,787,577	4.1%
Restricted for debt service	-	-	207,410	207,410	207,410	207,410	0.0%
Restricted for other purposes	8,656,643	7,740,344	821,673	673,673	9,478,316	8,414,017	12.6%
Unrestricted	195,304	(139,981)	4,146,817	3,200,942	4,342,121	3,060,961	41.9%
Total Net Position	22,750,114	21,232,170	48,299,247	45,237,795	71,049,361	66,469,965	6.9%

The majority of the City's net position, 80.3% and 75.7% at September 30, 2023 and 2022 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.

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 13.6% and 13.0% of net position at September 30, 2023 and 2022 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
	2023	2022	2023	2022	2023	2022	2023-2022
Revenues							
Program revenue							
Charges for services	461,282	473,266	8,966,369	8,362,333	9,427,651	8,835,599	6.70%
Capital Grants/Contributions	1,057,812	343,787	1,066,955	292,583	2,124,767	636,370	233.89%
Operating contributions	70,528	62,864	-	-	70,528	62,864	12.19%
General revenue							
Taxes	6,877,979	6,435,354	250,154	255,508	7,128,133	6,690,862	6.54%
Intergovernmental	435,097	431,774	-	-	435,097	431,774	0.77%
Investment earnings	343,581	35,409	65,432	7,601	409,013	43,010	850.97%
Miscellaneous	182,956	219,911	16,456	5,790	199,412	225,701	-11.65%
	9,429,235	8,002,365	10,365,366	8,923,815	19,794,601	16,926,180	16.95%
Expenses							
General government	1,931,032	1,787,899	-	-	1,931,032	1,787,899	8.01%
Public safety	4,048,975	3,023,874	-	-	4,048,975	3,023,874	33.90%
Transportation	1,523,181	1,122,100	-	-	1,523,181	1,122,100	35.74%
Physical environment	292,393	454,695	-	-	292,393	454,695	-35.69%
Human services	56,961	120,455	-	-	56,961	120,455	-52.71%
Economic Environment	41,196	98,550	-	-	41,196	98,550	-58.20%
Culture/recreation	397,259	387,629	-	-	397,259	387,629	2.48%
Water, sewer, stormwater, gas, and sanitation	-	-	6,924,208	6,759,526	6,924,208	6,759,526	2.44%
	8,290,997	6,995,202	6,924,208	6,759,526	15,215,205	13,754,728	10.6%
Changes in net position before transfers	1,138,238	1,007,163	3,441,158	2,164,289	4,579,396	3,171,452	44.39%
Interfund Services Provided (Used)	379,706	1,277,896	(379,706)	(1,277,896)	-	-	-
Change in net position	1,517,944	2,285,059	3,061,452	886,393	4,579,396	3,171,452	44.39%
Net position - beginning	21,232,170	18,947,111	45,237,795	44,351,402	66,469,965	63,298,513	5.01%
Net position - ending	22,750,114	21,232,170	48,299,247	45,237,795	71,049,361	66,469,965	6.89%

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The City's total revenue increased by 16.95% or $2,868,422. This was primarily due to an increase in Capital Grants of $1,488,397 and 233.89%, and increase in investment earnings of $366,003 and 850.97%.

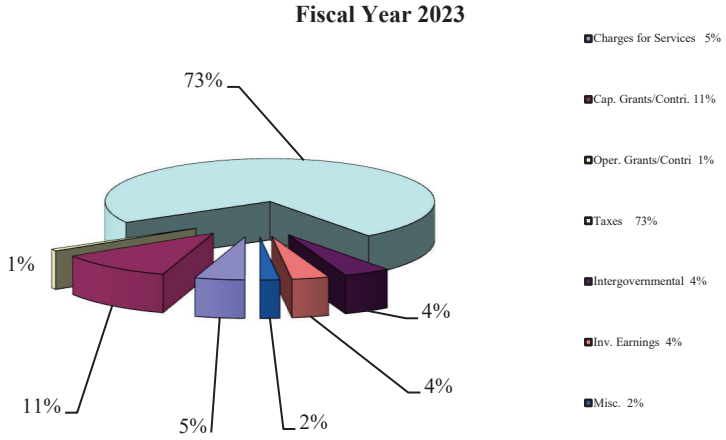
Governmental Activities

The cost of all governmental activities this year was $8.3 million compared to $6.9 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 $6.9 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 2023 from $879,917 to $1,589,622 due increased funding from Operating and Capital Grants.

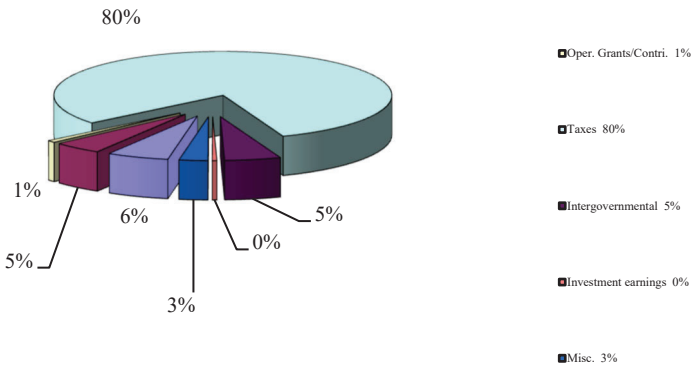
Below is a comparison of the composition of fiscal year 2022 and 2023 governmental funds revenues and expenses:

Revenue Comparison by Source

Fiscal Year 2023



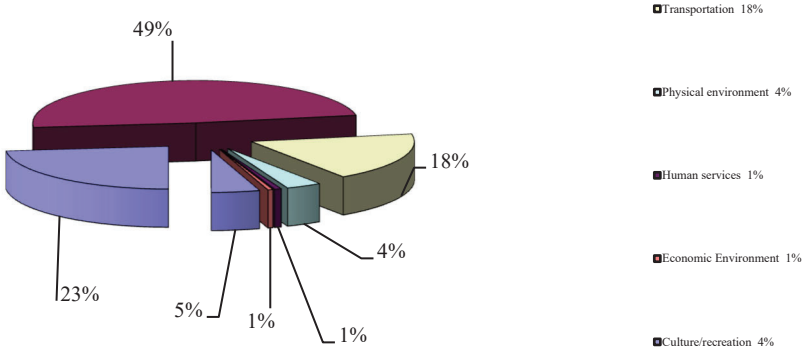
Fiscal Year 2022



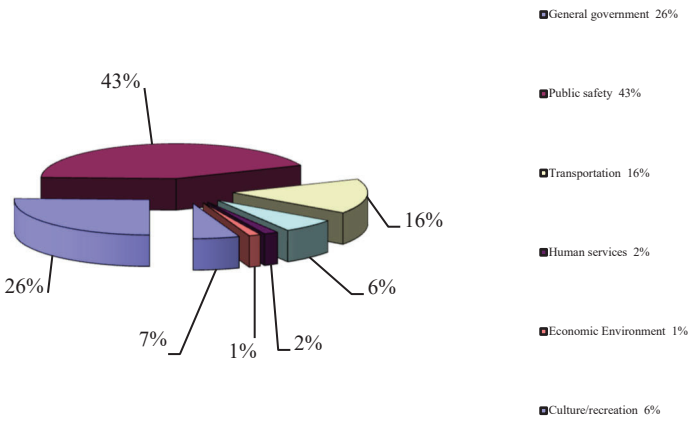
Governmental Activities (continued)

Expenditure Comparison by Source

Fiscal Year 2023



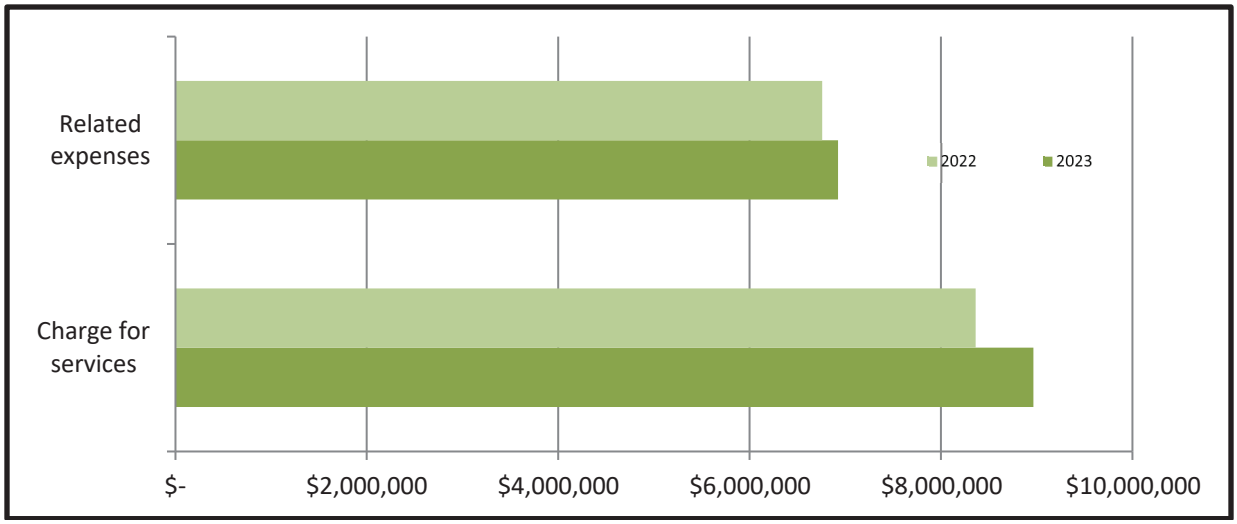
Fiscal Year 2022



Business-type Activities

Charges for services of 2023 of the City's business-type activities increased 7.22% or $604,037 over fiscal year 2023 and operating expenses increased by 2.44% or $164,682 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 2023 and 2022



Capital Assets

At the end of 2023 the City had $66,871,331 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 $1,839,571 in capital assets which is reflected in governmental activities increase of $375,050 or 2.75% and an increase of $1,464,521 or (2.85)% 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).

Capital Assets (continued)

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Capital Assets:						
Land	$ 1,853,263	$ 1,853,263	$ 1,615,585	$ 1,602,184	$ 3,468,848	$ 3,455,447
Buildings and improvements	7,128,324	6,567,103	73,377,543	71,493,944	80,505,867	78,061,047
Machinery and equipment	4,570,288	4,481,366	3,236,140	2,009,104	7,806,428	6,490,470
Right-to-Use Assets Under Leases	152,554	33,334	55,164	2,008	207,718	35,342
Infrastructure	9,920,237	9,618,254	-	-	9,920,237	9,618,254
Construction work in progress	139,006	45,186	468,757	343,127	607,763	388,313
Subtotal	$ 23,763,672	$ 22,598,506	$ 78,753,189	$ 75,450,367	$ 102,516,861	$ 98,048,873
Less Accumulated Depreciation and Amortizations	(9,756,815)	(8,966,699)	(25,888,715)	(24,050,414)	(35,645,530)	(33,017,113)
Capital Assets, Net	$ 14,006,857	$ 13,631,807	$ 52,864,474	$ 51,399,953	$ 66,871,331	$ 65,031,760

The City's capital budget for fiscal year 2023 calls for approximately $18,000,000 in capital projects. This is partially comprised of $2,500,000 for Street improvements, $3,700,000 for Water line improvements, $5,900,000 Sewer projects, $2,660,000 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, 2023 the City had $9,696,722 in notes payable. This is a decrease over fiscal year 2022 of ($817,460). 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	
	2023	2022
*Note Payable-DEP	$ 9,696,722	$ 10,514,182

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

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

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

Public Works Department / Streets
A road improvement project within District 2 of the City is also currently out for bid. This project will include a small section of new water line, an repave several sections of connecting streets.
The CRA funded Long Manor sidewalk project will add sidewalks near the school leading to US129 south is under contract of approximately $260,000.

Utility Fund
The City is currently accepting bids for a $3,000,000. 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.

Funding has also been awarded to the City for the completion of a Water Loop that will provide additional water for anticipated economic growth along the north corridor of US129.

Live Oak Fire Department
2023 was an interesting year for the Live Oak Fire Department. The department began the year down 2 firefighters on shift, (as we had for the previous 2 years). A mutual/automatic aid agreement was struck with Suwannee County Fire Rescue the previous year. With 2 of 3 shifts being short, LOFD relied heavily on the incoming SCFR units on mid to large scenes. In mid-April, our Fire Chief of 12 years announced his retirement. Our Assistant Chief Sid Hayes took the helm and accepted the position offered by Acting City Manager Larry Sessions.

Chief Hayes has increased the public interaction with the department while focusing on returning staff back to full levels. Within the third week of June, the department hired 2 firefighters to fill one of the 2 open spots. Senior Firefighter Kyle Nickerson was promoted to Assistant Chief. There were still some lingering effects on the department from the COVID era. Many other departments across Florida felt the staffing issues as well, but none were as small as LOFD. The previous year, LOFD initiated a part-time employee list, but not with aggression. For 2023, the part-time list was bolstered to 5 very experienced members. Those employees being able to work 1 shift a week greatly increased staffing and morale. Full-time members were able to take much deserved leave and not fear of being denied due to low staffing. An experienced part-timer is key as that member can step into a shift seamlessly allowing LOFD to provide a high level of service without fail. Many of these members work for neighboring departments which actually helps build the department by seeing things from other points of view and building working relationship between departments.

Late August brought Category 4 Hurricane Idalia to Live Oak. Not only was LOFD adjusting to new management, staffing issues, and preparing for ISO review. Approximately 1.5 hours during the main weather event, all emergency response was suspended. LOFD went into service once winds dropped below 40mph with a propane leak at a dealership and a structure fire on the southeast side of the city. During the storm, LOFD experienced the loss of the station backup generator and all communications. With all the challenges experienced, no calls for citizen assistance went unanswered before or after hurricane Idalia.

Other issues being addressed by new administration is the need for updating equipment, increase in community involvement and sourcing funds through grant opportunities. The average age of the response apparatus is 24 years old with the primary attack engine being 21 years. To help resolve part of the ageing fleet issue LOFD recently purchased an 11-year-old engine from a coastal city to replace a 38-year-old reserve engine that is experiencing engine and main pump issues. Updating the response fleet is crucial to eliminating down time and the cost of increasing repairs. In an effort to offset a portion of those costs, the department has tremendously improved the grant writing efforts. Grants provide the opportunity to receive dollars either in full or as a cost share, thus supplementing a tight budget. Chief Hayes applied for and received a $7500 grant in November of 2023 that covered (4) new portable radios and (2) new gas monitors.

The department is also preparing for the Insurance Services Office (ISO). This rating sets the standard for which a Fire department is measured. The rating scale goes from an ISO 9 (not good, or barely an organized department) to an ISO 1 being the best. Of roughly 50,000 fire departments in the United States, only 411 are ISO 1, so the standards are set high. There are many different points that ISO looks at to determine the rating of a department. A few examples are, staffing levels (full or short staffed), water supply (hydrant system), equipment (good apparatus vs broken), and record keeping. LOFD has operated at an ISO 3 rating since 2014. Current operations are in place to make sure that number is maintained with secondary plans to move up to an ISO 2. The better the ISO rating, the greater potential for lower insurance premiums for the citizens served by the department.

Community involvement has always been a cornerstone of the fire service and the basic instinct to help your fellow man in times of need is the core of every firefighter. LOFD is no different and has expanded that feeling by stepping out into the community more often than ever before. Water days with local schools, fire prevention education with local churches, presence at local community events (Christmas on Square, All Aboard Festival, Freedom Fest, etc.) and even a scheduled open house of the station is just a few of the community outreaches the department is involved with. A department is nothing without the community and LOFD has the drive to support our community in any way possible.

Police Department: The Live Oak Police Department (L.O.P.D.) continues to be one of the top-quality law enforcement agencies in the 3rd Circuit. Community Oriented Policing is still the main component of our agency to continue to try to build positive community relationships and be active in the community. The Live Oak Police Department takes a proactive approach in solving crimes and is involved in local organizations, businesses and not for profits to network and ensure that the latest technology and other crime-solving tactics are at our disposal. The Live Oak Police Department continues to train using PoliceOne.com, to make sure that each officer is properly trained and the FDLE requirements are met for each individual officer. Mandatory retraining and new requirements are kept up to date and ahead of the curve in this manner. The L.O.P.D, 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 L.O.P.D 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 Live Oak Police Department has also implemented Project Lifesaver and was essential in passing of 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 L.O.P.D. has 8 GPS units assigned currently. To add to our Project Lifesaver program, the Live Oak Police Department 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.

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

Since 2021 The Live Oak Police Department has made great efforts to be active in Job fairs and career days in the local area, as well as surrounding Counties to try and 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.

In 2022 The City of Live Oak along with the Suwannee County Sheriff's office upgraded radio communication devices for Law Enforcement. This was done to enhance safety of the Officers and community.

In 2022 we applied for and received a grant to purchase medical kits for each patrol car to be better able to render first aid, while an ambulance is enroute.

Other grant funding and external sources have provided for additional fire extinguishers, blood loss stop kits and torniquets, additional vehicle lighting and safety equipment, speed measurement trailers, camera equipment, sign boards, trailers, and upgraded Bullet Proof Vests with rifle trauma plating material.

Our Agency is continuing to seek grants to provide more and better equipment, so our Officers can better serve our community.

During Hurricane Idalia in 2023 The L.O.P.D. played a key role in safely navigating our community through the tragedy and loss of property that this storm brought to bear. 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.

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 has begun. The Construction contract for $830,000.

Future Projects

- Economic growth is expected to continue at the 129N/I10 interchange, to accommodate this growth plans are being considered to rehabilitate and expand lift station and sewer flow in that area.
- 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 RFP for design build firms has been issued and we anticipate the ability to get the project under contract in the next several months.
- Efforts continue to be planned for a new restroom and kitchen facility at John Hale Park which will be funded by a donation from Pilgrim's Pride.
- Local grant funds have been awarded by SRWMD for the rehabilitation for Irvin, Houston, and Haines stormwater drainage wells.

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, FL
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Heart of the Suwannee River Valley
IN GOD WE TRUST

CITY OF LIVE OAK, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets			
Cash and Cash Equivalents	$ 16,774,610	$ 3,066,015	$ 19,840,625
Receivables, Net of Allowance for Uncollectible Accounts	268,836	1,121,420	1,390,256
Internal Balances	349,095	35,454	384,549
Due from Other Governments	426,497	349,892	776,389
Prepaid Items	107,158	120,802	227,960
Noncurrent Restricted Cash	-	1,788,427	1,788,427
Capital Assets:			
Land, Improvements, and Construction in Progress	1,992,269	2,084,342	4,076,611
Other Capital Assets, Net of Depreciation	11,888,823	50,737,162	62,625,985
Right-To-Use Assets Under Leases, Net of Amortizatior	125,765	42,970	168,735
Total Assets	31,933,053	59,346,484	91,279,537
Total Deferred Outflows of Resources	1,619,741	39,753	1,659,494
Liabilities			
Accounts Payable and Other Accrued Liabilities	465,664	352,679	818,343
Due to Other Governments	585	-	585
Unearned Revenue	2,839,184	-	2,839,184
Internal Balances	384,549	-	384,549
Restricted Fund Liabilities:			
Customer Deposits	-	759,345	759,345
Notes, Leases, and Other Payables:			
Accrued Interest Payable	-	37,987	37,987
Due or payable Within One Year	20,150	850,922	871,072
Due or Payable in More Than One Year	88,540	8,890,205	8,978,745
Compensated Absences	175,512	2,179	177,691
Net Pension Liability	5,901,738	168,606	6,070,344
OPEB Liability	174,113	11,114	185,227
Total Liabilities	10,050,035	11,073,037	21,123,072
Total Deferred Inflows of Resources	752,645	13,953	766,598
Net Position			
Net Investment in Capital Assets	13,898,167	43,123,347	57,021,514
Restricted for:			
Law Enforcement	24,457	-	24,457
Recreation	100,000	-	100,000
Community Redevelopment	1,588,239	-	1,588,239
Capital Improvements	6,283,096	821,673	7,104,769
Road Improvements	660,851	-	660,851
Debt Service	-	207,410	207,410
Unrestricted	195,304	4,146,817	4,342,121
Total Net Position	$ 22,750,114	$ 48,299,247	$ 71,049,361

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, 2023

		Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities							
General Government	$ 1,931,032	$ 99,436	$ -	$ 119,220	$ (1,712,376)	$ -	$ (1,712,376)
Public Safety	4,048,975	176,830	55,741	145,000	(3,671,404)	-	(3,671,404)
Transportation	1,523,181	185,016	-	-	(1,338,165)	-	(1,338,165)
Physical Environment	292,393	-	-	743,994	451,601	-	451,601
Human Services/Health	56,961	-	22,787	-	(34,174)	-	(34,174)
Economic Environment	41,196	-	-	-	(41,196)	-	(41,196)
Culture/Recreation	397,259	-	-	49,598	(347,661)	-	(347,661)
Activities	$ 8,290,997	$ 461,282	$ 78,528	$ 1,057,812	(6,693,375)	-	(6,693,375)
Business-type Activities							
Water and Sewer Utility	4,949,886	6,281,108	-	421,986	-	1,753,208	1,753,208
Stormwater	129,462	197,492	-	644,969	-	712,999	712,999
Gas Utility	790,679	957,837	-	-	-	167,158	167,158
Sanitation	1,054,181	1,529,932	-	-	-	475,751	475,751
Total Business-type	$ 6,924,208	$ 8,966,369	$ -	$ 1,066,955	-	3,109,116	3,109,116
Total Governmental and Business-type Activities	$ 15,215,205	$ 9,427,651	$ 78,528	$ 2,124,767	(6,693,375)	3,109,116	(3,584,259)
	General Revenues and Transfers						
	Property Taxes, Levied for General Purposes				2,582,358	-	2,582,358
	Property Taxes, Levied for Tax Increment District				300,396	-	300,396
	Fire Assessment Fee				388,073	-	388,073
	Sales Taxes				1,510,677	-	1,510,677
	Local Option Gas Tax				430,511	-	430,511
	Franchise Taxes				895,973	-	895,973
	Utility Taxes				769,991	250,154	1,020,145
	State Revenue Sharing				319,807	-	319,807
	Other Intergovernmental Revenues				115,290	-	115,290
	Investment Earnings				343,581	65,432	409,013
	Rental Space				58,496	-	58,496
	Miscellaneous Revenue				116,460	16,456	132,916
	Transfers				379,706	(379,706)	-
	Total General Revenues and Transfers				8,211,319	(47,664)	8,163,655
	Changes in Net Position				1,517,944	3,061,452	4,579,396
	Net Position, Beginning of Year				21,232,170	45,237,795	66,469,965
	Net Position, Ending of Year				$ 22,750,114	$ 48,299,247	$ 71,049,361

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

CITY OF LIVE OAK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General	Capital Projects	Community Redevelop-ment Tax Fund	American Rescue Plan	Non-major Funds	Total
Assets						
Cash and Cash Equivalents	$ 5,479,462	$ 6,707,497	$ 1,747,711	$ 2,820,260	$ 19,680	$ 16,774,610
Accounts Receivable, Net	268,836	-		-	-	268,836
Due from Other Funds/Internal Balance	235,688	-	-	-	113,407	349,095
Due from Other Governments	89,465	164,244	-	-	172,788	426,497
Prepaid Items	107,158	-	-	-	-	107,158
Total Assets	$ 6,180,609	$ 6,871,741	$ 1,747,711	$ 2,820,260	$ 305,875	$ 17,926,196
Liabilities						
Accounts Payable and Other Current Liabilities	$ 404,449	$ -	$ 61,215	$ -	$ -	$ 465,664
Due to Other Funds/Internal Balance	113,407	-	98,257	97	172,788	384,549
Due to Other Governments	585	-	-		-	585
Unearned Revenue	82,597	-	-	2,747,957	8,630	2,839,184
Total Liabilities	601,038	-	159,472	2,748,054	181,418	3,689,982
Fund Balances						
Nonspendable:						
Prepaid Items	107,158	-	-	-	-	107,158
Restricted for:						
Law Enforcement	-	-	-	-	24,457	24,457
Community Redevelopment	-	-	1,588,239	-	-	1,588,239
Capital Improvements		6,210,890	-	72,206	-	6,283,096
Recreation	-	-	-	-	100,000	100,000
Road Improvements	-	660,851	-	-	-	660,851
Committed:						
Annual Leave Reserve	51,800	-	-	-	-	51,800
Unassigned, Reported in:						
General fund	5,420,613	-	-	-	-	5,420,613
Total Fund Balances	5,579,571	6,871,741	1,588,239	72,206	124,457	14,236,214
Total Liabilities and Fund Balances	$ 6,180,609	$ 6,871,741	$ 1,747,711	$ 2,820,260	$ 305,875	$ 17,926,196

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, 2023

Total Fund Balances of Governmental Funds	$	14,236,214
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.		14,006,857
Deferred outflows and inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Deferred Outflows of Resources		1,619,741
Deferred Inflows of Resources		(752,645)
Net pension liability does not require the use of current financial resources and, therefore, is not reported as a liability in governmental funds.		(5,901,738)
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		(72,842)
Liability under SBITAs		(35,848)
Compensated Absences		(175,512)
Other Post Employment Benefit Liability		(174,113)
Net Position of Governmental Activities	$	22,750,114

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, 2023

	General	Capital Projects Funds	Community Redevelopment Tax	American Rescue Plan	Nonmajor Funds	Total
Revenues						
Taxes	$ 4,620,110	$ 1,479,648	$ 300,396	$ -	$ -	$ 6,400,154
Licenses and Permits	224,834	-	-	-	-	224,834
Intergovernmental	935,709	-	-	743,994	250,339	1,930,042
Charges for Services	219,522	-	-	-	-	219,522
Fines and Forfeitures	14,856	-	-	-	2,071	16,927
Tower Rental	58,496	-	-	-	-	58,496
Interest	106,433	135,412	35,238	66,497	1	343,581
Donations	-	-	-	-	29,588	29,588
Miscellaneous	86,872	-	-	-	-	86,872
Total Revenue	6,266,832	1,615,060	335,634	810,491	281,999	9,310,016
Expenditures						
General Government	2,095,946	-	112,081	-	-	2,208,027
Public Safety	3,497,402	-	-	-	217,604	3,715,006
Transportation	1,342,108	-	188,024	-	-	1,530,132
Physical Environment	155,027	-	-	-	-	155,027
Human Services	53,037	-	-	-	3,924	56,961
Economic Environment	-	-	41,196	-	-	41,196
Culture/Recreation	245,020	-	102,641	-	49,598	397,259
Total Expenditures	7,388,540	-	443,942	-	271,126	8,103,608
(Deficiency) Excess of Revenue (Under) Over Expenditures	(1,121,708)	1,615,060	(108,308)	810,491	10,873	1,206,408
Other Financing Sources (Uses):						
Financing of leases	73,854	-	-	-	-	73,854
Financing of SBITAs	45,366	-	-	-	-	45,366
Transfers in	2,154,950	-	317,085	-	-	2,472,035
Transfers out	(317,085)	(949,550)	(35,358)	(743,994)	-	(2,045,987)
Total Other Financing Sources (Uses)	1,957,085	(949,550)	281,727	(743,994)	-	545,268
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	835,377	665,510	173,419	66,497	10,873	1,751,676
Fund Balances, Beginning of Year	4,744,194	6,206,231	1,414,820	5,709	113,584	12,484,538
Fund Balances, End of Year	$5,579,571	$ 6,871,741	$ 1,588,239	$ 72,206	$ 124,457	$ 14,236,214

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, 2023

Net Change in Fund Balances - Total Governmental Funds		$ 1,751,676
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	$ 1,244,390	
Donations of Capital Assets	36,641	
Transfer of Capital Assets	(46,342)	
Depreciation and Amortization Expenses	(859,639)	375,050
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		(661,670)
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		34,957
New Lease Obligations		(73,854)
New SBITA Obligations		(45,366)
Change in Compensated Absences Liabilities		(3,402)
Change in OPEB Liability		140,553
Change in Net Position of Governmental Activities		$ 1,517,944

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, 2023

	Business-Type Activities-Enterprise Funds				
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	$ 2,484,926	$ 51,461	$ 71,268	$ 458,360	$ 3,066,015
Accounts Receivables, Net	793,040	17,394	140,853	170,133	1,121,420
Due from Other Governments	234,033	115,859	-	-	349,892
Due from Other Funds	97	35,357	-	-	35,454
Other Current Assets	120,802	-	-	-	120,802
Total Current Assets	3,632,898	220,071	212,121	628,493	4,693,583
Property and Equipment					
Land	1,592,058	22,927	600	-	1,615,585
Building and Improvements	69,454,172	2,369,114	1,554,257	-	73,377,543
Machinery and Equipment	1,725,172	88,348	255,969	1,166,651	3,236,140
Right-To-Use Assets Under Leases	55,164	-	-	-	55,164
Total Property and Equipment	72,826,566	2,480,389	1,810,826	1,166,651	78,284,432
Less Accumulated Depreciation	(23,851,673)	(832,262)	(898,593)	(293,993)	(25,876,521)
Less Accumulated Amortization on Right-To-Use Assets Under Leases	(12,194)	-	-	-	(12,194)
Construction Work in Progress	351,176	117,581	-	-	468,757
Net Property and Equipment	49,313,875	1,765,708	912,233	872,658	52,864,474
Noncurrent Restricted Cash	1,309,781	19,103	167,010	292,533	1,788,427
Total Assets	54,256,554	2,004,882	1,291,364	1,793,684	59,346,484
Total Deferred Outflows of Resources	-	-	-	39,753	39,753
Liabilities					
Current Liabilities:					
Accounts Payable	244,502	4,629	34,759	68,789	352,679
Accrued Interest Payable	35,432	2,555	-	-	37,987
Current Portion of Notes and Leases Payable	814598	36,324	-	-	850,922
Total Current Liabilities	1,094,532	43,508	34,759	68,789	1,241,588
Deposits	433,804	-	167,010	158,531	759,345
OPEB Liability	-	-	-	11,114	11,114
Compensated Absences	-	-	-	2,179	2,179
Notes and Leases Payable	8,656,012	234,193	-	-	8,890,205
Net Pension Liability	-	-	-	168,606	168,606
Total Liabilities	10,184,348	277,701	201,769	409,219	11,073,037
Total Deferred Inflows of Resources	-	-	-	13,953	13,953
Net Position					
Net Investment in Capital Assets	39,843,265	1,495,191	912,233	872,658	43,123,347
Restricted for Capital Replacement	687,670	-	-	134,003	821,673
Restricted for Debt Service	188,307	19,103	-	-	207,410
Unrestricted	3,352,964	212,887	177,362	403,604	4,146,817
Total Net Position	$ 44,072,206	$ 1,727,181	$ 1,089,595	$ 1,410,265	$ 48,299,247

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, 2023

	Business-type Activities-Enterprise Funds				
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Operating Revenues					
Charges for Services	$ 6,281,108	$ 197,492	$ 957,837	$ 1,529,932	8,966,369
Operating Expenses					
Personnel Services	-	-	-	354,194	354,194
Cost of Sales	-	-	455,281	445,160	900,441
Materials and Supplies	445,825	4,041	31,966	95,147	576,979
Utilities	350,169	-	3,157	226	353,552
Taxes	-	-	17,071	-	17,071
Maintenance and Repairs	282,575	-	14,676	71,336	368,587
Depreciation	1,572,627	83,971	51,632	60,550	1,768,780
Insurance	93,049	48	2,182	15,094	110,373
Contractual Services	2,008,449	35,645	214,714	12,474	2,271,282
Total Operating Expenses	4,752,694	123,705	790,679	1,054,181	6,721,259
Operating Income (Loss)	1,528,414	73,787	167,158	475,751	2,245,110
Nonoperating Revenues (Expenses)					
Interest Earnings	44,246	2	1,928	19,256	65,432
Utility Tax	250,154	-	-	-	250,154
Interest Expense	(197,192)	(5,757)	-	-	(202,949)
Other Revenues (Expenses)	7,124	-	360	8,972	16,456
Total Nonoperating Income (Expenses)	104,332	(5,755)	2,288	28,228	129,093
Income Before Other Revenues, Expenses, Gains, and, Transfers	1,632,746	68,032	169,446	503,979	2,374,203
Capital Contributions (Grants) and Transfers					
Capital Grants	421,986	644,969	-	-	1,066,955
Contributions from other Funds	46,342	-	-	-	46,342
Transfers in	755,495	35,357	106,050	-	896,902
Transfers out	(826,473)	(23,000)	(203,477)	(270,000)	(1,322,950)
Total Capital Contributions (Grants) and Transfers	397,350	657,326	(97,427)	(270,000)	687,249
Increase (Decrease) in Net Position	2,030,096	725,358	72,019	233,979	3,061,452
Net Position, Beginning of Year	42,042,110	1,001,823	1,017,576	1,176,286	45,237,795
Net Position, End of Year	$ 44,072,206	$ 1,727,181	$ 1,089,595	$ 1,410,265	$ 48,299,247

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, 2023

	Business-type Activities-Enterprise Funds				
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Cash Flows From Operating Activities					
Cash Received from Customers	$ 5,997,379	$ 369,097	$ 965,550	$ 1,532,012	$ 8,864,038
Cash Paid to Suppliers	(3,202,094)	(111,852)	(789,278)	(627,076)	(4,730,300)
Cash Payments to Employees for Services	-	-	-	(337,159)	(337,159)
Net Cash Provided by Operating Activities	2,795,285	257,245	176,272	567,777	3,796,579
Cash Flows From Noncapital and Related Financing Activities					
Utility Taxes	250,154	-	-	-	250,154
Due from Other Funds	80,377	(115,831)		-	(35,454)
Miscellaneous	7,124	-	360	8,972	16,456
Operating Transfers In	755,495	35,357	106,050	-	896,902
Operating Transfers Out	(826,473)	(23,000)	(203,477)	(270,000)	(1,322,950)
Net Cash Provided by (Used for) Noncapital and Related Financing Activities	266,677	(103,474)	(97,067)	(261,028)	(194,892)
Cash Flows From Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(1,918,406)	(591,817)	(106,049)	(570,687)	(3,186,959)
Proceeds from Capital Lease Obligations	42,454	-	-	-	42,454
Principal Paid on Capital Debt	(781,867)	(35,593)			(817,460)
Interest Paid on Capital Debt	(197,192)	(5,757)	-	-	(202,949)
Capital Grants and Contributions	421,986	529,110	-	-	951,096
Net Cash (Used In) Capital and Related Financing Activities	(2,433,025)	(104,057)	(106,049)	(570,687)	(3,213,818)
Cash Flows From Investing Activities					
Interest Received	44,246	2	1,928	19,256	65,432
Net Cash Provided By for Investing Activities	44,246	2	1,928	19,256	65,432
Net Increase (Decrease) in Cash and Cash Equivalents	673,183	49,716	(24,916)	(244,682)	453,301
Cash and Cash Equivalents, Beginning of Year	3,121,524	20,848	263,194	995,575	4,401,141
Cash and Cash Equivalents, End of Year	$ 3,794,707	$ 70,564	$ 238,278	$ 750,893	$ 4,854,442
As presented on the accompanying statement of net position:					
Cash and cash equivalents	2,484,926	51,461	71,268	458,360	3,066,015
Non-current restricted cash	1,309,781	19,103	167,010	292,533	1,788,427
	3,794,707	70,564	238,278	750,893	4,854,442

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, 2023
(Concluded)

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	**Stormwater Fund**	**Gas Fund**	**Sanitation Fund**	**Total**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income	$ 1,528,414	$ 73,787	$ 167,158	$ 475,751	$ 2,245,110
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	1,572,627	83,971	51,632	60,550	1,768,780
(Increase) Decrease in Assets:					
Accounts Receivable	(168,759)	(6,285)	3,290	(8,418)	(180,172)
Prepaid	(7,342)	-	-	3,000	(4,342)
Due from Other Governmental Units	(141,919)	177,890	-	-	35,971
(Decrease) Increase in Liabilities:					
Accounts Payable	(14,685)	(72,118)	(50,231)	9,361	(127,673)
Customer Deposits	26,949	-	4,423	10,498	41,870
Other Postemployment Benefits and Related Deferred InFlows and Outflows	-	-	-	(7,074)	(7,074)
Net Pension Liability and Pension Related Deferred Inflows and Outflows	-	-	-	24,109	24,109
Net Cash Provided by Operating Activities	$ 2,795,285	$ 257,245	$ 176,272	$ 567,777	$ 3,796,579
Supplemental Disclosure of Non-Cash Activities					
Transfer of Capital Assets	$ 46,344	$ -	$ -	$ -	$ 46,344
Right-of-Use Assets Acquired Under Leases	$ 53,350	$ -	$ -	$ -	$ 53,350

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, 2023

Assets:	
Accrued interest	$ 2,965
Other Receivable	892
	3,857
Investments, at fair value	
Money Market funds	11,162
U.S. Treasury notes/Gov't bonds	370,489
Corporate bonds	167,220
Common stocks and equity securities	902,784
Total investments	1,451,655
Total Assets	1,455,512
Net Position	
Net Position Restricted for Pensions	$ 1,455,512

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, 2023

Additions:		
Contributions from:		
City	$	73,256
Total contributions		73,256
Investment income:		
Net increase (decrease) in fair value of investments		163,568
Interest and Dividend earnings		28,890
Less Investment Expense		(13,716)
Total investment income		178,742
Total additions		251,998
Deductions:		
Benefit payments		175,085
Administrative expenses		18,215
Total deductions		193,300
Net increase (decrease)		58,698
Net Position, Beginning of Year		1,396,814
Net Position, End of year	$	1,455,512

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



NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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.

Note 1 – Summary of Significant Accounting Policies – continued

B. Government-Wide and Fund Financial Statements– continued

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.

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.

Note 1 – Summary of Significant Accounting Policies – continued

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

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.

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.

Note 1 – Summary of Significant Accounting Policies – continued

B. Government-Wide and Fund Financial Statements– continued

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.

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.

Note 1 – Summary of Significant Accounting Policies – continued

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

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.

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.

Note 1 – Summary of Significant Accounting Policies – continued

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

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.

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".

Note 1 – Summary of Significant Accounting Policies – continued

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.

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.

Note 1 – Summary of Significant Accounting Policies – continued

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

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

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

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.

Deferred outflows and Inflows of resources

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

Compensated Absences

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.

Note 1 – Summary of Significant Accounting Policies – continued

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

Compensated Absences - continued

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

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

Unearned Revenue

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

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.

Adoption of GASB Statement No. 96, Subscription-based Information Technology Arrangements

During the fiscal year ended September 30, 2023, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, became effective. This statement defines a subscription-based information technology arrangement (SBITA), establishes that a SBITA results in a "right-to-use" asset and a corresponding liability, and provides the criteria for outlays and subscription payments, as well as required specific note disclosures.

The City recognizes a SBITA liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. At the commencement of the arrangement, the City initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. Subsequently, the SBITA liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for subscription payments made at or before the lease commencement date plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Note 1 – Summary of Significant Accounting Policies – continued

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

Adoption of GASB Subscription-based Information Technology Arrangements – continued

Key estimates and judgments related to SBITAs include how the City determines: (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged in the agreement as the discount rate. When the interest rate charged in the agreement is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the SBITA liability are composed of fixed payments.

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

Use of Estimates

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

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

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

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

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

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

Note 3 – Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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

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, 2023.

The property tax calendar is as follows:

Valuation Date	January 1, 2022
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, 2022
City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year.	September, 2022
Property appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable (Levy date).	November 1, 2022
A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes are paid November 2022 through March 2023, with the following applicable discounts:	November 1, 2022

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

All unpaid taxes on real and tangible personal property become delinquent.	April 1, 2023
A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April/May 2023
Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date).	May/June 2023
A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent taxes.	September 10, 2023

NOTE 5 – Cash Deposits and Investments

Deposits

	Carrying Amount	Bank Balance
Insured (1)	$ 21,627,977	$ 22,327,030
Uninsured:		
Uncollateralized (2)	11,162	11,162
Cash Funds	1,075	-
Total Deposits	21,640,214	22,338,192

Investments	Fair Value	Maturities	Credit Rating
Pension Fund investments held by trustee:			
Common stock listed on ASE, NYSE, and NASDAQ	902,784	N/A	N/A
U.S. Government bonds	370,489	N/A	N/A
Corporate bonds	8,379	9 years or less	AA2/AA
Corporate bonds	11,486	7 years or less	A3/A-
Corporate bonds	8,538	7 years or less	A2/A
Corporate bonds	8,543	6 years or less	A2/A
Corporate bonds	5,081	6 years or less	A2/A
Corporate bonds	13,983	6 years or less	A1-/A
Corporate bonds	8,444	5 years or less	A1/A+
Corporate bonds	8,560	4 years or less	A2/A
Corporate bonds	7,870	4 years or less	AA3/A+
Corporate bonds	2,770	4 years or less	A1/AA-
Corporate bonds	7,515	4 years or less	AA3/A+
Corporate bonds	10,666	3 years or less	A2/A-
Corporate bonds	13,300	3 years or less	A2/A
Corporate bonds	3,799	3 years or less	A2/A
Corporate bonds	6,714	3 years or less	A1/A
Corporate bonds	8,882	2 years or less	A1/A-
Corporate bonds	14,848	1 year or less	AA3/AA-
Corporate bonds	11,888	1 year or less	AAA/AAA
Corporate bonds	5,954	1 year or less	A3/A-
Total fair value	$ 1,440,493		

(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	$ 21,640,214	
Carrying value of investments	1,440,493	
Total per note detail		$ 23,080,707
Cash and Cash equivalents	$ 19,840,625	
Restricted cash and cash equivalents	1,788,427	
Fiduciary fund cash and investments	1,451,655	
Total reported in statement of net position and statement of fudiciary net position		$ 23,080,707

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.

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, 2023 the City's investments in corporate bonds, held by trustees of the Substitute Firefighters Pension Trust Fund, were rated A3 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 on overconcentration of assets in a in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold. As such, the equity position in any one company shall not exceed 5% of the total portfolio at market. The total portfolio shall not exceed the 25% maximum limit on foreign securities at market. In addition, the fixed income portion of the pension fund shall not contain more than 10% of a given issuer irrespective of the number of differing issues. Other diversification standards must be developed and applied by the Investment Managers.

Custodial Credit Risk

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

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 $1,451,655 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.

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, 2023:

		Fair Value Measurements Using		
Investments by Fair Value Level	**Amount**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Money Market Funds	$ 11,162	$ 11,162	$ -	$ -
U.S. Bonds & Bills	370,489	370,489	-	-
Common Stocks/Equity	902,784	902,784	-	-
Corporate Bonds	167,220	-	167,220	-
Total Investments by Fair Value Level	$ 1,451,655	$ 1,284,435	$ 167,220	$ -

Note: As of September 30, 2023, the City had accrued interest receivable related to investments of $2,965.

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, 2023, is as follows:

Business-type Activities:

	Water and Sewer Utility Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Checking Account	1,309,781	19,103	167,010	292,533	1,788,427
	$ 1,309,781	$ 19,103	$ 167,010	$ 292,533	$ 1,788,427

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

Note 7 – Accounts Receivable

The City's accounts receivable at September 30, 2023 consists of the following:

Governmental Activities:		
General Fund:		
Delinquent taxes receivable	$ 3,496	
Accounts receivable	281,340	
Less allowance for doubtful accounts	(16,000)	
Total governmental activities accounts reveivable, net		$ 268,836
Business-type Activities:		
Enterprise Funds:		
Water and Sewer Utility		
Accounts receivable	$ 1,007,631	
Less allowance for doubtful accounts	(214,591)	
Stormwater Utility Fund:		
Accounts receivable	24,394	
Less allowance for doubtful accounts	(7,000)	
Gas Utility Fund:		
Accounts receivable	187,037	
Less allowance for doubtful accounts	(46,184)	
Sanitation Fund:		
Accounts receivable	252,500	
Less allowance for doubtful accounts	(82,367)	
Total business-type activities accounts receivable, net		$ 1,121,420

Note 8 – Due from Other Governments

The City's due from other governments at September 30, 2023 consists of the following:

Governmental Activities		
Suwannee County	$ 3,296	
State of Florida, Department of Revenue	234,873	
State of Florida, Department of Transportation	21,733	
State of Florida, Department of Legal Affairs	5,941	
State of Florida, Department of Law Enforcement	154,055	
Florida Department of Recreation and Parks	6,599	
		$ 426,497
Business-type Activities		
State of Florida, Department of Corrections	$ 184,227	
State of Florida, Department of Environmental Protection	49,806	
Suwannee River Water Management District	115,859	
		$ 349,892

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, 2023, comprise the following:

Fund	Interfund Receivables	Interfund Payables
Internal balances - due to/from other funds:		
General Fund	235,688	113,407
Special Revenue Funds:		
Local Government Fund	113,407	-
State Grant Fund		6,599
Special Projects	-	160,248
Commnunity Involvement/ARPA	-	97
Victim's Advocate Fund	-	5,941
Community Redevelopment Tax Fund	-	98,257
Enterprise Funds:		
Water and Sewer Fund	97	-
Stormwater Fund	35,357	-
Totals	$ 384,549	$ 384,549

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, 2023 the City made the following transfers:

	Operating Transfers In	Operating Transfers Out
General Fund	$ 2,154,950	$ 317,085
Capital Projects Funds	-	949,550
Community Redevelopment Tax Fund	317,085	35,358
Community Involvement/ARPA	-	743,994
Enterprise Funds:		
Water and Sewer Utility Fund	755,495	826,473
Stormwater Fund	35,357	23,000
Gas Fund	106,050	203,477
Sanitation Fund	-	270,000
Totals	$ 3,368,937	$ 3,368,937

Note 10 - Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance 10/1/2022	Additions	Deletions/ Transfers	Ending Balance 9/30/2023
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 1,853,263	$ -	$ -	$ 1,853,263
Construction in Progress	45,186	133,408	(39,588)	139,006
Total Capital Assets Not Being Depreciated	1,898,449	133,408	(39,588)	1,992,269
Capital Assets Being Depreciated or Amortized:				
Buildings	4,336,042	511,234	-	4,847,276
Improvements Other Than Buildings	2,231,061	42,999	6,988	2,281,048
Machinery and Equipment	4,481,366	204,787	(115,865)	4,570,288
Right-To-Use Assets under lease	33,334	73,854	-	107,188
Right-To-Use SBITA under lease	-	45,366	-	45,366
Infrastructure	9,618,254	269,383	32,600	9,920,237
Total Capital Assets Being Depreciated or Amortized	20,700,057	1,147,623	(76,277)	21,771,403
Less Accumulated Depreciation and Amortization:				
Buildings	(1,863,253)	(123,390)	-	(1,986,643)
Improvements Other Than Buildings	(1,370,663)	(92,406)	-	(1,463,069)
Machinery and Equipment	(2,985,147)	(223,139)	69,523	(3,138,763)
Right-To-Use Assets under lease	(3,215)	(19,794)	-	(23,009)
Right-To-Use SBITA under lease	-	(3,780)	-	(3,780)
Infrastructure	(2,744,421)	(397,130)	-	(3,141,551)
Total Accumulated Depreciation and Amortization	(8,966,699)	(859,639)	69,523	(9,756,815)
Total Capital Assets Being Depreciated or Amortized, Net	11,733,358	287,984	(6,754)	12,014,588
Governmental Activities Capital Assets Net	$ 13,631,807	$ 421,392	$ (46,342)	$ 14,006,857

	Beginning Balance 10/1/2022	Additions	Deletions/ Transfers	Ending Balance 9/30/2023
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 1,602,184	$ 13,401	$ -	$ 1,615,585
Construction in Progress	343,127	459,360	(333,730)	468,757
Total Capital Assets Not Being Depreciated	1,945,311	472,761	(333,730)	2,084,342
Capital Assets Being Depreciated or Amortized:				
Buildings	1,199,365	10,199	-	1,209,564
Wastewater Treatment Plant	24,235,343	107,228	-	24,342,571
Improvement Other than Buildings	46,059,236	1,432,442	333,730	47,825,408
Machinery and Equipment	2,009,298	1,110,977	115,865	3,236,140
Right-To-Use Assets under lease	1,814	53,350	-	55,164
Total Capital Assets Being Depreciated or Amortized	73,505,056	2,714,196	449,595	76,668,847
Less Accumulated Depreciation and Amortization:				
Buildings	(384,195)	(22,168)	-	(406,363)
Wastewater Treatment Plant	(6,675,887)	(492,436)	-	(7,168,323)
Improvement Other than Buildings	(15,809,329)	(1,063,467)	-	(16,872,796)
Machinery and Equipment	(1,180,809)	(178,709)	(69,521)	(1,429,039)
Right-To-Use Assets under lease	(194)	(12,000)	-	(12,194)
Total Accumulated Depreciation and Amortization	(24,050,414)	(1,768,780)	(69,521)	(25,888,715)
Total Capital Assets Being Depreciated or Amortized, Net	49,454,642	945,416	380,074	50,780,132
Total Business-type Activities Capital Assets, Net	$ 51,399,953	$ 1,418,177	$ 46,344	$ 52,864,474

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

Governmental Activities	
General Government	104,850
Physical Environment	170,436
Public Safety	174,830
Transportation	409,523
Total Depreciation and Amortization Expense - Governmental Activities	859,639
Business-type Activities	
Water Utility	1,572,627
Stormwater Utility	83,971
Gas Utility	51,632
Sanitation	60,550
Total Depreciation and Amortization Expense - Business-type Activities	1,768,780

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.

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, 2023, were as follows:

Description of Notes	Pledged Revenue	Net Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Projects 662110, 662111, 610200, 610220, 610201, 610210, 610211, 66206P, 662080	Net Water & Sewer Revenues	2,936,057	980,436	33.39%	9,506,042	2040
Projects 66207P and 662070	Net Stormwater Revenues	157,758	41,679	26.42%	273,072	2030

Note 11 – Long-term Debt – continued

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Balances 10/1/22	Additions	Reductions	Balances 9/30/23	Due Within One Year
Governmental activities:					
Compensated absences	$ 172,110	$ 3,402	$ -	$ 175,512	$ 99,165
OPEB liability	314,666	-	(140,553)	174,113	-
Copiers Lease	24,427	-	(10,426)	14,001	7,858
SBITA Lease	-	45,366	(9,518)	35,848	9,899
Vehicle Lease	-	73,854	(15,013)	58,841	2,393
Net Pension Liability - Florida Retirement	4,663,409	953,820	-	5,617,229	-
Firefighters Plan	430,829	-	(146,320)	284,509	-
Governmental activity Long-term liabilities	$ 5,605,441	$ 1,076,442	$ (321,830)	$ 6,360,053	$ 119,315
Business-type activities:					
Notes payable - DEP*	10,514,182	-	(817,460)	9,696,722	833,168
Compensated absences	282	1,897	-	2,179	-
OPEB liability	20,085	-	(8,971)	11,114	2,179
Copiers Lease	1,951	-	(387)	1,564	463
Vehicle Lease	-	53,350	(10,509)	42,841	17,291
Net Pension Liability FRS	134,629	33,977	-	168,606	-
Business-type activity Long-term liabilities	$10,671,129	$ 89,224	$ (837,327)	$ 9,923,026	$ 853,101

*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, 2023, are as follows:

	Business-type Activities Note Payable - DEP	
	Principal	Interest
2024	833,168	188,476
2025	849,671	171,973
2026	866,506	155,138
2027	883,678	137,966
2028	775,543	120,449
2029-2033	2,658,050	410,607
2034-2038	1,998,883	194,863
2039-2043	831,223	21,261
	$ 9,696,722	$ 1,400,733

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. 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, 2020:

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

Benefits Provided
The Plan provides retirement, termination, disability and death benefits.
A summary of the benefit provisions can be found in the October 1, 2022 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, 2023:

Asset Class	Target Allocation
Domestic Equity	55.00%
International Equity	10.00%
Fixed Income	35.00%
Total	100%

Note 12 – Employees' Pension Plans – continued

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

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

Rate of Return:
For the year ended September 30, 2023, the annual money-weighted rate of return of Pension Plan investments, net of Pension Plan investment expense, was 13.20 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, 2023 were as follows:

Total Pension Liability	$	1,740,021
Plan Fiduciary Net Position		(1,455,512)
Sponsor's Net Pension Liability	$	284,509
Plan Fiduciary Net Position as a percentage of Total Pension Liability		83.65%

Actuarial Assumptions:
The Total Pension Liability was determined by an actuarial valuation as of October 1 2022, updated to September 30, 2023 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, 2021 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.

Note 12 – Employees' Pension Plans – continued

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

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

For 2023 the inflation rate assumption of the investment advisor was 2.50%
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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	55.00%	5.60%
International Equity	10.00%	4.50%
Fixed Income	35.00%	1.17%
Total	100%	

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

Discount Rate:
The discount rate used to measure the total pension liability was 6.75 percent.
The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contributions rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Sponsor's Net Pension Liability	$425,246	$284,509	$161,867

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, 2022	$ 1,827,641	$ 1,396,812	$ 430,829
Interest	117,457	-	117,457
Experience Gains/Losses	(29,992)	-	-
Contributions - Employer	-	73,256	(73,256)
Net Investment Income	-	178,744	(178,744)
Benefit Payments, Including	(175,085)	(175,085)	-
Administrative Expense	-	(18,215)	18,215
Net Changes	(87,620)	58,700	(146,320)
Balance at September 30, 2023	$ 1,740,021	$ 1,455,512	$ 284,509

Notes to Schedule:
Changes of assumptions:
For measurement date 09/30/2023, the inflation rate assumption was increased from 2.30% to 2.50%.

B. Florida Retirement System

Plan Description- The FRS Pension Plan was created in Chapter 121 Florida Statues, to provide a defined benefit pension plan for participating public employees. All regular employees are eligible. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the FRS Pension Plan.
The general classes of member ship applicable to the City are as follows:

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

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

Note 12 – Employees' Pension Plans – continued

B. Florida Retirement System

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

DROP is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 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.

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 2022-23 fiscal year were as follows:

	Year Beginning July 1, 2023 Percent of Gross Salary		Year Beginning July 1, 2022 Percent of Gross Salary	
Class	**Employee**	**Employer (1)**	**Employee**	**Employer (1)**
Regular	3.00	11.51	3.00	10.19
Elected Officers	3.00	56.62	3.00	55.28
Senior Management Serivce	3.00	32.46	3.00	29.85
Special Risk Regular	3.00	30.61	3.00	26.11
DROP	0.00	19.13	0.00	16.94

(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 1.66% and 2.00% for the years ended June 30, 2023 and 2024, 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 $583,640 for the fiscal year ended September 30, 2023.

Net Pension Liability

At September 30, 2023, the City reported the following net pension liability:

	FRS Pension Plan
City's Proportion	0.011302006%
City's Proportionate Share of Net Pension Liability	$4,503,591

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, 2023, the City's proportion increased by .000557111% from its proportion measured as of June 30, 2022.

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.

Note 12 – Employees' Pension Plans – continued

B. Florida Retirement System- continued

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation, was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

	FRS Pension Plan
Inflation	2.40%
Salary Increases	3.25%
Investment Rate of Return, Including Inflation	6.70%
Mortality Table	Generational PUB-2010
Actuarial Cost Method	Individual Entry Age

Long-term Expected Rate of Return

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

Asset Class	Annual Target Allocation (1)	Annual Arithmetic Return	Geometric Return
Cash	1.0%	2.6%	2.6%
Fixed Income	19.8%	4.4%	4.4%
Global Equity	54.2%	8.8%	7.3%
Real Estate	10.3%	7.4%	6.3%
Private Equity	11.1%	12.0.%	8.9%
Strategic Investments	3.8%	6.2%	5.9%
Total	100%		
Assumed Inflation – Mean		2.4%	

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

Note 12 – Employees' Pension Plans – continued

B. Florida Retirement System- continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability of the City, calculated using the current discount rate of 6.70%, 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	$7,692,881	$4,503,591	1,835,186

The actuarial assumptions used in the July 1, 2023 valuation, were based on the results of an actuarial experience study for the period July 1 2013, through June 30, 2018.

HIS Pension Plan

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

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

Plan Benefits- For the fiscal year ended September 30, 2023, 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, 2023, the contribution rate was 1.66% of payroll. The contribution rate increased to 2.00% of payroll effective July 1, 2023, pursuant to Section 112.363, Florida Statues. through the City's fiscal year. The rate has been 1.66% since October 1, 2015. The City contributed 100% of its statutorily required contributions for the current and preceding three years.

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

The City's contributions to the HIS Pension Plan totaled $58,618 for the fiscal year ended September 30, 2023.

Note 12 – Employees' Pension Plans – continued

HIS Pension Plan- continued

Net Pension Liability
At September 30, 2023, the City reported the following net pension liability:

	HIS Pension Plan
City's Proportion	0.0080739080%
City's Proportionate Share of Net Pension Liability	$1,282,244

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, 2023, the City's proportion increased by .000520056% from its proportion measured as of June 30, 2022.

Discount Rate
The discount rate used to measure the total pension liability was 3.65% for the HIS Pension Plan's fiscal year ended June 30, 2023. 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, 2022 actuarial valuation, was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the July 1, 2022 valuation, were based on the results of an actuarial experience study for the period July 1 2013, through June 30, 2018.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability of the City, calculated using the current discount rate of 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
City's Proportionate Share of the Net Pension Liability	$1,426,841	$1,282,244	1,132,542

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, the 1.66% and 2.00% HIS contribution rates for the years ended June 30, 2023 and 2024, respectively, and the .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 2022-2023 fiscal year were as follows:

	Year Beginning July 1, 2024 Percent of Gross Salary		Year Beginning July 1, 2023 Percent of Gross Salary	
Class	**Employee**	**Employer**	**Employee**	**Employer**
Regular	3.00	8.30	3.00	6.30
Elected Officers	3.00	13.34	3.00	11.34
Senior Management Serivce	3.00	9.67	3.00	7.67
Special Risk Regular	3.00	16.00	3.00	14.00

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, 2023, 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.

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, 2023 and June 30, 2024, were as follows**:**

Class	Fiscal year ending June 30, 2024 Percent of Gross Compensation	Fiscal year ending June 30, 2023 Percent of Gross Compensation
Regular	11.30	9.30
Elected Officers	18.23	16.23
Senior Management S	12.67	10.67
Special Risk Regular	19.00	17.00

The City's Investment Plan pension expense totaled $58,661 for the fiscal year ended September 30, 2023.

	Firefighter's Plan	FRS	HIS	Total
Net Pension Liability	284,509	4,503,591	1,282,244	6,070,344

Note 12 – Employees' Pension Plans – continued

Additional Disclosures–- Defined Benefit Plans - continued

Deferred Outflows of Resource

	Firefighter's Plan	FRS	HIS	Total
Employer Contributions After Measurement Date	-	153,031	16,223	169,254
Difference Between Expected and Actual Experience	-	422,850	18,771	441,621
Changes in Assumptions	-	293,575	33,710	327,285
Net Difference Between Projected and Actual Earnings on Investments	250,729	188,078	662	439,469
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	164,741	117,124	281,865
Total Deferred Outflows of Resources	250,729	1,222,275	186,490	1,659,494

Deferred Inflows of Resources

	Firefighter's Plan	FRS	HIS	Total
Difference Between Expected and Actual Experience	-	-	3,010	3,010
Changes in Assumptions	-	-	111,111	111,111
Net Difference Between Projected and Actual Earnings on Investments	157,230	-	-	157,230
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	431,315	63,932	495,247
Total Deferred Inflows of Resources	157,230	431,315	178,053	766,598

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, 2023. 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
2024	26,522	35,108	4,505
2025	20,734	(152,751)	7,895
2026	63,945	665,792	(182)
2027	(17,702)	60,680	(16,206)
2028	-	29,100	(5,735)
Thereafter	-	-	1,937
Total	93,499	637,929	(7,786)

Pension Expense
For the year ended September 30, 2023, the City recognized pension expense from the defined benefit pension plans as follows:

Firefighter's Plan	58,116
FRS	850,192
HIS	492,915
Total	1,401,223

Payables to the Pension Plan
At September 30, 2023, 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 Pebsco-Nationwide Retirement Solutions. The plans have been amended to include provisions changed by the Economic Growth and Tax Relief Reconciliation Act of 2001. Annual employee contributions of $262 for fiscal year ended September 30, 2023, are optional and determined by the participant as a percentage of compensation. Such contributions may not exceed the lesser of $16,500 or 100% of gross annual compensation per employee under current federal income taxation regulations. Deferred compensation withheld from a participating employee's pay is not taxable as current income until withdrawn from the plan. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The City made no contributions on its behalf during the year ending September 30, 2023.

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

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

Plan Description - continued

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
	67

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, 2023.
The measurement period for the OPEB expense was October 1, 2022 to September 30, 2023.
The reporting period is October 1, 2022 through September 30, 2023.

The City's Total OPEB Liability was measured as of September 30, 2023.

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2022, updated to September 30, 2023 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.87%
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.

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 4.87%. 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, 2023, the City will recognize OPEB Expense/(Revenue) of $(141,304).

CHANGES IN TOTAL OPEB LIABILITY

	Increases and Decreases in Total OPEB Liability
Reporting Period Ending September 30, 2022	$ 334,751
Changes for a Year:	
Service Cost	12,382
Interest	11,775
Differences Between Expected and Actual Experienc	(98,204)
Changes of Assumptions	(71,257)
Changes of Benefit Terms	-
Contributions - Employer	-
Benefit Payments	(4,220)
Other Changes	-
Net Changes	(149,524)
Reporting Period Ending September 30, 2023	$ 185,227

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 4.77% for the fiscal year ending September 30, 2022 to 4.87% for the fiscal year ending September 30, 2023.

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

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, 2023. 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 3.87%	Current Discount Rate 4.87%	1% Increase 5.87%
Total OPEB Liability (Asset)	$ 217,400	$ 185,227	$ 159,055

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)	$ 156,108	$ 185,227	$ 221,369

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.

Note 14 – Leases and SBITAs – continued

City of Live Oak Leases and SBITAS

Governmental Activities:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance 9/30/2023
Admin - Copier	8/1/2020	4 years	$ 2,804	15.51%	$ 11,205	$ 4,440
Admin - Postage Machine	7/20/2020	5 years	1,635	18.39%	5,324	2,432
Finance - Copier	12/12/2019	4 years	2,602	15.52%	10,405	426
Annex - Copier	8/23/2021	4 years	2,848	15.53%	11,398	4,522
Police - Copier	1/16/2020	4 years	2,584	15.53%	10,339	630
Police - SBITA	5/1/2023	5 years	9,899	6.55%	45,366	35,848
Fire - Copier	4/7/2021	4 years	1,112	15.53%	4,448	1,552
Street - Ford Pick-up	12/1/2029	3 years	2,470	7.95%	19,922	17,915
Street - Chevy Pick-up	12/5/2029	3 years	8,389	7.95%	26,790	19,975
Street- Dodge Pick-up	6/1/2029	3 years	7,649	7.25%	27,142	20,950
Total						$ 108,690

Business-type activities:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance 9/30/2023
Public Works -Water - Copier	10/1/2021	4 years	1,950	18.39%	$ 2,851	$ 1,565
WWTP - Ford Pick-up	12/1/2029	3 years	10,468	7.95%	33,429	24,925
Water - Dodge Pick-up	6/1/2029	3 years	7,649	7.25%	19,922	17,915
						$ 44,405

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

Governmental Activities:

Year	Principal	Interest
2024	39,371	7,678
2025	40,475	4,078
2026	18,391	1,482
2027	10,453	685
	$ 108,690	$ 13,923

Business-type activities:

Year	Principal	Interest
2024	17,754	2,929
2025	19,225	1,458
2026	7,426	199
	$ 44,405	$ 4,586

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.

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, 2023 total water and sewer fund operating revenue was $6,281,108. 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, 2023 total gas revenue was $957,837. Pilgrim's Pride remitted $315,605, which represents 33% of the total revenue.

Note 20 – Subsequent Events

The following events have been completed or have made substantial progress subsequent to September 30, 2023.

FRDAP grants work at Baker and Azalea Park is nearing completion. Playground equipment was delivered early in March and should be installed soon.

Damages from Hurricane Idalia from the end of August continue to be addressed. Repairs to the City spray field equipment was completed in early October, also power and weather head damages to the city garage, Fire communication antenna, City Hall Annex roof and Old City Hall roof have been repaired.

The construction contract has been awarded and work is in progress for Haines, Irvin, and Houston Stormwater drainage well rehabilitation projects. These projects are primarily funded through SRWMD river grant programs.

Required Supplemental Information

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues				
Taxes:				
General Property Taxes:				
Ad Valorem Taxes	$ 2,481,298	$ 2,481,298	$ 2,340,453	$ (140,845)
In lieu of Ad Valorem Property Taxes	210,890	210,890	225,620	14,730
Utility Tax	671,500	671,500	769,991	98,491
Fire Fee	380,000	380,000	388,073	8,073
Franchise Fees:				
Power and Light	470,750	470,750	578,111	107,361
Telecommunications	286,000	286,000	317,862	31,862
Total Taxes	4,500,438	4,500,438	4,620,110	119,672
Licenses and Permits:				
Business Tax Receipts	106,000	106,000	83,261	(22,739)
Building Permits	95,000	95,000	125,398	30,398
Other	15,000	15,000	16,175	1,175
Total Licenses and Permits	216,000	216,000	224,834	8,834
Intergovernmental Revenues:				
State Shared Revenues:				
Municipal Revenue Sharing	351,846	351,846	319,807	(32,039)
Motor Fuel Tax	75,000	75,000	94,592	19,592
Mobile Home Licenses	2,600	2,600	3,167	567
Beverage Tax	5,000	5,000	4,638	(362)
Sales Tax	404,833	404,833	461,540	56,707
Firefighter Supliment	4,000	4,000	4,707	707
Fuel Tax Refund	7,800	7,800	8,186	386
Mosquito Grant	38,893	38,893	22,787	(16,106)
Local Source:				
Housing Authority in Lieu	22,000	22,000	16,285	(5,715)
Total Intergovernmental Revenues	911,972	911,972	935,709	23,737
Charges for Services:				
Pound Fees	1,000	1,000	1,680	680
Traffic Assistance	150,000	150,000	123,016	(26,984)
Right-of-way Maintenance - D.O.T.	60,000	60,000	62,000	2,000
Zoning Fees	13,000	13,000	26,670	13,670
Miscellaneous	7,500	7,500	6,156	(1,344)
Total Charges for Services	231,500	231,500	219,522	(11,978)
Fines and Forfeitures	15,100	15,100	14,856	(244)
Miscellaneous Revenues:				
Interest	8,000	8,000	106,433	98,433
Tower Rental	56,000	56,000	58,496	2,496
Cemetery Lots	30,000	30,000	48,075	18,075
Sales of fixed assets	1,000	1,000	-	(1,000)
Other	14,500	14,500	38,797	24,297
Total Miscellaneous Revenues	109,500	109,500	251,801	142,301
Total Revenues	$ 5,984,510	$ 5,984,510	$ 6,266,832	$ 282,322

CITY OF LIVE OAK, FLORIDA
BUDGET COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures:				
General Government:				
Legislative:				
Personnel Services	$ 228,576	$ 228,576	$ 178,455	$ 50,121
Operating Expenses	30,150	30,150	29,339	811
	258,726	258,726	207,794	50,932
Financial and Administrative:				
Personnel Services	1,241,539	1,241,539	1,121,552	119,987
Operating Expenses	646,000	646,000	480,388	165,612
Capital Outlay	208,000	208,000	277,984	(69,984)
Debt Expense	6,216	6,216	8,228	(2,012)
	2,101,755	2,101,755	1,888,152	213,603
Total General Government	2,360,481	2,360,481	2,095,946	264,535
Public Safety:				
Law Enforcement:				
Personnel Services	1,628,083	1,628,083	1,514,095	113,988
Operating Expenses	271,300	271,300	198,953	72,347
Capital Outlay	102,000	102,000	154,412	(52,412)
Debt Expense	2,590	2,590	12,102	(9,512)
	2,003,973	2,003,973	1,879,562	124,411
Fire Protection:				
Personnel Services	1,285,961	1,285,961	1,138,312	147,649
Operating Expenses	159,350	159,350	160,219	(869)
Capital Outlay	7,500	7,500	9,900	(2,400)
Debt Expense	1,114	1,114	1,111	3
	1,453,925	1,453,925	1,309,542	144,383
Inspection and Code Enforcement:				
Personnel Services	230,755	230,755	99,348	131,407
Operating Expenses	103,590	103,590	140,812	(37,222)
Capital Outlay	120,000	120,000	-	120,000
Debt Expense	1,430	1,430	1,662	(232)
	455,775	455,775	241,822	213,953
Animal Control:				
Personnel Services	59,984	59,984	47,679	12,305
Operating Expenses	29,300	29,300	18,797	10,503
Capital Outlay	35,000	35,000	-	35,000
Debt Expense	11,000	11,000	-	11,000
	135,284	135,284	66,476	68,808
Total Public Safety	4,048,957	4,048,957	3,497,402	551,555

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(Concluded)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures *(Concluded)*				
Transportation:				
Road and Street Facilities:				
Personnel Services	$ 420,996	$ 420,996	$ 426,847	$ (5,851)
Operating Expenses	836,660	836,660	593,837	242,823
Capital Outlay	2,536,000	2,536,000	302,916	2,233,084
Debt Expense	33,000	33,000	18,508	14,492
	3,826,656	3,826,656	1,342,108	2,484,548
Economic Development				
Operating Expenses	5,000	5,000	-	5,000
	5,000	5,000	-	5,000
Culture and Recreation				
Operating Expenses	295,022	295,022	245,020	50,002
	295,022	295,022	245,020	50,002
Physical Environment:				
Personnel Services	180,456	180,456	145,391	35,065
Operating Expenses	28,060	28,060	9,636	18,424
Capital Outlay	43,000	43,000	-	43,000
Debt/Lease	11,000	11,000	-	11,000
	262,516	262,516	155,027	107,489
Human Services:				
Operating Expenses	69,143	69,143	53,037	16,106
	69,143	69,143	53,037	16,106
Total Expenditures	10,867,775	10,867,775	7,388,540	3,479,235
(Deficiency) Excess Revenues (Under) Over Expenditures	(4,883,265)	(4,883,265)	(1,121,708)	3,761,557
Other Financing Sources (Uses)				
Transfers from:				
Infrastructure Fund	1,630,000	1,630,000	378,000	(1,252,000)
Capital Projects Fund	1,326,200	1,326,200	454,000	(872,200)
Water and Sewer Utility Fund	826,473	826,473	826,473	-
Stormwater Fund	23,000	23,000	23,000	-
Gas Utility Fund	203,477	203,477	203,477	-
Sanitation Fund	270,000	270,000	270,000	-
Other Financing Sources - Leases and SBITAs	205,000	205,000	119,220	85,780
Cash Carry Forward	709,115	709,115	-	709,115
Transfers to:				
Community Redevelopment Tax Fund	(310,000)	(310,000)	(317,085)	(7,085)
Total Financing Sources (Uses)	4,883,265	4,883,265	1,957,085	(1,336,390)
(Deficiency) Excess of Revenue and Other sources (Under) Over Expenditures and Other Uses	-	-	835,377	-
Fund Balance, Beginning of Year	-	-	4,744,194	-
Fund Balance, End of Year	$ -	$ -	$ 5,579,571	$ -

*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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 300,000	$ 300,000	$ 300,396	$ 396
Interest Earned	8,000	8,000	35,238	27,238
Total Revenues	308,000	308,000	335,634	27,634
Expenditures				
General Government	271,000	271,000	98,167	172,833
Recreation	40,000	40,000	-	40,000
Economic Environment	108,000	108,000	41,196	66,804
Capital Outlay				
General Government	704,075	704,075	13,914	690,161
Transportation	400,000	400,000	188,024	211,976
Recreation	413,925	413,925	102,641	311,284
Total Expenditures	1,937,000	1,937,000	443,942	1,493,058
(Deficiency) Excess of Revenue (Under) Over Expenditures	(1,629,000)	(1,629,000)	(108,308)	1,520,692
Other Financing Resources (Uses)				
Donations				
Transfers in				
General Fund	310,000	310,000	317,085	7,085
Transfers out:				
Trasfer to Stormwater Fund			(35,358)	
Total Other Financing Sources (Uses)	310,000	310,000	281,727	(28,273)
(Deficiency) Excess of Revenues and Other Sources (Under) Over Expenditures	(1,319,000)	(1,319,000)	173,419	1,492,419
Fund Balance, Beginning of Year	1,319,000	1,319,000	1,414,820	95,820
Fund Balance, End of Year	$ -	$ -	$ 1,588,239	$ 1,588,239

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Interest Earned	$ 6,000	$ 6,000	$ 66,497	$ 60,497
Intergovernmental Grant	1,745,976	1,745,976	743,994	(1,001,982)
Total Revenues	1,751,976	1,751,976	810,491	(941,485)
Expenditures				
Total Expenditures	-	-	-	-
(Deficiency) Excess of Revenue (Under) Over Expenditures	1,751,976	1,751,976	810,491	(941,485)
Other Financing Resources (Uses)				
Appropriated Fund Balance	-	-	-	-
Transfers from:				
Cash Carry Forward	1,749,000	1,749,000	-	(1,749,000)
Transfers out:				
Trasfer to Utility Fund	(3,500,976)	(3,500,976)	(743,994)	
Total Other Financing Sources (Uses)	(1,751,976)	(1,751,976)	(743,994)	1,007,982
(Deficiency) Excess of Revenues and Other Sources (Under) Over Expenditures	-	-	66,497	66,497
Fund Balance, Beginning of Year	-	-	5,709	5,709
Fund Balance, End of Year	$ -	$ -	$ 72,206	$ 72,206

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

Total Pension Liability	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
Interest	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	(29,992)	-	-	55,153	-	-		115,424	-
Benefit Payments, Including Refunds of Employee Contributions	(175,085)	(176,506)	(176,284)	(182,383)	(180,439)	(183,822)	(184,462)	(192,342)	(184,871)
Net Change in Total Pension Liability	(87,620)	(52,082)	(51,852)	46,253	(27,529)	(63,900)	(15,216)	86,736	(31,447)
Total Pension Liability - Beginning	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)	$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
Plan Fiduciary Net Position									
Contributions - Employer	73,256	60,869	60,869	53,782	53,782	57,179	56,011	43,177	27,114
Net Investment Income	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)	(176,506)	(176,284)	(182,383)	(180,439)	(183,822)	(184,462)	(192,342)	(184,871)
Administrative Expense	(18,215)	(7,986)	(14,579)	(7,986)	(13,904)	(17,008)	(15,879)	(1,837)	-
Net Change in Plan Fuduciary Net Position	58,700	(413,812)	190,999	(45,744)	(94,576)	24,261	50,311	(42,363)	(190,429)
Plan Fiduciary Net Position - Beginning	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)	$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
Net Pension Liability - Ending (a) - (b)	$284,509	$430,829	$69,099	$311,950	$219,953	$152,906	$241,067	$306,594	$177,495
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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
SUBSTITUE FIREFIGHTER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contributions Dificiency (Excess)	Covered Employee Payroll	Contributions as a percentage of Covered Employee Payroll
9/30/2023	$ 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
9/30/2014	$ 25,454	$ 25,454	$ -	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 2023 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 conpounded annually, gross of investment-related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Payroll Growth: none

Asset Method: Fair Market Value

Funding Method: Aggregate Actuarial Cost Method

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
9/30/2023	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%
9/30/2014	8.29%

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

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
City's Proportion of the FRS Net Pension Plan	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	4,503,591	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)	3,199,518	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 Proportionatte Share of the FRS Net Pension Liability as a Percentage of its Covered- Employee Payroll	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	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.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	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
City's Proportion of the HIS Net Pension Plan	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	1,282,244	800,074	994,206	873,584	848,365	770,674	766,305	856,011	812,806
City's Covered-Employee Payroll (6/30)	3,199,518	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 Proportionatte Share of the HIS Net Pension Liability as a Percentage of its Covered- Employee Payroll	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	4.12%	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, 2023

	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
Contractually Required Contribution	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	(583,640)	(457,570)	(479,839)	(435,952)	(414,561)	(385,401)	(323,424)	(330,190)	(310,709)
FRS Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-
City's Covered-Employee Payroll (FYE 9/30)	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	17.34%	16.67%	16.35%	17.38%	16.76%	16.08%	16.04%	22.16%	17.88%

HEALTH INSURANCE SUBSIDY PENSION PLAN

	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
Contractually Required Contribution	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	(58,618)	(45,574)	(48,585)	(41,632)	(41,072)	(39,826)	(33,464)	(24,740)	(21,898)
HIS Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-
City's Covered-Employee Payroll (FYE 9/30)	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	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	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability						
Service Cost	12,382	32,640	31,196	21,799	21,243	22,887
Interest	11,775	11,162	8,917	14,760	16,950	15,182
Differences between Expected and Acutal Experience	(98,204)	-	(44,571)	(49,765)	-	-
Changes of benefit terms		-			-	-
Changes of Assumptions	(71,257)	(131,801)	8,706	15,909	35,954	(30,938)
Benefit Payments	4,220	(7,851)	(7,311)	(18,443)	(17,800)	(16,368)
Net Change in Total OPEB Liability	(149,524)	(95,850)	(3,063)	(15,740)	56,347	(9,237)
Total OPEB Liability - Beginning	334,751	430,601	433,664	449,404	393,057	402,294
Total OPEB Liability - Ending	185,227	334,751	430,601	433,664	449,404	393,057
Covered Employee Payroll (Projected)	$ 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	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, 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%

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Combining and Individual Fund Financial Statements

CITY OF LIVE OAK, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Local Government Fund	State Grant Fund	Special Project Fund	Victim's Advocate Fund	Public Safety Fund	Total
Assets						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 19,680	$ 19,680
Due from other funds/internal balance	113,407	-	-	-	-	113,407
Due from other governments	-	6,599	$ 160,248	5,941	-	172,788
Total Assets	113,407	6,599	160,248	5,941	19,680	305,875
Liabilities and Fund Balances:						
Liabilities:						
Due to other funds/internal balance	-	6,599	160,248	5,941	-	172,788
Unearned revenue	-	-	-	-	8,630	8,630
Total Liabilities	-	6,599	160,248	5,941	8,630	181,418
Fund Balances:						
Restricted for:						
Law enforcement	13,407	-	-	-	11,050	24,457
Recreation	100,000	-	-	-	-	100,000
Total Fund Balances	113,407	-	-	-	11,050	124,457
Total Liabilities and Fund Balances	$ 113,407	$ 6,599	$ 160,248	$ 5,941	$ 19,680	$ 305,875

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Local Government Fund	State Grant Fund	Special Project Fund	Victim's Advocate Fund	Public Safety Fund	Total
Revenues:						
Intergovernmental	$ 8,000	$ 49,598	$ 160,248	$ 32,493	$ -	$ 250,339
Donation-private	29,588	-	-	-	-	29,588
Interest	-	-	-	-	1	1
Fines and Forfeitures	-	-	-	-	2,071	2,071
Total Revenues	37,588	49,598	160,248	32,493	2,072	281,999
Expenditures:						
Public Safety	24,863	-	160248	32,493	-	217,604
Culture/Recreation	-	49,598	-	-	-	49,598
Human Services	3,924	-	-	-	-	3,924
Total Expenditures	28,787	49,598	160,248	32,493	-	271,126
Excess of Revenues and Other Sources Over Expenditures and Other Uses	8,801	-	-	-	2,072	10,873
Fund Balances, Beginning of Year	104,606	-	-	-	8,978	113,584
Fund Balances, End of Year	$ 113,407	$ -	$ -	$ -	$ 11,050	$ 124,457

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, 2023 AND 2022

	2023	2022
Governmental Funds Capital Assets:		
Land	$ 1,853,263	$ 1,853,263
Buildings	4,847,276	4,336,042
Improvements other than buildings	2,281,048	2,231,061
Machinery and equipment	4,570,288	4,481,366
Right-To-Use Assets Under Leases	107,188	33,334
Right-To-Use Assets Under SBITA	45,366	-
Infrastructure	9,920,237	9,618,254
Construction work in progress	139,006	45,186
Total governmental fund capital assets	23,763,672	22,598,506
Investments in Governmental Funds Capital Assets by Source:		
General Fund	9,669,110	9,080,311
Special Revenue Funds	1,485,843	1,340,843
Capital Projects Fund	76,366	76,366
Federal, State, and County Grants	8,623,192	8,238,269
General Obligation Bonds	359,781	359,781
Grants and other contributed capital	3,539,579	3,502,936
Total investment in governmental funds capital assets	$ 23,763,672	$ 22,598,506

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, 2023

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Right-to-Use Assets Under Leases	Right-to-Use Assets Under SBITA	Infrastructure	Construction Work in Progress	Total
General Government:									
Legislative	$ -	$ -	$ -	$ 47,403	$ -	$ -	$ -	$ -	47,403
Financial and Administrative	1,516,444	2,805,537	436,434	479,460	25,412	-	-	1,500	5,264,787
	1,516,444	2,805,537	436,434	526,863	25,412	-	-	1,500	5,312,190
Public Safety:									
Police protection	40,000	837,372		1,326,675	4,881	45,366	-		2,254,294
Protective Insp.	40,000	445,105	-	77,969	-	-	-	-	563,074
Fire protection	35,576	655,970	-	1,677,393	3,041	-	-	-	2,371,980
	115,576	1,938,447	-	3,082,037	7,922	45,366	-	-	5,189,348
Transportation:									
Roads and Streets Facilities	174,013	-	-	879,720	73,854	-	7,976,627	137,506	9,241,720
Maintenance	-	87,116	-	81,668	-	-	-	-	168,784
	174,013	87,116	-	961,388	73,854	-	7,976,627	137,506	9,410,504
Physical Environment:									
Cemetery	47,230	16,176	-	-	-	-	-	-	63,406
Other	-	-	1,844,614	-	-	-	1,943,610	-	3,788,224
	47,230	16,176	1,844,614	-	-	-	1,943,610	-	3,851,630
Total governmental Capital Assets	$ 1,853,263	$ 4,847,276	$ 2,281,048	$ 4,570,288	$ 107,188	$ 45,366	$ 9,920,237	$ 139,006	$ 23,763,672

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, 2023

Function and Activity	Governmental Funds Capital Assets 09/30/2022	Additions	Transfer/ Deletions	Governmental Funds Capital Assets 09/30/2023
General Government:				
Legislative	$ 47,403	$ -	$ -	$ 47,403
Financial and Administrative	4,916,399	417,269	(68,881)	5,264,787
	4,963,802	417,269	(68,881)	5,312,190
Public Safety:				
Police protection	1,944,019	299,412	10,863	2,254,294
Protective Inspection	563,074	-	-	563,074
Fire protection	2,339,746	9,900	22,334	2,371,980
	4,846,839	309,312	33,197	5,189,348
Transportation:				
Roads and Streets Facilities	8,839,958	488,933	(87,171)	9,241,720
Maintenance	168,784	-	-	168,784
	9,008,742	488,933	(87,171)	9,410,504
Physical Environment:				
Cemetery	63,406	-	-	63,406
Other	3,715,717	65,517	6,990	3,788,224
	3,779,123	65,517	6,990	3,851,630
Total governmental funds capital assets	$ 22,598,506	$ 1,281,031	$ (115,865)	$ 23,763,672

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, 2023

Federal Agency Pass-through Entity Federal Program	Assistance Listing #	Contract/Grant Number	Expenditures
Direct Programs:			
U.S. Department of Justice			
Bullet Proof Vest Grant	16.607		6,178
Indirect Programs:			
U.S. Department of Justice			
Passed through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21-GG-00241MUMU	2,877
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-MU-BX-0036	145,000
Subtotal of ALN 16.738			147,877
U.S. Department of Justice			
Passed through the Office of the Attorney General Victim's Advocate		VOCA-2022-LIVE OAK	
Victims of Crime Act (VOCA)	16.575	POLICE DEPARTMENT -00524	32,493
Total all U.S. Department of Justice			186,548
National Highway Traffic Safety Administration			
Passed through the Florida Department of Transportation			
Occupant Protection	20.600	G2G19	2,134
Speed and Aggressive Driving	20.600	G2G18	4,059
Subtotal of ALN 20.600			6,193
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	343,501
U.S. Department of Treasury (SLFRP)			
Passed through Florida Department of Environmental Protection	21.027	WG051	743,995
Coronavirus State & Local Fiscal Recovery Funds			
Subtotal of ALN 21.027			1,087,496
Total all U.S. Department of Treasury			1,087,496
Highway Planning and Construction			
Passed through Florida Department of Transportation	20.205	437324-1-58-01	545,221
Transportation Alternatives Program		AND 437324-2-58-01	
City of Live Oak Drainage Wells Phase I & II			
Total Expenditures of Federal Awards			**1,825,458**

CITY OF LIVE OAK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2023
Continued

State Agency Pass-through Entity	CSFA#	Contract/Grant Number	Expenditures
Florida Department of Environmental Protection			
Pass through Suwannee Water Management District			
Live Oak Potable Water Improvements Maple Street	37.100	WS045	78,485
Florida Department of Agricultural and Consumer Services			
Division of Agricultural Environmental Services			
City of Live Oak Mosquito Control	42.003	29518	22,787
Florida Recreation Development Assistant Program			
John Hale Park Phase III	37.017	A21058	42,999
Baker Park	37.017	A23050	2,750
Azalea Park	37.017	A23053	3,849
Subtotal of CSFA# 37.017			49,598
Total Expenditures of State Finanical Assistance			**150,870**
Total Expenditures of Federal Awards and State Finanical Assistance			**1,976,328**

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, 2023. There were no loan expenditures incurred during the year ended September 30, 2023.

CITY OF LIVE OAK, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS FOR THE YEAR ENDED SEPTEMBER 30, 2023

All FDEP Program Title Expenditures Loan Amounts	Assistance Listing #	Outstanding
U.S. Department of Environmental Protection		
State Revolving Fund Loan No. WW66206P	66.458	239,702
State Revolving Fund Loan No. WW662080	66.458	840,075
State Revolving Fund Loan No. WW662111	66.458	6,284,273
State Revolving Fund Loan No. WW662110	66.458	99,998
State Revolving Fund Loan No. WW610201	66.458	61,077
State Revolving Fund Loan No. WW610220	66.458	958,367
State Revolving Fund Loan No. WW610200	66.458	561,225
State Revolving Fund Loan No. WW66207P	66.458	48,832
State Revolving Fund Loan No. WW662070	66.458	221,685
State Revolving Fund Loan No. DW610211	66.458	180,936
State Revolving Fund Loan No. DW610210	66.458	200,552
Total		9,696,722

4. De Minimis Indirect Cost Rate Election

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

PURVIS GRAY

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Live Oak, Florida (the City) as of and for the year ended September 30, 2023, 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 15, 2024.

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.

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

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

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 15, 2024
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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal State 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.

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 15, 2024
Tallahassee, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
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 GAAP:	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.

PURVIS GRAY

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

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

We have examined the City of Live Oak, Florida's (the City) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. 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, 2023.

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 15, 2024
Tallahassee, Florida

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, 2023, and have issued our report thereon dated May 15, 2024.

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 15, 2024, should be considered in conjunction with this management letter.

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

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

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

MANAGEMENT LETTER

Financial Condition and Management

- Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require 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.

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 abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

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

MANAGEMENT LETTER

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



May 15, 2024
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
Joanne M. Luther, Finance Director

STATE OF FLORIDA
COUNTY OF SUWANNEE

SWORN TO AND SUBSCRIBED before me this 16th day of May, 2024.

R Marie Walker
NOTARY PUBLIC
Print Name R. Marie Walker

Personally known ✓ or produced identification _____

Type of identification produced: _____

R. MARIE WALKER
Notary Public - State of Florida
Commission # HH 401638
My Comm. Expires Sep 14, 2027
Bonded through National Notary Assn.

My Commission Expires:

Sept 14 2027