2025

City of Live Oak, Florida

Financial Statements and Independent Auditor's Report

September 30, 2025

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

CITY OF LIVE OAK, FLORIDA

CITY OFFICIALS

As of September 30, 2025

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

CITY OF LIVE OAK, FLORIDA

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

SEPTEMBER 30, 2025

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CITY OF LIVE OAK, FLORIDA

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AND
INDEPENDENT AUDITOR'S REPORT

SEPTEMBER 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we

INDEPENDENT AUDITOR'S REPORT

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, 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 Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2026, 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

June 23, 2026
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS


CITY OF
LIVE OAK

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2025, with selected comparative information for the fiscal year ended September 30, 2024. 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 exceed its liabilities and deferred inflows of resources at the close of fiscal year 2025 by $87,553,614 (net position). Requirements of GASB 68 ensure that all long-term debt is reflected in Net Position, therefore with GASB 68 reporting, the 2025 Governmental Activities' Unrestricted Net Position is $2,089,076.
- The City's total net position increased by $10,392,079 or 13.47%. The governmental activities net position increased by $2,250,496 or 8.61% including the current adjustment for GASB 68 long-term pension debt. Also the business-type net position increased by $8,141,583 or 15.96%. This increase is primarily due to revenues earned in excess of expenditures in all proprietary funds as increases in service charges were able to adequately keep pace with increases in expenses. The stormwater fund experienced a minimal $18,584 decrease in net position as a result of transfers despite positive operating income.
- At the closing of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $18,284,776, an increase of $1,415,866 in comparison with the prior year. At that time, $6,881,742 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 13-14 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, community redevelopment, *American Rescue Plan Act* (ARPA), and capital projects funds, 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 15-18 of this report.

Proprietary Funds – The City maintains four proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. These funds account for the operations of providing water and sewer, gas, stormwater, and refuse collection and disposal. The basic proprietary fund financial statements can be found on pages 19-22 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 23-24 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 25 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 63.

The combining statements referred to earlier in connection with non-major governmental funds can be found beginning on page 74 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 No. 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 deferred outflows and liabilities and deferred inflows – as one way to measure the financial health of the City and its ability to meet its financial obligations. 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 deferred outflows and total liabilities and deferred inflows 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, 2025:

	Governmental Activities		Business-Type Activities		Totals		Total % Change
	2025	2024	2025	2024	2025	2024	2025-2024
Current and other assets	$ 19,802,453	$ 21,079,035	$ 9,806,258	$ 8,724,437	$ 29,608,711	$ 29,803,472	-0.7%
Capital assets	15,123,091	14,693,028	59,433,780	53,208,244	74,556,871	67,901,272	9.8%
Total assets	34,925,544	35,772,063	69,240,038	61,932,681	104,165,582	97,704,744	6.6%
Total Deferred Outflows	2,000,525	2,015,238	96,022	68,860	2,096,547	2,084,098	0.6%
Current liabilities	1,517,677	4,257,676	1,804,993	2,679,373	3,322,670	6,937,049	-52.1%
Non-current liabilities	5,766,015	6,490,405	8,306,844	8,271,105	14,072,859	14,761,510	-4.7%
Total liabilities	7,283,692	10,748,081	10,111,837	10,950,478	17,395,529	21,698,559	-19.8%
Total Deferred Inflows	1,258,538	905,877	54,448	22,871	1,312,986	928,748	41.4%
Net Position							
Net Investment in capital assets	15,080,175	14,605,798	51,412,469	44,318,037	66,492,644	58,923,835	12.8%
Restricted for debt service	-	-	207,411	208,458	207,411	208,458	-0.5%
Restricted for other purposes	11,214,588	9,816,302	1,132,136	953,373	12,346,724	10,769,675	14.6%
Unrestricted	2,089,076	1,711,243	6,417,759	5,548,324	8,506,835	7,259,567	17.2%
Total Net Position	$ 28,383,839	$ 26,133,343	$ 59,169,775	$ 51,028,192	$ 87,553,614	$ 77,161,535	13.5%

The majority of the City's net position, 75.95% and 76.36% at September 30, 2025, and 2024, 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.

Restricted net position represents proceeds of certain revenue note obligations, as well as certain resources restricted for their repayment, which are set aside in the government-wide financial statements. Their use is limited by applicable legal indentures imposed by applicable bond covenants and other legal indentures. Net position restricted for debt service and capital acquisitions represent 14.34% and 14.23% of net position at September 30, 2025, and 2024, respectively.

The changes in net position displayed below show the financial effects of governmental and business-type activities during the fiscal year.

	Governmental Activities		Business-Type Activities		Totals		Total % Change
	2025	2024	2025	2024	2025	2024	2025-2024
Revenues							
Program revenue:							
Charges for services	$ 632,705	$ 498,274	$ 10,097,554	$ 9,476,963	$ 10,730,259	$ 9,975,237	7.57%
Capital grants/contributions	1,371,238	98,996	5,099,724	850,197	6,470,962	949,193	581.73%
Operating contributions	766,246	1,749,992	261,959	-	1,028,205	1,749,992	-41.25%
General revenue:							
Taxes	8,008,216	7,808,812	288,176	261,951	8,296,392	8,070,763	2.80%
Intergovernmental	413,754	424,294	-	-	413,754	424,294	-2.48%
Investment earnings	505,386	515,805	118,105	121,190	623,491	636,995	-2.12%
Miscellaneous	263,381	180,678	206,365	94,422	469,746	275,100	70.75%
	11,960,926	11,276,851	16,071,883	10,804,723	28,032,809	22,081,574	26.95%
Expenses							
General government	2,623,918	2,316,845	-	-	2,623,918	2,316,845	13.25%
Public safety	4,271,657	4,044,932	-	-	4,271,657	4,044,932	5.61%
Transportation	1,732,743	1,445,454	-	-	1,732,743	1,445,454	19.88%
Physical environment	609,636	341,188	-	-	609,636	341,188	78.68%
Human services	72,822	65,309	-	-	72,822	65,309	11.50%
Economic environment	74,731	140,485	-	-	74,731	140,485	-46.80%
Culture/recreation	266,023	284,281	-	-	266,023	284,281	-6.42%
Water, sewer, stormwater, gas, and sanitation	-	-	7,989,200	7,330,906	7,989,200	7,330,906	8.98%
	9,651,530	8,638,494	7,989,200	7,330,906	17,640,730	15,969,400	10.5%
Changes in net position before transfers	2,309,396	2,638,357	8,082,683	3,473,817	10,392,079	6,112,174	70.02%
Interfund services provided (used)	(58,900)	744,872	58,900	(744,872)	-	-	0.00%
Change in net position	2,250,496	3,383,229	8,141,583	2,728,945	10,392,079	6,112,174	70.02%
Net position - beginning	26,133,343	22,750,114	51,028,192	48,299,247	77,161,535	71,049,361	8.60%
Net position - ending	$ 28,383,839	$ 26,133,343	$ 59,169,775	$ 51,028,192	$ 87,553,614	$ 77,161,535	13.47%

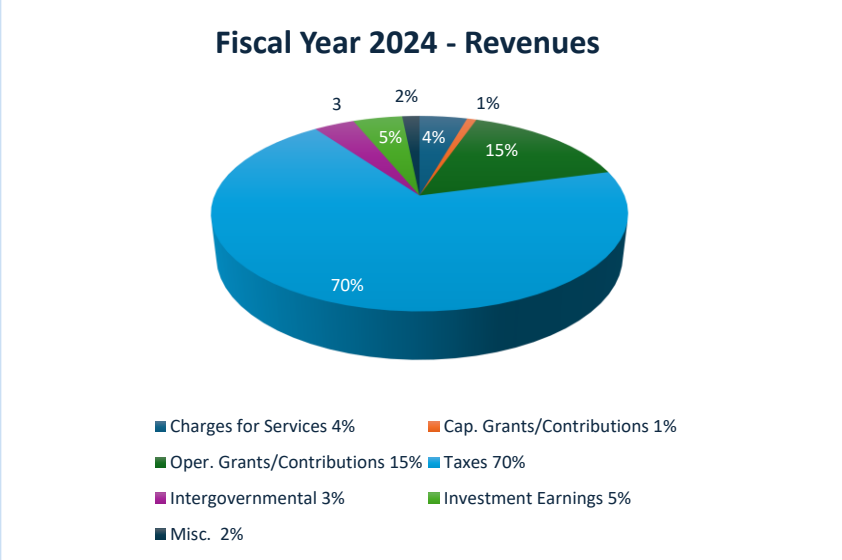
The City's total revenue increased by 26.95% or $5,951,235. This was primarily due to increases in Capital Grants and Contributions and Charges for Services of $5,521,769 and 581.73%, and $755,022 and 7.57%, respectively. The majority of the increases occurred in the Business-Type Activities, resulting from recognition of revenues from grant-funded capital projects and utility rate increases. This was net of a decrease of $721,787 and 41.25% in operating contributions over the prior year, due to the recognition of ARPA funding, which was mostly utilized for operating purposes in 2024; however, the remaining ARPA funds were used for capital improvements in 2025.

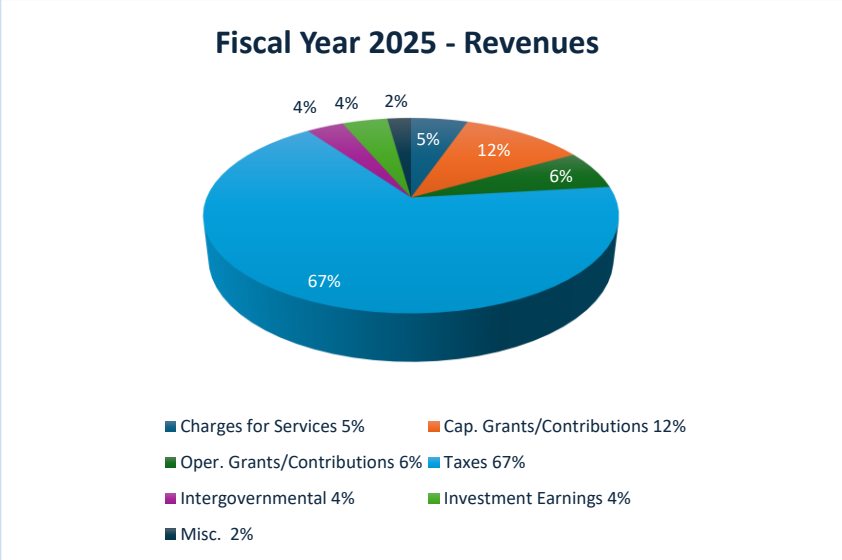
Governmental Activities

The cost of all governmental activities this year was $9,651,530 compared to $8,638,494 million last year, an increase of 11.73% over 2024. However, as shown in the Statement of Activities on page 14, the amount the City's taxpayers ultimately paid for these activities through City and State taxes was $8,008,216, with the remaining amount being paid by Capital Grants, Charges for Services, and various other sources. Overall, the City's governmental program and general revenues increased in fiscal year 2025 from $11,276,851 to $11,960,926 due increased funding from Capital Grants and Contributions, property taxes, and other miscellaneous sources, net of a decrease in Operating Contributions.

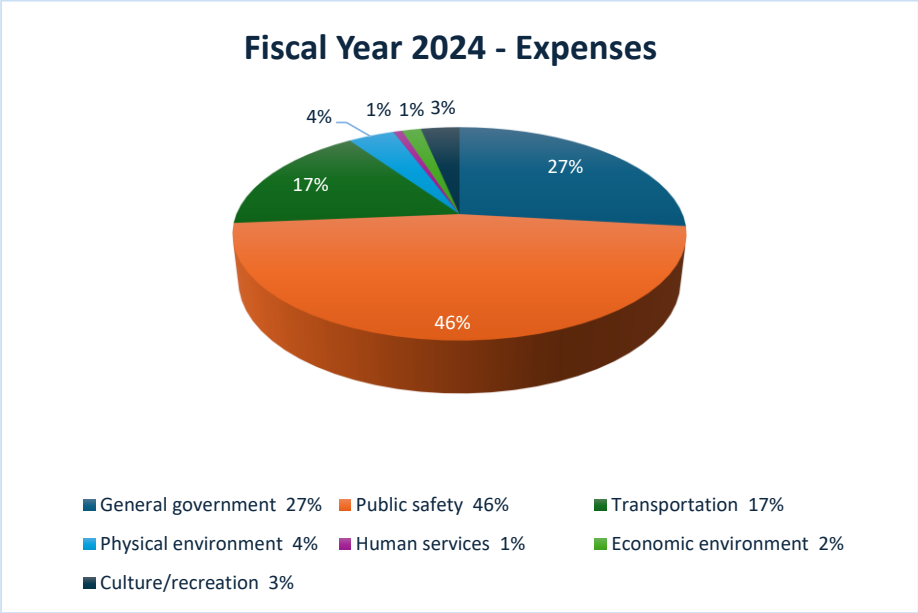
Below is a comparison of the composition of fiscal year 2024 and 2025 governmental funds revenues and expenses:

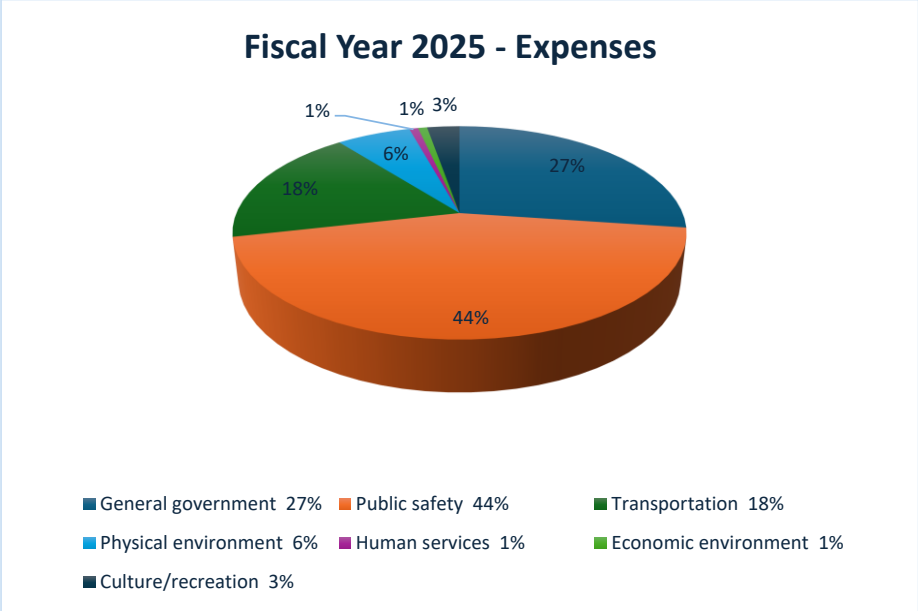
Revenue Comparison by Source





Expenditure Comparison by Source

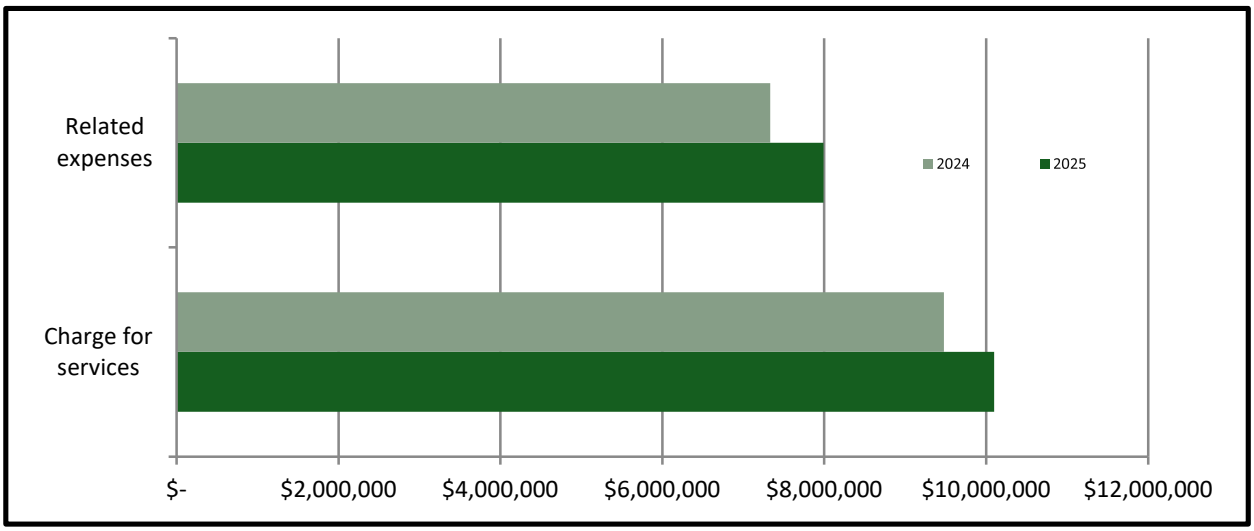




Business-Type Activities

Charges for services of 2025 of the City's business-type activities increased 6.55% or $620,591 over fiscal year 2025 and operating expenses increased by 8.98% or $658,294 from the prior year. The increase in revenue is primarily consumption-related across the water/sewer and natural gas service lines. Gas revenue and expenses increased at a relatively consistent pace, substantially 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 2025 and 2024



Capital Assets

At the end of 2025, the City had $74,556,871 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 $6,655,599 in capital assets which is reflected in the governmental activities increase of $430,063 or 2.93% and an increase of $6,225,536 or 11.70% for business-type activities. Increases were primarily the result of some minor capital equipment purchases and a substantial number of utility infrastructure improvement projects in progress as of fiscal year-end, with total additions being partially offset by depreciation reductions. The following table illustrates the changes in capital assets (see page 42 in the notes to the financial statements for detailed changes in capital assets).

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Capital Assets:						
Land	$ 1,860,970	$ 1,853,263	$ 1,615,587	$ 1,615,585	$ 3,476,557	$ 3,468,848
Buildings and Improvements	8,224,521	7,403,822	76,250,389	74,930,006	84,474,910	82,333,828
Machinery and Equipment	5,191,124	4,739,235	3,747,967	3,520,745	8,939,091	8,259,980
Right-to-Use Assets Under Leases	111,983	129,023	55,164	55,164	167,147	184,187
Right-to-Use Assets Under SBITA	45,366	45,366	-	-	45,366	45,366
Infrastructure	10,864,496	10,230,961	-	-	10,864,496	10,230,961
Construction Work in Progress	63,279	691,697	7,123,911	659,414	7,187,190	1,351,111
Subtotal	26,361,739	25,093,367	88,793,018	80,780,914	115,154,757	105,874,281
Less Accumulated Depreciation and Amortizations	(11,238,648)	(10,400,339)	(29,359,238)	(27,572,670)	(40,597,886)	(37,973,009)
Capital Assets, Net	$ 15,123,091	$ 14,693,028	$ 59,433,780	$ 53,208,244	$ 74,556,871	$ 67,901,272

The City's capital budget for fiscal year 2025 anticipated approximately $7,192,312 in capital projects. This partially comprises $3,190,000 for street improvements, $1,100,000 for water line improvements, $550,000 for sewer projects, $250,000 for stormwater improvements, and $336,125 in infrastructure and anode bed replacement expenditures in the gas fund. Funding for these projects includes $4,448,000 in Federal ARPA funds, as well as $3,141,170 in Federal Florida Department of Environmental Protection (FDEP) funding, $49,894 in Forida Department of Transportation (FDOT) alternative funding, and specific project funding from the Suwannee River Water Management District (SRWMD) for stormwater and the Pipeline Hazardous Materials Safety Administration (PHMSA) for natural gas projects.

Debt

At September 30, 2025, the City had $8,013,884 in notes payable. This is a decrease over fiscal year 2024 of $849,671. This balance represents the City's participation in the State Revolving Loan Fund 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 43.

Business-Type Activities	
2025	2024
$ 8,013,884	$ 8,863,555

* 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 continues to be challenged by ageing infrastructure, we strive to continue to make improvements as we are able. Housing and job creation remain as key goals of the City. City and Community Redevelopment Agency 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, FDOT, Suwannee County, SRWMD, City's consulting engineers, and private developers to address grant opportunities.

Public Works Department / Streets

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

Based on the severity of damages caused by the 2023-2024 storms, the State of Florida offered funding through Rebuild Florida Infrastructure Program for Community Development Block Grants (CDBG). During FY 2024-2025, the City applied for several CDBG grants. Two grants were awarded: 1) Neighborhood Revitalization project in the amount of $3,060,900 to replace Well #12 since it went out of commission back in 2012; and 2) Housing Rehabilitation in the amount of $1.5 million that will benefit 21-40 homes. The homeowners must be in the low- to mid-income range. Both of these projects are beginning the planning stages of development.

Utility Fund

The $6,000,000 Septic to Sewer project that will add a sewer lift station and make sewer connections available to an additional 30 to 60 residential and commercial locations was completed. This project was funded by the FDEP through the SRWMD.

Water line rehabilitation is being performed along Louis, Richardson, Taylor, Lincoln, Ruby, Main, and Irvin and 7th. The project replaced old undersized lines to improve water distribution and reduce leaks and service interruptions.

Stormwater Improvements – Current and Future Projects

- The City has received several Department of Commerce grants to plan and improve utilities in the US129 North area. One of the projects is a joint effort with Suwannee County to install water, sewer, and gas utilities along 68th Terrace, which began mid-year 2025.

- FDOT has awarded the 3rd and 4th funding of TAP funds for additional stormwater drainage wells to help control stormwater runoff along US129 or US90. The funding package was reformatted by DOT.

FUTURE PROJECTS

- The City has been awarded funding from PHMSA to replace our natural gas anode beds. Florida Gas Utility will be assisting us with the project.

- As a result of joint efforts between the City and the Suwannee County, the City's Recreation Department has extended lighting along the Heritage Trail with Florida Recreation Development Assistance Program (FRDAP) funding as well as various Heritage Park & Gardens improvements, utilizing $400,000 in FRDAP grants. This project is complete.

- Another CDBG grant that was applied for as a result of the 2023-2024 storms using the Disaster Recovery funds will provide infrastructure for a water loop and a water storage tank. The amount of this grant is $3,895,500 and was awarded in FY 2025-26.

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
LSessions@cityofliveoak.org
(386) 362-2276

Tammie Girard, Finance Director
TGirard@cityofliveoak.org
(386) 362-2276 ext. 2

Additional information can also be found on the City's website at www.cityofliveoak.org.

BASIC FINANCIAL STATEMENTS

CITY OF LIVE OAK, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 18,393,602	$ 4,493,301	$ 22,886,903
Receivables, Net of Allowance for Uncollectible Accounts	312,279	1,248,498	1,560,777
Internal Balances		777,553	777,553
Due from Other Governments	966,104	941,196	1,907,300
Prepaid Items	130,468	214,752	345,220
Non-Current Restricted Cash	-	2,130,958	2,130,958
Capital Assets:			
Non-Depreciable	1,924,249	8,739,498	10,663,747
Depreciable, Net	13,198,842	50,694,282	63,893,124
Total Assets	34,925,544	69,240,038	104,165,582
Deferred Outflows of Resources - Pension Related	2,000,525	96,022	2,096,547
Liabilities			
Accounts Payable and Other Accrued Liabilities	573,781	983,446	1,557,227
Due to Other Governments	1,782	-	1,782
Unearned Revenue	164,561	-	164,561
Internal Balances	777,553	-	777,553
Restricted Fund Liabilities:			
Customer Deposits	-	791,412	791,412
Notes, Leases, and Other Payables:			
Accrued Interest Payable	-	30,135	30,135
Due or Payable Within One Year	26,595	848,922	875,517
Due or Payable in More Than One Year	16,321	7,172,389	7,188,710
Compensated Absences	231,830	10,240	242,070
Net Pension Liability	5,266,282	252,471	5,518,753
OPEB Liability	224,987	22,822	247,809
Total Liabilities	7,283,692	10,111,837	17,395,529
Deferred Inflows of Resources - Pension Related	1,258,538	54,448	1,312,986
Net Position			
Net Investment in Capital Assets	15,080,175	51,412,469	66,492,644
Restricted for:			
Law Enforcement	36,439	-	36,439
Recreation	100,000	-	100,000
Community Redevelopment	1,848,474	-	1,848,474
Capital Improvements	8,525,871	1,132,136	9,658,007
Road Improvements	703,804	-	703,804
Debt Service	-	207,411	207,411
Unrestricted	2,089,076	6,417,759	8,506,835
Total Net Position	$ 28,383,839	$ 59,169,775	$ 87,553,614

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, 2025

		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
Governmental Activities							
General Government	$ 2,623,918	$ 85,611	$ -	$ -	$ (2,538,307)	$ -	$ (2,538,307)
Public Safety	4,271,657	325,129	30,175	78,693	(3,837,660)	-	(3,837,660)
Transportation	1,732,743	200,422	50,794	-	(1,481,527)	-	(1,481,527)
Physical Environment	609,636	-	685,277	1,084,357	1,159,998	-	1,159,998
Human Services/Health	72,822	21,285	-	-	(51,537)	-	(51,537)
Economic Environment	74,731	-	-	-	(74,731)	-	(74,731)
Culture/Recreation	266,023	258	-	208,188	(57,577)	-	(57,577)
Total Governmental Activities	9,651,530	632,705	766,246	1,371,238	(6,881,341)	-	(6,881,341)
Business-Type Activities							
Water and Sewer Utility	5,645,458	7,321,549	27,948	5,099,724	-	6,803,763	6,803,763
Stormwater	228,721	198,482	42,806	-	-	12,567	12,567
Gas Utility	825,846	966,059	5,680	-	-	145,893	145,893
Sanitation	1,289,175	1,611,464	185,525	-	-	507,814	507,814
Total Business-Type Activities	7,989,200	10,097,554	261,959	5,099,724	-	7,470,037	7,470,037
Total Governmental and Business-Type Activities	$ 17,640,730	$ 10,730,259	$ 1,028,205	$ 6,470,962	(6,881,341)	7,470,037	588,696
	General Revenues and Transfers						
	Property Taxes, Levied for General Purposes				3,356,250	-	3,356,250
	Property Taxes, Levied for Tax Increment District				407,010	-	407,010
	Fire Assessment Fee				392,923	-	392,923
	Sales Taxes				1,632,010	-	1,632,010
	Local Option Gas Tax				430,364	-	430,364
	Franchise Taxes				946,388	-	946,388
	Utility Taxes				843,271	288,176	1,131,447
	State Revenue Sharing				322,398	-	322,398
	Other Intergovernmental Revenues				91,356	-	91,356
	Investment Earnings				505,386	118,105	623,491
	Rental Space				62,099	-	62,099
	Miscellaneous Revenue				201,282	206,365	407,647
	Transfers				(58,900)	58,900	-
	Total General Revenues and Transfers				9,131,837	671,546	9,803,383
	Changes in Net Position				2,250,496	8,141,583	10,392,079
	Net Position, Beginning of Year				26,133,343	51,028,192	77,161,535
	Net Position, End of Year				$ 28,383,839	$ 59,169,775	$ 87,553,614

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

CITY OF LIVE OAK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	Capital Projects Fund	Community Redevelopment Tax Fund	American Rescue Plan	Non-Major Funds	Total
Assets						
Cash and Cash Equivalents	$ 6,520,372	$ 9,155,573	$ 1,921,642	$ 777,553	$ 18,462	$ 18,393,602
Accounts Receivable, Net	312,279	-	-	-	-	312,279
Due from Other Funds/Internal Balance	293,504	-	11,500	-	124,087	429,091
Due from Other Governments	426,979	74,102	-	-	465,023	966,104
Prepaid Items	129,427	-	1,041	-	-	130,468
Total Assets	$ 7,682,561	$ 9,229,675	$ 1,934,183	$ 777,553	$ 607,572	$ 20,231,544
Liabilities						
Accounts Payable and Other Current Liabilities	$ 329,094	$ -	$ 34,048	$ -	$ 210,639	$ 573,781
Due to Other Funds/Internal Balance	124,087	-	50,620	777,553	254,384	1,206,644
Due to Other Governments	1,782	-	-	-	-	1,782
Unearned Revenue	158,451	-	-	-	6,110	164,561
Total Liabilities	613,414	-	84,668	777,553	471,133	1,946,768
Fund Balances						
Non-Spendable:						
Prepaid Items	129,427	-	1,041	-	-	130,468
Restricted for:						
Law Enforcement	-	-	-	-	36,439	36,439
Community Redevelopment	-	-	1,848,474	-	-	1,848,474
Capital Improvements	-	8,525,871	-	-	-	8,525,871
Recreation	-	-	-	-	100,000	100,000
Road Improvements	-	703,804	-	-	-	703,804
Committed:						
Annual Leave Reserve	57,978	-	-	-	-	57,978
Unassigned, Reported in:						
General fund	6,881,742	-	-	-	-	6,881,742
Total Fund Balances	7,069,147	9,229,675	1,849,515	-	136,439	18,284,776
Total Liabilities and Fund Balances	$ 7,682,561	$ 9,229,675	$ 1,934,183	$ 777,553	$ 607,572	$ 20,231,544

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, 2025

Total Fund Balances of Governmental Funds	$ 18,284,776
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.	15,123,091
Deferred outflows and inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Deferred Outflows of Resources	2,000,525
Deferred Inflows of Resources	(1,258,538)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:	
Leases and SBITA's	(42,916)
Compensated Absences	(231,830)
Other Postemployment Benefit Liability	(224,987)
Net Pension Liability	(5,266,282)
Net Position of Governmental Activities	$ 28,383,839

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
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General	Capital Projects Fund	Community Redevelopment Tax Fund	American Rescue Plan	Non-Major Funds	Total
Revenues						
Taxes	$ 5,521,116	$ 1,583,334	$ 407,010	$ -	$ -	$ 7,511,460
Licenses and Permits	344,981	-	-	-	-	344,981
Intergovernmental	1,297,017	-	-	1,084,357	635,542	3,016,916
Charges for Services	261,954	-	-	-	-	261,954
Fines and Forfeitures	25,522	-	-	-	248	25,770
Tower Rental	62,099	-	-	-	-	62,099
Interest	189,166	229,559	49,200	37,460	1	505,386
Donations	-	-	-	-	19,774	19,774
Miscellaneous	181,507	-	-	-	-	181,507
Total Revenue	7,883,362	1,812,893	456,210	1,121,817	655,565	11,929,847
Expenditures						
General Government	2,557,289	-	231,779	-	5,676	2,794,744
Public Safety	4,561,746	-	-	-	143,990	4,705,736
Transportation	1,677,178	-	-	-	-	1,677,178
Physical Environment	164,958	-	-	-	285,000	449,958
Human Services	68,799	-	-	-	4,023	72,822
Economic Environment	-	-	92,231	-	-	92,231
Culture/Recreation	266,023	-	191,894	-	208,188	666,105
Total Expenditures	9,295,993	-	515,904	-	646,877	10,458,774
(Deficiency) Excess of Revenue (Under) Over Expenditures	(1,412,631)	1,812,893	(59,694)	1,121,817	8,688	1,471,073
Other Financing Sources (Uses)						
Financing of Leases	3,693	-	-	-	-	3,693
Transfers in	1,844,349	-	418,872	-	-	2,263,221
Transfers out	(418,872)	(550,000)	(75,696)	(1,277,553)	-	(2,322,121)
Total Other Financing Sources (Uses)	1,429,170	(550,000)	343,176	(1,277,553)	-	(55,207)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	16,539	1,262,893	283,482	(155,736)	8,688	1,415,866
Fund Balances, Beginning of Year	7,052,608	7,966,782	1,566,033	155,736	127,751	16,868,910
Fund Balances, End of Year	$ 7,069,147	$ 9,229,675	$ 1,849,515	$ -	$ 136,439	$ 18,284,776

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

CITY OF LIVE OAK, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balances - Total Governmental Funds		$ 1,415,866
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	$ 1,396,927	
Donations of Capital Assets	31,079	
Capital Asset Disposals and Transfers	(40,449)	
Depreciation and Amortization Expenses	(957,494)	430,063
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	48,007	
New Lease Obligations	(3,693)	
Change in Compensated Absences Liabilities	(45,618)	
Change in OPEB Liability	(31,443)	
Change in Net Pension Liability	437,314	404,567
Change in Net Position of Governmental Activities		$ 2,250,496

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, 2025

	Business-Type Activities - Enterprise Funds				
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	$ 3,527,974	$ 97,220	$ 224,119	$ 643,988	$ 4,493,301
Accounts Receivables, Net	944,740	19,041	113,006	171,711	1,248,498
Due from Other Governments	839,185	42,806	5,680	53,525	941,196
Due from Other Funds	777,553	-	-	-	777,553
Other Current Assets	195,005	2,618	17,129	-	214,752
Total Current Assets	6,284,457	161,685	359,934	869,224	7,675,300
Property and Equipment:					
Land	1,592,060	22,927	600	-	1,615,587
Building and Improvements	71,168,900	3,488,185	1,593,304	-	76,250,389
Machinery and Equipment	2,052,585	88,348	169,029	1,438,005	3,747,967
Right-to-Use Assets Under Leases	55,164	-	-	-	55,164
Total Property and Equipment	74,868,709	3,599,460	1,762,933	1,438,005	81,669,107
Less Accumulated Depreciation and Amortization	(26,867,672)	(1,087,030)	(913,029)	(442,101)	(29,309,832)
Less Accumulated Amortization on Right-to-Use Assets Under Leases	(49,406)	-	-	-	(49,406)
Construction Work in Progress	7,113,376	-	10,535	-	7,123,911
Net Property and Equipment	55,065,007	2,512,430	860,439	995,904	59,433,780
Non-Current Restricted Cash	1,600,324	19,103	166,849	344,682	2,130,958
Total Assets	62,949,788	2,693,218	1,387,222	2,209,810	69,240,038
Total Deferred Outflows of Resources	30,819	-	-	65,203	96,022
Liabilities					
Current Liabilities:					
Accounts Payable	906,053	24	36,494	40,875	983,446
Accrued Interest Payable	28,269	1,866	-	-	30,135
Current Portion of Notes and Leases Payable	811,088	37,834	-	-	848,922
Total Current Liabilities	1,745,410	39,724	36,494	40,875	1,862,503
Deposits	457,985	-	166,849	166,578	791,412
OPEB Liability	7,258	-	-	15,564	22,822
Compensated Absences	2,553	-	-	7,687	10,240
Notes and Leases Payable	7,013,102	159,287	-	-	7,172,389
Net Pension Liability	81,033	-	-	171,438	252,471
Total Liabilities	9,307,341	199,011	203,343	402,142	10,111,837
Total Deferred Inflows of Resources	17,476	-	-	36,972	54,448
Net Position					
Net Investment in Capital Assets	47,240,817	2,315,309	860,439	995,904	51,412,469
Restricted for Capital Replacement	954,032	-	-	178,104	1,132,136
Restricted for Debt Service	188,308	19,103	-	-	207,411
Unrestricted	5,272,633	159,795	323,440	661,891	6,417,759
Total Net Position	$ 53,655,790	$ 2,494,207	$ 1,183,879	$ 1,835,899	$ 59,169,775

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, 2025

	Business-Type Activities - Enterprise Funds				
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Operating Revenues					
Charges for Services	$ 7,321,549	$ 198,482	$ 966,059	$ 1,611,464	10,097,554
Operating Expenses					
Personnel Services	252,374	-	-	368,570	620,944
Cost of Sales	-	-	471,746	471,711	943,457
Materials and Supplies	407,833	26,240	36,349	241,831	712,253
Utilities	332,521	-	2,788	-	335,309
Taxes	-	-	14,905	-	14,905
Maintenance and Repairs	433,205	4,477	22,419	45,602	505,703
Depreciation	1,654,891	148,905	53,923	140,347	1,998,066
Insurance	134,487	2,128	7,810	21,114	165,539
Contractual Services	2,133,736	42,711	215,906	-	2,392,353
Total Operating Expenses	5,349,047	224,461	825,846	1,289,175	7,688,529
Operating Income (Loss)	1,972,502	(25,979)	140,213	322,289	2,409,025
Non-Operating Revenues (Expenses)					
Interest Earnings	94,865	516	4,739	17,985	118,105
Intergovernmental Revenue	27,948	42,806	5,680	185,525	261,959
Utility Tax	288,176	-	-	-	288,176
Interest Expense	(165,232)	(4,260)	-	-	(169,492)
Theft Loss	(131,179)	-	-	-	(131,179)
Other Revenues (Expenses)	171,915	-	10,095	24,355	206,365
Total Non-Operating Income (Expenses)	286,493	39,062	20,514	227,865	573,934
Income Before Other Revenues, Expenses, Gains, and, Transfers	2,258,995	13,083	160,727	550,154	2,982,959
Capital Contributions (Grants) and Transfers					
Capital Grants	5,099,724	-	-	-	5,099,724
Transfers in	1,353,249	-	-	-	1,353,249
Transfers out	(811,621)	(31,667)	(135,000)	(316,061)	(1,294,349)
Total Capital Contributions (Grants) and Transfers	5,641,352	(31,667)	(135,000)	(316,061)	5,158,624
Increase (Decrease) in Net Position	7,900,347	(18,584)	25,727	234,093	8,141,583
Net Position, Beginning of Year	45,755,443	2,512,791	1,158,152	1,601,806	51,028,192
Net Position, End of Year	$ 53,655,790	$ 2,494,207	$ 1,183,879	$ 1,835,899	$ 59,169,775

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, 2025

	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	$ 7,181,290	$ 198,232	$ 973,698	$ 1,649,339	$ 10,002,559
Cash Paid to Suppliers	(2,890,709)	(205,773)	(779,190)	(777,647)	(4,653,319)
Cash Payments to Employees for Services	(182,526)	-	-	(372,782)	(555,308)
Net Cash Provided by (Used in) Operating Activities	4,108,055	(7,541)	194,508	498,910	4,793,932
Cash Flows from Non-Capital and Related Financing Activities					
Utility Taxes	288,176	-	-	-	288,176
Due from Other Funds	(498,062)	(551,644)	-	-	(1,049,706)
Miscellaneous	44,595	-	384	(8,641)	36,338
Operating Transfers in	1,353,249	-	-	-	1,353,249
Operating Transfers out	(811,621)	(31,667)	(135,000)	(316,061)	(1,294,349)
Net Cash Provided by (Used in) Non-Capital and Related Financing Activities	376,337	(583,311)	(134,616)	(324,702)	(666,292)
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(8,179,874)	-	(52,330)	-	(8,232,204)
Proceeds from Sale of Property, Plant and Equipment	4,743	-	9,710	-	14,453
Principal Paid on Capital Debt	(831,825)	(37,072)	-	-	(868,897)
Interest Paid on Capital Debt	(165,232)	(4,260)	-	-	(169,492)
Capital Grants and Contributions	4,696,675	674,223	-	132,000	5,502,898
Net Cash (Used in) Capital and Related Financing Activities	(4,475,513)	632,891	(42,620)	132,000	(3,753,242)
Cash Flows from Investing Activities					
Interest Received	94,865	516	4,739	17,985	118,105
Net Cash Provided by (Used in) for Investing Activities	94,865	516	4,739	17,985	118,105
Net Increase (Decrease) in Cash and Cash Equivalents	103,744	42,555	22,011	324,193	492,503
Cash and Cash Equivalents, Beginning of Year	5,024,554	73,768	368,957	664,477	6,131,756
Cash and Cash Equivalents, End of Year	$ 5,128,298	$ 116,323	$ 390,968	$ 988,670	$ 6,624,259
As Presented on the Accompanying Statement of Net Position:					
Cash and Cash Equivalents	$ 3,527,974	$ 97,220	$ 224,119	$ 643,988	$ 4,493,301
Non-Current Restricted Cash	1,600,324	19,103	166,849	344,682	2,130,958
	$ 5,128,298	$ 116,323	$ 390,968	$ 988,670	$ 6,624,259

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, 2025
(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	$ 1,972,502	$ (25,979)	$ 140,213	$ 322,289	2,409,025
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	1,654,891	148,905	53,923	140,347	1,998,066
(Increase) Decrease in Assets:					
Accounts Receivable	(148,450)	(250)	6,117	35,700	(106,883)
Prepaid Expenses	(72,841)	(2,618)	(17,129)		(92,588)
(Decrease) Increase in Liabilities:					
Accounts Payable	623,914	(127,599)	9,862	2,611	508,788
Customer Deposits	8,191	-	1,522	2,175	11,888
Accrued Compensated Absences	1,850	-	-	3,984	5,834
Other Postemployment Benefits	(208)	-	-	(10,121)	(10,329)
Net Pension Liability and Pension Related Deferred Inflows and Outflows	68,206	-	-	1,925	70,131
Net Cash Provided by Operating Activities	$ 4,108,055	$ (7,541)	$ 194,508	$ 498,910	$ 4,793,932

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, 2025

Assets		
Accrued Interest	$	4,547
Other Receivable		144
Investments, at Fair Value:		
Money Market funds		18,773
U.S. Treasury Notes/Government Bonds		395,915
Corporate Bonds		168,437
Common Stocks and Equity Securities		1,071,724
Total Investments		1,654,849
Total Assets		1,659,540
Liabilities		
Accounts Payable		-
Net Position		
Net Position Restricted for Pensions	$	1,659,540

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, 2025

Additions		
Contributions from:		
City	$	33,431
Total Contributions		33,431
Investment Income:		
Net Increase (Decrease) in Fair Value of Investments		129,387
Interest and Dividend Earnings		37,547
Less Investment Expense		(14,975)
Total Investment Income		151,959
Total Additions		185,390
Deductions		
Benefit Payments		175,085
Administrative Expenses		18,209
Total Deductions		193,294
Net Increase (Decrease)		(7,904)
Net Position, Beginning of Year		1,667,444
Net Position, End of Year	$	1,659,540

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 (the City) 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 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 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 Council members. 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 non-exchange 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 non-exchange transactions (grants) and voluntary non-exchange 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 in Note 9.

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

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

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

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

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

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

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

Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB 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.

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 (ARPA) Fund*—Coronavirus Local Fiscal Recovery Funds are governed by the Coronavirus State and Local Fiscal Recovery Funds program 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.

- *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, Rural Infrastructure Grant 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."

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

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.

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
Infrastructure	10-25 Years

Leases (GASB 87)

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the non-cancellable 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.

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.

Fund Balance Classifications

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* 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 Statement No. 54, are Non-spendable, 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.

In accordance with GASB Statement No. 54, 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.

Use of Estimates

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

E. Implementation of New Accounting Standards

During the year ended September 30, 2025, the City adopted GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*.

GASB Statement No. 101, *Compensated Absences* – This accounting standard expands the considerations used in determination of long-term liabilities associated with accrued compensated absences, including a requirement to consider potential usage of accumulated time in determination of the liability, rather than considering only amounts to be paid at severance of employment. Additionally, disclosures associated with the liability for compensated absences were updated for clarity and efficiency. Note 11 to the financial statements provides information regarding the City's compensated absences liability as of September 30, 2025. Management has determined the effects of prior period implementation are immaterial to the financial statements as a whole.

GASB Statement No. 102, *Certain Risk Disclosures* – The State of Florida and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for the City beginning with fiscal year ending September 30, 2025. Implementation of this Statement had no impact on the City's financial statements in FY 2025.

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

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 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 9.2623 mills for the year ended September 30, 2025.

The property tax calendar is as follows:

Valuation Date	January 1, 2024
Property appraiser prepares the assessment roll with values as of January 1, 2024, submits preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1, 2024
City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year.	September, 2024
Property appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable (levy date).	November 1, 2024
A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes are paid November 2024 through March 2025, with the following applicable discounts:	November 1, 2024

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, 2025
A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April/May 2025
Tax certificates are sold on all real estate parcels with unpaid real property taxes (lien date).	May/June 2025
A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent taxes.	September 10, 2025

Note 5 - Cash Deposits and Investments

Deposits	Carrying Amount	Bank Balance
Insured[1]	$ 25,016,786	$ 25,378,726
Uninsured:		
Uncollateralized[2]	18,773	18,773
Petty Cash	1,075	-
Total Deposits	$ 25,036,634	$ 25,397,499

Investments	Fair Value	Maturities	Credit Rating
Pension Fund Investments Held by Trustee:			
Common Stock Listed on ASE, NYSE, and NASDAQ	$ 1,071,724	N/A	N/A
U.S. Government Bonds	395,915	N/A	N/A
Corporate Bonds	9,357	7 Years or Less	AA2/AA
Corporate Bonds	13,520	5 Years or Less	BAA1/A-
Corporate Bonds	9,405	5 Years or Less	A2/A-
Corporate Bonds	9,427	5 Years or Less	A2/A
Corporate Bonds	6,107	5 Years or Less	A3/A-
Corporate Bonds	15,366	5 Years or Less	A1/A
Corporate Bonds	18,576	4 Years or Less	A3/A-
Corporate Bonds	15,061	4 Years or Less	A2/A
Corporate Bonds	14,492	4 Years or Less	AA3/A
Corporate Bonds	7,066	3 Years or Less	AA3/A
Corporate Bonds	8,648	2 Years or Less	AA3/AA
Corporate Bonds	2,954	2 Years or Less	A1/A+
Corporate Bonds	7,941	2 Years or Less	AA3/A+
Corporate Bonds	26,533	1 Years or Less	A2/A-
Corporate Bonds	3,984	1 Years or Less	A3/A-
Total Fair Value	$ 1,636,076		

(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 statement of the primary government is as follows:

Carrying Value of Deposits and Money Market Funds	$	25,035,559
Petty Cash		1,075
Carrying Value of Investments		1,636,076
Total Per Note Detail	$	26,672,710
Cash and Cash Equivalents	$	22,886,903
Restricted Cash and Cash Equivalents		2,130,958
Fiduciary Fund Cash and Investments		1,654,849
Total Reported in Statement of Net Position and Statement of Fiduciary Net Position	$	26,672,710

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" ADRs 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.

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, 2025 the City's investments in corporate bonds, held by trustees of the Substitute Firefighters Pension Trust Fund, were rated BAA1 to AAA by Moody's and A- to AAA by Standard & Poor's.

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

The pension plan's investment policy requires investments to be diversified to the extent practicable to control the risk of loss resulting from 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 $1,636,076 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.
- 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, 2025:

		Fair Value Measurements Using		
Investments by Fair Value	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	$ 18,773	$ 18,773	$ -	$ -
U.S. Government Bonds	395,915	395,915	-	-
Common Stocks/Equity	1,071,724	1,071,724	-	-
Corporate Bonds	168,437	-	168,437	-
Total Investments by Fair Value	$ 1,654,849	$ 1,486,412	$ 168,437	$ -

Note: As of September 30, 2025, the City had accrued interest receivable related to investments of $4,547.

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, 2025, is as follows:

	Business-Type Activities				
	Water and Sewer Utility Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Checking Account	$ 1,600,324	$ 19,103	$ 166,849	$ 344,682	$ 2,130,958
	$ 1,600,324	$ 19,103	$ 166,849	$ 344,682	$ 2,130,958

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

Note 7 - Accounts Receivable

The City's accounts receivable at September 30, 2025, consists of the following:

Governmental Activities	
General Fund:	
Delinquent Taxes Receivable	$ 7,256
Accounts Receivable	321,023
Less Allowance for Doubtful Accounts	(16,000)
Total Governmental Activities Accounts Receivable, Net	$ 312,279
Business-Type Activities	
Enterprise Funds:	
Water and Sewer Utility:	
Accounts Receivable	$ 1,309,015
Less Allowance for Doubtful Accounts	(364,275)
Stormwater Utility Fund:	
Accounts Receivable	26,542
Less Allowance for Doubtful Accounts	(7,501)
Gas Utility Fund:	
Accounts Receivable	164,427
Less Allowance for Doubtful Accounts	(51,421)
Sanitation Fund:	
Accounts Receivable	270,706
Less Allowance for Doubtful Accounts	(98,995)
Total Business-Type Activities Accounts Receivable, Net	$ 1,248,498

Note 8 - Due from Other Governments

The City's due from other governments at September 30, 2025, consists of the following:

	General Fund	Capital Projects	Other Governmental	Total
Suwanee County Tax Collector, Property Taxes	$ 358,350	$ -	$ -	$ 358,350
State of Florida, Taxes and Other State Revenue Distributions	6,338	74,102	-	80,440
State of Florida, Grants	17,718	-	411,625	429,343
Federal Government, Grants	44,573	-	53,398	97,971
Total	$ 426,979	$ 74,102	$ 465,023	$ 966,104

Business-Type Activities

	Water and Sewer	Stormwater	Gas	Sanitation	Total
Federal Government, Grants	$ 78,925	$ 42,806	$ 5,680	$ 53,525	$ 180,936
Suwannee River Water Management District, Grants	760,260	-	-	-	760,260
Total	$ 839,185	$ 42,806	$ 5,680	$ 53,525	$ 941,196

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, 2025, comprise the following:

Fund	Interfund Receivables	Interfund Payables
Internal Balances - Due to/from Other Funds		
General Fund	$ 293,504	$ 124,087
Special Revenue Funds:		
Local Government Fund	124,087	-
State Grant Fund	-	127,236
Special Projects	-	49,131
Rural Infrastructure Grant	-	73,750
American Rescue Plan	-	777,553
Victim's Advocate Fund	-	4,267
Community Redevelopment Tax Fund	11,500	50,620
Enterprise Funds:		
Water and Sewer Fund	777,553	-
Stormwater Fund	-	-
Total	$ 1,206,644	$ 1,206,644

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, 2025, the City made the following transfers:

	Operating Transfers in	Operating Transfers out
General Fund	$ 1,844,349	$ 418,872
Capital Projects Fund	-	550,000
Community Redevelopment Tax Fund	418,872	75,696
American Rescue Plan	-	1,277,553
Enterprise Funds:		
Water and Sewer Utility Fund	1,353,249	811,621
Stormwater Fund	-	31,667
Gas Fund	-	135,000
Sanitation Fund	-	316,061
Total	$ 3,616,470	$ 3,616,470

Note 10 - Capital Assets

Capital asset activity for the year ended September 30, 2025, was as follows:

	Beginning Balance 10/1/2024	Additions	Deletions/ Transfers	Ending Balance 9/30/2025
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 1,853,263	$ 7,707	$ -	$ 1,860,970
Construction in Progress	691,697	25,525	(653,943)	63,279
Total Capital Assets Not Being Depreciated	2,544,960	33,232	(653,943)	1,924,249
Capital Assets Being Depreciated or Amortized:				
Buildings	5,100,774	419,669	-	5,520,443
Improvements Other Than Buildings	2,303,048	401,030	-	2,704,078
Machinery and Equipment	4,739,235	545,623	(93,734)	5,191,124
Right-to-Use Assets under lease	129,023	3,693	(20,733)	111,983
Right-to-Use SBITA	45,366	-	-	45,366
Infrastructure	10,230,961	678,702	(45,167)	10,864,496
Total Capital Assets Being Depreciated or Amortized	22,548,407	2,048,717	(159,634)	24,437,490
Less Accumulated Depreciation and Amortization:				
Buildings	(2,124,932)	(149,584)	-	(2,274,516)
Improvements Other Than Buildings	(1,545,593)	(67,757)	-	(1,613,350)
Machinery and Equipment	(3,129,124)	(280,599)	92,896	(3,316,827)
Right-to-Use Assets Under Lease	(48,052)	(28,855)	8,162	(68,745)
Right-to-Use SBITA	(11,516)	(7,736)	-	(19,252)
Infrastructure	(3,541,122)	(422,963)	18,127	(3,945,958)
Total Accumulated Depreciation and Amortization	(10,400,339)	(957,494)	119,185	(11,238,648)
Total Capital Assets Being Depreciated or Amortized, Net	12,148,068	1,091,223	(40,449)	13,198,842
Governmental Activities Capital Assets, Net	$ 14,693,028	$ 1,124,455	$ (694,392)	$ 15,123,091
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 1,615,585	$ 2	$ -	$ 1,615,587
Construction in Progress	659,414	6,624,025	(159,528)	7,123,911
Total Capital Assets Not Being Depreciated	2,274,999	6,624,027	(159,528)	8,739,498
Capital Assets Being Depreciated or Amortized:				
Buildings	1,209,564	89,741	(9,810)	1,289,495
Wastewater Treatment Plant	24,421,291	144,508	-	24,565,799
Improvement Other Than Buildings	49,299,151	1,095,944	-	50,395,095
Machinery and Equipment	3,520,745	437,517	(210,295)	3,747,967
Right-to-Use Assets Under Lease	55,164	-	-	55,164
Total Capital Assets Being Depreciated or Amortized	78,505,915	1,767,710	(220,105)	80,053,520
Less Accumulated Depreciation and Amortization:				
Buildings	(428,893)	(26,341)	8,161	(447,073)
Wastewater Treatment Plant	(7,668,793)	(507,229)	-	(8,176,022)
Improvement Other Than Buildings	(17,965,578)	(1,140,237)	-	(19,105,815)
Machinery and Equipment	(1,478,606)	(305,653)	203,337	(1,580,922)
Right-to-Use Assets Under Lease	(30,800)	(18,606)	-	(49,406)
Total Accumulated Depreciation and Amortization	(27,572,670)	(1,998,066)	211,498	(29,359,238)
Total Capital Assets Being Depreciated or Amortized, Net	50,933,245	(230,356)	(8,607)	50,694,282
Total Business-Type Activities Capital Assets, Net	$ 53,208,244	$ 6,393,671	$ (168,135)	$ 59,433,780

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

Governmental Activities		
General Government	$	136,745
Physical Environment		146,244
Public Safety		214,837
Transportation		459,668
Total Depreciation and Amortization Expense - Governmental Activities	$	957,494
Business-Type Activities		
Water Utility	$	1,654,891
Stormwater Utility		148,905
Gas Utility		53,923
Sanitation		140,347
Total Depreciation and Amortization Expense - Business-Type Activities	$	1,998,066

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 June 28, 2004, the City borrowed $879,120 at 1.88% annually, beginning May 15, 2008. Terms of this borrowing require semi-annual payments of $27,821 due on March 15th and September 15th through September 15, 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 20, 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 15, 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.

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 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 December 4, 2009. 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, 2025, were as follows:

Description of Notes	Pledged Revenue	Net Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Projects 662110, 662111, 610200, 610220, 610201, 610210, 610211, 66206P and 662080	Net Water and Sewer Revenues	$ 3,437,942	$ 979,965	28.50%	$ 8,845,772	2040
Projects 66207P and 662070	Net Stormwater Revenues	123,428	41,679	33.77%	208,395	2030

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Balances 10/1/2024	Additions	Reductions	Balances 9/30/2025	Due Within One Year
Governmental Activities					
Compensated Absences	$ 186,212	$ 45,618	$ -	$ 231,830	$ -
OPEB Liability	193,544	31,443	-	224,987	-
Copier/Postage Machine Leases	6,143	3,693	(6,599)	3,237	657
SBITA	28,297	-	(8,441)	19,856	9,406
Vehicle Lease	52,790	-	(32,967)	19,823	16,532
Net Pension Liability:					
Florida Retirement	6,020,073	-	(760,066)	5,260,007	-
Firefighters Plan	50,897	-	(44,622)	6,275	-
Governmental Activity Long-Term Liabilities	$ 6,537,956	$ 80,754	$ (852,695)	$ 5,766,015	$ 26,595
Business-Type Activities					
Direct Borrowing:					
Notes Payable - DEP	$ 8,863,555	$ -	$ (849,671)	$ 8,013,884	$ 841,495
Compensated Absences	4,406	5,834	-	10,240	-
OPEB Liability	33,151	-	(10,329)	22,822	-
Copier Leases	1,102	-	(555)	547	547
Vehicle Lease	25,550	-	(18,670)	6,880	6,880
Net Pension Liability FRS	186,755	65,716	-	252,471	-
Business-Type Activity Long-Term Liabilities	$ 9,114,519	$ 71,550	$ (879,225)	$ 8,306,844	$ 848,922

Long-Term Debt – Future Requirements
Debt service requirements for all notes payable as of September 30, 2025, are as follows:

Business-Type Activities		
Year	Principal	Interest
2026	$ 841,495	$ 155,138
2027	883,678	137,966
2028	775,543	120,449
2029	664,225	106,116
2030	677,665	92,675
2031-2035	2,092,217	313,258
2036-2040	2,079,061	114,682
	$ 8,013,884	$ 1,040,284

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, 2024:

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, 2024 Actuarial Valuation Report for the City of Live Oak Firefighters' Substitute Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Contributions
Member Contributions: 3.0% of Compensation.

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

Investments

Investment Policy:
The following was the Board's adopted asset allocation policy as of September 30, 2025:

Asset Class	Target Allocation
Domestic Equity	55.00%
International Equity	10.00%
Fixed Income	35.00%
Total	100.00%

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

Rate of Return
For the year ended September 30, 2025, the annual money-weighted rate of return of Pension Plan investments, net of Pension Plan investment expense, was 9.55 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, 2025, were as follows:

Total Pension Liability	$ 1,665,815
Plan Fiduciary Net Position	(1,659,540)
Sponsor's Net Pension Liability	$ 6,275
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.62%

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

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

Mortality Rate Healthy Retiree:
Female: PubS.H-2010 for Healthy Retirees.
Male: PusS.H-2010 for Healthy Retirees, set forward one year.
Mortality Rate Beneficiary Lives:
Female: PubG.H-2010 for Healthy Retirees.
Male: PubG.H-2010 for healthy Retirees, set back one year.

All rates are projected generationally with Mortality Improvement Scale MP-2021. This assumption is considered to sufficiently accommodate future mortality improvements.

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

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

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

For 2025 the inflation rate assumption of the investment advisor was 2.40%. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2025, are summarized in the following table:

Target Allocation	Long-Term Expected Real Rate of Return[1]
55.00%	5.80%
10.00%	4.70%
35.00%	1.17%
100.00%	

[1] 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%.

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Sponsor's Net Pension Liability	$ 133,651	$ 6,275	$ (105,533)

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, 2024	$ 1,718,341	$ 1,667,444	$ 50,897
Service Cost	110,079	-	110,079
Changes in Assumptions	12,480	-	12,480
Contributions - Employer	-	33,431	(33,431)
Net Investment Income	-	151,959	(151,959)
Benefit Payments, Including Refunds of Employee Contributions	(175,085)	(175,085)	-
Administrative Expenses	-	(18,209)	18,209
Net Change	(52,526)	(7,904)	(44,622)
Balance at September 30, 2025	$ 1,665,815	$ 1,659,540	$ 6,275

Notes to Schedule:

Changes in Assumptions
For measurement date September 30, 2025, there were no changes in actuarial assumptions.

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 membership applicable to the City are as follows:

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

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

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.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for FRS during the City's 2024-25 fiscal year were as follows:

	Year Beginning Jule 1, 2025 Percent of Gross Salary		Year Beginning July 1, 2024 Percent of Gross Salary	
Class	Employee	Employer(1)	Employee	Employer(1)
Regular	3.00	11.97	3.00	11.57
Elected Officers	3.00	60.60	3.00	56.62
Senior Management Service	3.00	31.18	3.00	32.46
Special Risk Regular	3.00	33.13	3.00	30.73
DROP	0.00	20.02	0.00	19.13

(1) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for the Retiree Health Insurance Subsidy (HIS) of 2.00% for the years ended June 30, 2025 and 2026, respectively, and the fee of 0.06% for administration of the FRS Investment Plan and provision of educational tools for both plans.

The City's employer contributions to the FRS Pension Plan totaled $831,158 for the fiscal year ended September 30, 2025.

Net Pension Liability

At September 30, 2025, the City reported the following net pension liability:

	FRS Pension Plan
City's Proportion	0.013840289%
City's Proportionate Share of Net Pension Liability	$ 4,295,352

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, 2025, the City's proportion increased by .00117052115% from its proportion measured as of June 30, 2024.

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.

Actuarial Assumptions

The total pension liability in the July 1, 2025 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	3.50%
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	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed Income	29.0%	5.5%	5.4%	4.0%
Global Equity	45.0%	8.5%	6.9%	18.3%
Real Estate	12.0%	8.4%	7.1%	16.8%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investment	2.0%	6.5%	6.1%	8.7%
Total	100.0%			
Assumed Inflation – Mean		2.4%		1.5%

[(1)] As outlined in the FRS Pension Plan's Investment Policy

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

The following presents the net pension liability of the City, calculated using the current discount rate of 6.70%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's Proportionate Share of the Net Pension Liability	$ 8,429,557	$ 4,295,352	$ 829,290

The actuarial assumptions used in the July 1, 2025 valuation, were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

C. 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, 2025, 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 Plan's fiscal year ended June 30, 2025, the contribution rate was 2.0% of payroll, pursuant to Section 112.363, Florida Statues.

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 $274,514 for the fiscal year ended September 30, 2025.

Net Pension Liability
At September 30, 2025, the City reported the following net pension liability:

	HIS Pension Plan
City's Proportion	0.0094959%
City's Proportionate Share of Net Pension Liability	$ 1,217,126

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, 2025, the City's proportion increased by 0.000792651% from its proportion measured as of June 30, 2024.

Discount Rate
The discount rate used to measure the total pension liability was 5.20% for the HIS Pension Plan's fiscal year ended June 30, 2025. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Pension Plan sponsor.

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

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

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability of the City, calculated using the current discount rate of 5.20%, 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 (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
City's Proportionate Share of the Net Pension Liability	$ 1,372,505	$ 1,217,126	$ 1,086,812

D. 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 Annual Comprehensive 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. Non-vested 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 rates for the unfunded actuarial accrued liability of the FRS defined benefit plan, 2.0% HIS contribution rates for the year 2025, and .06% administrative fee. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Investment Plan contribution rates (employer and employee) during the 2024-2025 fiscal year were as follows:

	Year Beginning July 1, 2025 Percent of Gross Salary		Year Beginning July 1, 2024 Percent of Gross Salary	
Class	Employee	Employer	Employee	Employer
Regular	3.00	14.03	3.00	13.63
Elected Officers	3.00	54.57	3.00	58.68
Senior Management Service	3.00	33.24	3.00	34.52
Special Risk Regular	3.00	35.19	3.00	32.79

Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members for the periods October 1, 2024 through June 30, 2025, and from July 1, 2025 through September 30, 2025, respectively. For the fiscal year ended September 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

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, 2025 and June 30, 2026, were as follows:

Class	Year Beginning July 1, 2025, Percent of Gross Compensation	Year Beginning July 1, 2024, Percent of Gross Compensation
Regular	8.30	8.30
Elected Officers	13.34	13.34
Senior Management Service	9.67	9.67
Special Risk Regular	16.00	16.00

The City's Investment Plan pension expense totaled $303,000 for the fiscal year ended September 30, 2025.

E. Additional Disclosures – Defined Benefit Plans

	Firefighter's Plan	FRS	HIS	Total
Net Pension Liability	$ 6,275	$ 4,295,352	$ 1,217,126	$ 5,518,753

Deferred Outflows of Resource

	Firefighter's Plan	FRS	HIS	Total
Employer Contributions After Measurement Date	$ -	$ 229,294	$ 22,605	$ 251,899
Difference Between Expected and Actual Experience	-	458,789	7,265	466,054
Changes in Assumptions	-	498,802	10,773	509,575
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	635,147	233,872	869,019
Total Deferred Outflows of Resources	$ -	$ 1,822,032	$ 274,515	$ 2,096,547

Deferred Inflows of Resources

	Firefighter's Plan	FRS	HIS	Total
Difference Between Expected and Actual Experience	$ -	$ -	$ 1,931	$ 1,931
Changes in Assumptions	-	-	294,391	294,391
Net Difference Between Projected and Actual Earnings on Investments	124,168	717,152	1,013	842,333
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	143,182	31,149	174,331
Total Deferred Inflows of Resources	$ 124,168	$ 860,334	$ 328,484	$ 1,312,986

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 ended September 30, 2025. 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	FRS	HIS
2026	$ 10,128	$ 784,183	$ (12,015)
2027	(71,519)	28,728	(29,859)
2028	(53,817)	(14,141)	(17,643)
2029	(8,960)	(66,366)	(7,933)
2030	-	-	(9,124)
Total	$ (124,168)	$ 732,404	$ (76,574)

Pension Expense
For the year ended September 30, 2025, the City recognized pension expense from the defined benefit pension plans as follows:

Firefighter's Plan	$ 526
FRS	504,145
HIS	77,284
Total	$ 581,955

Payables to the Pension Plan
At September 30, 2025, 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 $312 for fiscal year ended September 30, 2025, are optional and determined by the participant as a percentage of compensation. Such contributions may not exceed the lesser of $23,500 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, 2025.

Note 13 - Other Postemployment Benefits (OPEB)

Plan Description
The City of Live Oak's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under the applicable

retirement plan to continue medical insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Plan does not meet the requirements for an OPEB plan administered through a trust.

Employees Covered by Benefit Terms
At October 1, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	82
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	0
Total	82

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.

The measurement date is September 30, 2025.
The measurement period for the OPEB expense was October 1, 2024 to September 30, 2025.
The reporting period is October 1, 2024 through September 30, 2025.

The City's Total OPEB Liability was measured as of September 30, 2025.

Actuarial Assumptions
The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2024, updated to September 30, 2025, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.50%
Initial Trend Rate	6.75%
Ultimate Trend Rate	4.00%
Years to Ultimate	50

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

Discount Rate
Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.50%. 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 & 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, 2025, the City will recognize OPEB Expense/(Revenue) of $25,240.

	Increases and Decreases in Total OPEB Liability
Reporting Period Ending September 30, 2024	$ 226,694
Changes for a Year:	
Service Cost	14,390
Interest	8,192
Differences Between Expected and Actual Experience	(39,317)
Changes of Assumptions	37,850
Changes of Benefit Terms	-
Contributions - Employer	-
Benefit Payments	-
Other Changes	-
Net Changes	21,115
Reporting Period Ending September 30, 2025	$ 247,809

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 4.06% for the fiscal year ended September 30, 2024 to 4.50% for the fiscal year ended September 30, 2025.

Fiscal Year Ended September 30, 2025:	4.50%
Fiscal Year Ended September 30, 2024:	4.06%
Fiscal Year Ended September 30, 2023:	4.87%
Fiscal Year Ended September 30, 2022:	4.77%

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 ended on September 30, 2025. 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 (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Total OPEB Liability (Asset)	$ 289,661	$ 247,809	$ 213,874

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 (3.00-5.75%)	Healthcare Cost Trend Rates (4.00-6.75%)	1% Increase (5.00-7.75%)
Total OPEB Liability (Asset)	$ 208,862	$ 247,809	$ 296,876

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 SBITA for the management and storage of body camera images. The 5-year contract requires an upfront payment of $9,899 for initial installation of remote access and annual license installments due July 1st. The contract end date is July 31, 2028.

City of Live Oak Leases and SBITAS

	Leases - Governmental Activities					
Description	Inception Date	Payment Terms	Annual Payment Amount	Interest Rate	Initial Lease Liability	Balance 9/30/2025
Postage Meter	3/30/2025	5 years	$ 922	8.83%	$ 3,693	$ 3,238
Street-Ford F-150	3/5/2024	3 years	8,025	6.49%	21,835	10,837
Street - Chevy Silverado	12/1/2022	3 years	10,199	7.95%	27,142	2,516
Street - Ford F-150	11/1/2022	3 years	10,067	7.95%	26,790	1,661
Street- Dodge RAM	5/1/2023	3 years	7,409	7.25%	19,922	4,808
Total						$ 23,060

	SBITAs - Governmental Activities					
Description	Inception Date	Payment Terms	Annual Payment Amount	Interest Rate	Initial Lease Liability	Balance 9/30/2025
Police - SBITA	5/1/2023	5 years	$ 9,899	6.55%	$ 45,366	$ 19,856

	Leases - Business-Type Activities					
Description	Inception Date	Payment Terms	Annual Payment Amount	Interest Rate	Initial Lease Liability	Balance 9/30/2025
Public Works - Water - Copier	10/1/2021	4 years	$ 1,950	18.39%	$ 2,851	$ 547
WWTP - Ford F-150	11/1/2022	3 years	10,468	7.95%	33,429	2,073
Water - Dodge RAM	6/1/2023	3 years	7,649	7.25%	19,922	4,807
Total						$ 7,427

Annual requirements to amortize Lease and SBITA obligations and related interest are as follows:

Leases - Governmental Activities

Year	Principal	Interest
2026	$ 17,189	$ 925
2027	4,008	258
2028	783	139
2029	854	68
2030	226	5
Total	$ 23,060	$ 1,395

SBITAs - Governmental Activities

Year	Principal	Interest
2026	$ 9,406	$ 1,301
2027	10,450	685
Total	$ 19,856	$ 1,986

Leases - Business-Type Activities

Year	Principal	Interest
2026	$ 7,427	$ 199

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 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 except for the following:

During the fiscal year, the City became a victim of a vendor fraud scheme that resulted in a loss of approximately $480,000. The City submitted a claim with its insurance provider which reimbursed the City for $350,000 of the loss resulting in a net loss of $131,179. The net loss from the theft was recorded as Non-Operating Expense in the accompanying Statement of Revenues, Expenses, and Changes in Net Position of the Water and Sewer Fund.

Note 18 - 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 effective July 1, 2021 for a monthly water and sewer rate of $92,114, providing an annual revenue of $1,105,368 through January of 2028. During the year ended September 30, 2025, total water and sewer fund revenue was $7,108,011. Of this amount, $1,105,362 or 15.6% was paid by the State of Florida Department of Corrections associated with the Suwannee Correctional Institution.

During the year-ended September 30, 2025, total gas revenue was $970,295. The City's largest gas customer, Pilgrim's Pride, remitted $342,442, which represents 35% of total revenue.

Note 19 - Subsequent Event

Effective May 1, 2026, the City entered into a 10-year lease agreement for office and equipment storage for the Public Works department. The lease requires base payments of $5,000 per month, resulting in a total commitment of $600,000 over the initial term. Monthly rent is subject to increase based on property tax assessments paid by the lessor. Additionally, the lease agreement permits lease credits to be applied for tenant improvements made by the City; however, the City is required to pay a minimum of $2,500 per month, with any remaining balance up to $2,500 offset by the lease credit until the credit is fully exhausted.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes:				
General Property Taxes:				
Ad Valorem Taxes	$ 3,152,632	$ 3,152,632	$ 3,094,416	$ (58,216)
In Lieu of Ad Valorem Property Taxes	237,855	237,855	244,118	6,263
Utility Tax	695,500	695,500	843,272	147,772
Fire Fee	380,000	380,000	392,923	12,923
Franchise Fees:				
Power and Light	545,750	545,750	609,871	64,121
Telecommunications	332,778	332,778	336,516	3,738
Total Taxes	5,344,515	5,344,515	5,521,116	176,601
Licenses and Permits:				
Business Tax Receipts	80,000	80,000	76,224	(3,776)
Building Permits	120,000	120,000	248,607	128,607
Other	15,000	15,000	20,150	5,150
Total Licenses and Permits	215,000	215,000	344,981	129,981
Intergovernmental Revenues:				
State Shared Revenues:				
Municipal Revenue Sharing	381,916	381,916	322,398	(59,518)
Motor Fuel Tax	95,000	95,000	70,149	(24,851)
Mobile Home Licenses	2,600	2,600	3,464	864
Beverage Tax	3,600	3,600	4,158	558
Sales Tax	448,121	448,121	479,040	30,919
Firefighter Supplement	4,000	4,000	1,620	(2,380)
Fuel Tax Refund	7,800	7,800	11,964	4,164
Mosquito Grant	91,994	91,994	36,549	(55,445)
TS FEMA	-	-	349,957	349,957
SCOP Road Grant	499,800	499,800	-	(499,800)
Local Source:				
Housing Authority in Lieu	16,000	16,000	17,718	1,718
Total Intergovernmental Revenues	1,550,831	1,550,831	1,297,017	(253,814)
Charges for Services:				
Pound Fees	1,000	1,000	1,135	135
Traffic Assistance	130,000	130,000	136,522	6,522
Right-of-Way Maintenance - D.O.T.	62,000	62,000	62,750	750
Zoning Fees	20,000	20,000	44,800	24,800
Miscellaneous	5,600	5,600	16,747	11,147
Total Charges for Services	218,600	218,600	261,954	43,354
Fines and Forfeitures	13,100	13,100	25,522	12,422
Miscellaneous Revenues:				
Interest	90,000	90,000	189,166	99,166
Tower Rental	58,496	58,496	62,099	3,603
Cemetery Lots	30,000	30,000	37,300	7,300
Private Contributions	45,000	45,000	8,980	(36,020)
Other	124,000	124,000	135,227	11,227
Total Miscellaneous Revenues	347,496	347,496	432,772	85,276
Total Revenues	$ 7,689,542	$ 7,689,542	$ 7,883,362	$ 193,820

CITY OF LIVE OAK, FLORIDA
BUDGET COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
General Government:				
Legislative:				
Personnel Services	$ 225,506	$ 225,506	$ 213,368	$ 12,138
Operating Expenses	31,000	31,000	24,452	6,548
	256,506	256,506	237,820	18,686
Financial and Administrative:				
Personnel Services	1,555,539	1,555,539	1,388,514	167,025
Operating Expenses	753,850	753,850	711,740	42,110
Capital Outlay	188,000	188,000	213,987	(25,987)
Debt Expense	10,400	10,400	5,228	5,172
	2,507,789	2,507,789	2,319,469	188,320
Total General Government	2,764,295	2,764,295	2,557,289	207,006
Public Safety:				
Law Enforcement:				
Personnel Services	1,994,540	1,994,540	1,888,829	105,711
Operating Expenses	306,100	306,100	276,108	29,992
Capital Outlay	200,000	200,000	155,056	44,944
Debt Expense	-	-	10,295	(10,295)
	2,500,640	2,500,640	2,330,288	170,352
Fire Protection:				
Personnel Services	1,567,720	1,567,720	1,465,810	101,910
Operating Expenses	246,525	246,525	210,971	35,554
Capital Outlay	67,500	67,500	24,429	43,071
Debt Expense	650	650	649	1
	1,882,395	1,882,395	1,701,859	180,536
Inspection and Code Enforcement:				
Personnel Services	242,870	242,870	208,388	34,482
Operating Expenses	127,140	127,140	66,152	60,988
Capital Outlay	204,000	204,000	177,309	26,691
Debt Expense	1,600	1,600	1,546	54
	575,610	575,610	453,395	122,215
Animal Control:				
Personnel Services	71,730	71,730	62,537	9,193
Operating Expenses	34,600	34,600	13,667	20,933
	106,330	106,330	76,204	30,126
Total Public Safety	5,064,975	5,064,975	4,561,746	503,229

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Concluded)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures *(Concluded)*				
Transportation:				
Road and Street Facilities:				
Personnel Services	$ 560,898	$ 560,898	$ 534,589	$ 26,309
Operating Expenses	862,330	862,330	749,958	112,372
Capital Outlay	3,179,800	3,179,800	357,402	2,822,398
Debt Expense	35,750	35,750	35,229	521
	4,638,778	4,638,778	1,677,178	2,961,600
Culture and Recreation:				
Operating Expenses	266,023	266,023	266,023	-
Capital Outlay	50,000	50,000	-	50,000
	316,023	316,023	266,023	50,000
Physical Environment:				
Personnel Services	206,130	206,130	149,658	56,472
Operating Expenses	29,750	29,750	15,300	14,450
Capital Outlay	32,000	32,000	-	32,000
	267,880	267,880	164,958	102,922
Human Services:				
Personnel Services	35,000	35,000	-	35,000
Operating Expenses	89,244	89,244	68,799	20,445
	124,244	124,244	68,799	55,445
Total Expenditures	13,176,195	13,176,195	9,295,993	3,880,202
(Deficiency) Excess Revenues (Under) Over Expenditures	(5,486,653)	(5,486,653)	(1,412,631)	4,074,022
Other Financing Sources (Uses)				
Transfers from:				
Infrastructure Fund	2,690,000	2,690,000	150,000	(2,540,000)
Capital Projects Fund	500,000	500,000	400,000	(100,000)
Water and Sewer Utility Fund	811,621	811,621	811,621	-
Stormwater Fund	38,000	38,000	31,667	(6,333)
Gas Utility Fund	135,000	135,000	135,000	-
Sanitation Fund	316,061	316,061	316,061	-
Other Financing Sources - Leases and SBITAs	8,000	8,000	3,693	(4,307)
Transfers to:				
Community Redevelopment Tax Fund	(400,000)	(400,000)	(418,872)	(18,872)
Total Other Financing Sources (Uses)	4,098,682	4,098,682	1,429,170	(2,669,512)
(Deficiency) Excess of Revenue and Other Sources (Under) Over Expenditures and Other Uses	(1,387,971)	(1,387,971)	16,539	1,404,510
Fund Balance, Beginning of Year	1,387,971	1,387,971	7,052,608	5,664,637
Fund Balance, End of Year	$ -	$ -	$ 7,069,147	$ 7,069,147

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 400,000	$ 400,000	$ 407,010	$ 7,010
Interest Earned	25,000	25,000	49,200	24,200
Total Revenues	425,000	425,000	456,210	31,210
Expenditures				
General Government	323,000	323,000	231,779	91,221
Economic Environment	295,057	295,057	92,231	202,826
Capital Outlay:				
Economic Environment	1,375,965	1,375,965	-	1,375,965
Transportation	50,000	50,000	-	50,000
Recreation	307,000	307,000	191,894	115,106
Total Expenditures	2,351,022	2,351,022	515,904	1,835,118
(Deficiency) Excess of Revenue (Under) Over Expenditures	(1,926,022)	(1,926,022)	(59,694)	1,866,328
Other Financing Resources (Uses)				
Transfers in:				
General Fund	400,000	400,000	418,872	18,872
Transfers out:				
Transfer to Utility Fund	(50,000)	(50,000)	(75,696)	(25,696)
Total Other Financing Sources (Uses)	350,000	350,000	343,176	(6,824)
(Deficiency) Excess of Revenues and Other Sources (Under) Over Expenditures	(1,576,022)	(1,576,022)	283,482	1,859,504
Fund Balance, Beginning of Year	1,576,022	1,576,022	1,566,033	(9,989)
Fund Balance, End of Year	$ -	$ -	$ 1,849,515	$ 1,849,515

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Interest Earned	$ 6,000	$ 6,000	$ 37,460	$ 31,460
Intergovernmental Grant	-	-	1,084,357	1,084,357
Total Revenues	6,000	6,000	1,121,817	1,115,817
(Deficiency) Excess of Revenue (Under) Over Expenditures	6,000	6,000	1,121,817	1,115,817
Other Financing Resources (Uses)				
Transfer to Utility Fund	(2,852,312)	(2,852,312)	(1,277,553)	1,574,759
Total Other Financing Sources (Uses)	(2,852,312)	(2,852,312)	(1,277,553)	1,574,759
(Deficiency) Excess of Revenues and Other Sources (Under) Over Expenditures	(2,846,312)	(2,846,312)	(155,736)	2,690,576
Fund Balance, Beginning of Year	2,846,312	2,846,312	155,736	(2,690,576)
Fund Balance, End of Year	$ -	$ -	$ -	$ -

CITY OF LIVE OAK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SUBSTITUTE FIREFIGHTER PENSION TRUST FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total Pension Liability										
Interest	$ 110,079	$ 111,542	$ 117,457	$ 124,424	$ 124,432	$ 134,560	$ 136,697	$ 141,363	$ 142,480	$ 135,680
Change in Excess State Money	-	-	-	-	-	-	-	-	-	-
Change in Funding Standard Account	-	-	-	-	-	-	-	-	-	-
Share Plan Allocation	-	-	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	-	-	-	38,923	16,213	(21,441)	26,766	27,974
Changes in Assumptions	12,480	41,863	(29,992)	-	-	55,153	-	-	-	115,424
Contributions - Buy Back	-	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(175,085)	(175,085)	(175,085)	(176,506)	(176,284)	(182,383)	(180,439)	(183,822)	(184,462)	(192,342)
Net Change in Total Pension Liability	(52,526)	(21,680)	(87,620)	(52,082)	(51,852)	46,253	(27,529)	(63,900)	(15,216)	86,736
Total Pension Liability - Beginning	1,718,341	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
Total Pension Liability - Ending (a)	$ 1,665,815	$ 1,718,341	$ 1,740,021	$ 1,827,641	$ 1,879,723	$ 1,931,575	$ 1,885,322	$ 1,912,851	$ 1,976,751	$ 1,991,967
Plan Fiduciary Net Position										
Contributions - Employer	$ 33,431	$ 73,256	$ 73,256	$ 60,869	$ 60,869	$ 53,782	$ 53,782	$ 57,179	$ 56,011	$ 43,177
Contributions - State								-	-	-
Contributions - Employee								-	-	-
Contributions - Buy Back								-	-	-
Net Investment Income	151,959	318,922	178,744	(290,189)	320,993	90,843	45,985	167,912	194,641	108,639
Benefit Payments, Including Refunds of Employee Contributions	(175,085)	(175,085)	(175,085)	(176,506)	(176,284)	(182,383)	(180,439)	(183,822)	(184,462)	(192,342)
Administrative Expense	(18,209)	(5,161)	(18,215)	(7,986)	(14,579)	(7,986)	(13,904)	(17,008)	(15,879)	(1,837)
Net Change in Plan Fiduciary Net Position	(7,904)	211,932	58,700	(413,812)	190,999	(45,744)	(94,576)	24,261	50,311	(42,363)
Plan Fiduciary Net Position - Beginning	1,667,444	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
Plan Fiduciary Net Position - Ending (b)	$ 1,659,540	$ 1,667,444	$ 1,455,512	$ 1,396,812	$ 1,810,624	$ 1,619,625	$ 1,665,369	$ 1,759,945	$ 1,735,684	$ 1,685,373
Net Pension Liability - Ending (a) - (b)	$ 6,275	$ 50,897	$ 284,509	$ 430,829	$ 69,099	$ 311,950	$ 219,953	$ 152,906	$ 241,067	$ 306,594
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.62%	97.04%	83.65%	76.43%	96.32%	83.85%	88.33%	92.01%	87.80%	84.61%

Notes to Schedule

Differences between the plan fiduciary net position presented above and the amounts presented in the financial statements are due to certain accruals which are the result of timing differences. These differences are not considered to be significant.

Changes of Assumptions

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

CITY OF LIVE OAK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SUBSTITUTE FIREFIGHTER PENSION TRUST FUND
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contributions Deficiency (Excess)	Covered Employee Payroll	Contributions as a percentage of Covered Employee Payroll
9/30/2025	$ 33,431	$ 33,431	$ -	N/A	N/A
9/30/2024	73,256	73,256	-	N/A	N/A
9/30/2023	73,256	73,256	-	N/A	N/A
9/30/2022	60,869	60,869	-	N/A	N/A
9/30/2021	60,869	60,869	-	N/A	N/A
9/30/2020	53,782	53,782	-	N/A	N/A
9/30/2019	53,782	53,782	-	N/A	N/A
9/30/2018	57,179	57,179	-	N/A	N/A
9/30/2017	56,011	56,011	-	N/A	N/A
9/30/2016	43,177	43,177	-	N/A	N/A

Notes to Schedule

Valuation Date: 10/1/2024

Methods and assumptions used to determine contribution rates can be found in the October 1, 2024 actuarial valuation for the City of Live Oak Firefighters' Substitute Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Mortality Rate: *Healthy Retiree:*
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Beneficiary Lives:
Female: PubG.H-2010 (Below Median) for Healthy Retirees.
Male: PubG.H-2010 (Below Median) for Healthy Retirees, set forward back year.

All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2021. 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, with appropriate adjustments made based on plan demographics.

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

Payroll Growth: None

Asset Method: Fair Market Value

Funding Method: Aggregate Actuarial Cost Method

CITY OF LIVE OAK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SUBSTITUTE FIREFIGHTER PENSION TRUST FUND
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
9/30/2025	9.55%
9/30/2024	22.72%
9/30/2023	13.20%
9/30/2022	-16.58%
9/30/2021	20.54%
9/30/2020	5.66%
9/30/2019	2.72%
9/30/2018	9.99%
9/30/2017	12.06%
9/30/2016	6.56%

CITY OF LIVE OAK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY - FRS AND HIS
LAST TEN FISCAL YEARS

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
City's Proportion of the FRS Net Pension Plan	0.013840289%	0.012669768%	0.011302006%	0.010744895%	0.012325665%	0.012973489%	0.013696881%	0.013002250%	0.012486026%	0.012796910%
City's Proportionate Share of the FRS Net Pension Plan	$ 4,295,352	$ 4,901,262	$ 4,503,591	$ 3,997,964	$ 931,064	$ 5,622,902	$ 4,717,015	$ 3,916,345	$ 3,693,283	$ 3,231,230
City's Covered-Employee Payroll (6/30)	$ 4,243,500	$ 3,684,200	$ 3,199,518	$ 2,753,434	$ 2,870,000	$ 2,483,735	$ 2,536,325	$ 2,378,735	$ 2,284,880	$ 2,267,892
City's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered- Employee Payroll	101.22%	133.03%	140.76%	145.20%	32.44%	226.39%	185.98%	164.64%	161.64%	142.48%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

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

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
City's Proportion of the HIS Net Pension Plan	0.009495856%	0.008703205%	0.008073908%	0.007553852%	0.008105052%	0.007154758%	0.007582135%	0.007281423%	0.007166783%	0.007344800%
City's Proportionate Share of the HIS Net Pension Plan	$ 1,217,126	$ 1,305,566	$ 1,282,244	$ 800,074	$ 994,206	$ 873,584	$ 848,365	$ 770,674	$ 766,305	$ 856,011
City's Covered-Employee Payroll (6/30)	$ 4,243,500	$ 3,684,200	$ 3,199,518	$ 2,753,434	$ 2,870,000	$ 2,483,735	$ 2,536,325	$ 2,378,735	$ 2,284,880	$ 2,267,892
City's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered- Employee Payroll	28.68%	35.44%	40.08%	29.06%	34.64%	35.17%	33.45%	32.40%	33.54%	37.74%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

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

CITY OF LIVE OAK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS - FRS AND HIS
LAST TEN FISCAL YEARS

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Contractually Required Contribution	$ 831,158	$ 788,909	$ 583,640	$ 457,570	$ 479,839	$ 435,952	$ 414,561	$ 385,401	$ 323,424	$ 330,190
FRS Contribution in Relation to the Contractually Required Contribution	(831,158)	(788,909)	(583,640)	(457,570)	(479,839)	(435,952)	(414,561)	(385,401)	(323,424)	(330,190)
FRS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll (FYE 9/30)	$ 4,227,450	$ 4,019,350	$ 3,365,066	$ 2,745,422	$ 2,934,523	$ 2,507,952	$ 2,473,718	$ 2,396,262	$ 2,015,895	$ 1,490,336
FRS Contributions as a Percentage of Covered-Employee Payroll	19.66%	19.63%	17.34%	16.67%	16.35%	17.38%	16.76%	16.08%	16.04%	22.16%

HEALTH INSURANCE SUBSIDY PENSION PLAN

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Contractually Required Contribution	$ 84,549	$ 80,387	$ 58,618	$ 45,574	$ 48,585	$ 41,632	$ 41,072	$ 39,826	$ 33,464	$ 24,740
HIS Contribution in Relation to the Contractually Required Contribution	(84,549)	(80,387)	(58,618)	(45,574)	(48,585)	(41,632)	(41,072)	(39,826)	(33,464)	(24,740)
HIS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll (FYE 9/30)	$ 4,227,450	$ 4,019,350	$ 3,365,066	$ 2,745,422	$ 2,934,523	$ 2,507,952	$ 2,473,718	$ 2,396,262	$ 2,015,895	$ 1,490,336
HIS Contributions as a Percentage of Covered-Employee Payroll	2.00%	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

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

Reporting Period Ending:	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date:	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability								
Service Cost	$ 14,390	$ 8,823	$ 12,382	$ 32,640	$ 31,196	$ 21,799	$ 21,243	$ 22,887
Interest	8,192	9,374	11,775	11,162	8,917	14,760	16,950	15,182
Difference Between Expected and Actual Experience	(39,317)	-	(98,204)	-	(44,571)	(49,765)	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Changes of Assumptions	37,850	26,460	(71,257)	(131,801)	8,706	15,909	35,954	(30,938)
Benefit Payments	-	(3,190)	(4,220)	(7,851)	(7,311)	(18,443)	(17,800)	(16,368)
Net Change in Total OPEB Liability	21,115	41,467	(149,524)	(95,850)	(3,063)	(15,740)	56,347	(9,237)
Total OPEB Liability - Beginning	226,694	185,227	334,751	430,601	433,664	449,404	393,057	402,294
Total OPEB Liability - Ending	$ 247,809	$ 226,694	$ 185,227	$ 334,751	$ 430,601	$ 433,664	$ 449,404	$ 393,057
Covered Employee Payroll (Projected)	$ 4,026,475	$ 2,878,050	$ 2,807,854	$ 2,862,377	$ 2,792,563	$ 2,351,736	$ 2,316,469	$ 2,259,970
Total OPEB Liability as a % of Covered Employee Payroll	6.15%	7.88%	6.60%	11.69%	15.42%	18.44%	19.40%	17.39%

Notes to Schedule

Covered Payroll:

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

Changes of Assumptions:

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

Fiscal Year Ending 2025	4.50%
Fiscal Year Ending 2024	4.06%
Fiscal Year Ending 2023	4.87%
Fiscal Year Ending 2022	4.77%
Fiscal Year Ending 2021	2.43%
Fiscal Year Ending 2020	2.14%
Fiscal Year Ending 2019	3.58%
Fiscal Year Ending 2018	4.18%

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

CITY OF LIVE OAK, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Local Government Fund	State Grant Fund	Special Project Fund	Rural Infrastructure Grant	Victim's Advocate Fund	Public Safety Fund	Total
Assets							
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$ 18,462	$ 18,462
Internal Balance	124,087	-	-	-	-	-	124,087
Due from Other Governments	-	204,125	49,131	207,500	4,267	-	465,023
Total Assets	124,087	204,125	49,131	207,500	4,267	18,462	607,572
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable and Other Current Liabilities	-	76,889	-	133,750	-	-	210,639
Due to Other Funds/ Internal Balance	-	127,236	49,131	73,750	4,267	-	254,384
Unearned Revenue	-	-	-	-	-	6,110	6,110
Total Liabilities	-	204,125	49,131	207,500	4,267	6,110	471,133
Fund Balances							
Restricted for:							
Law Enforcement	24,087	-	-	-	-	12,352	36,439
Recreation	100,000	-	-	-	-	-	100,000
Total Fund Balances	124,087	-	-	-	-	12,352	136,439
Total Liabilities and Fund Balances	$ 124,087	$ 204,125	$ 49,131	$ 207,500	$ 4,267	$ 18,462	$ 607,572

CITY OF LIVE OAK, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Local Government Fund	State Grant Fund	Special Project Fund	Rural Infrastructure Grant	Victim's Advocate Fund	Public Safety Fund	Total
Revenues							
Intergovernmental	$ -	$ 208,188	$ 112,179	$ 285,000	$ 30,175	$ -	$ 635,542
Donation - Private	19,774	-	-	-	-	-	19,774
Fines and Forfeitures	-	-	-	-	-	248	248
Interest	-	-	-	-	-	1	1
Total Revenues	19,774	208,188	112,179	285,000	30,175	249	655,565
Expenditures							
General Government	5,676	-	-	-	-	-	5,676
Public Safety	1,636	-	112,179	-	30,175	-	143,990
Culture/Recreation	-	208,188	-	-	-	-	208,188
Physical Environment	-	-	-	285,000	-	-	285,000
Human Services	4,023	-	-	-	-	-	4,023
Total Expenditures	11,335	208,188	112,179	285,000	30,175	-	646,877
Excess of Revenues Under Expenditures	8,439	-	-	-	-	249	8,688
Fund Balances, Beginning of Year	115,648	-	-	-	-	12,103	127,751
Fund Balances, End of Year	$ 124,087	$ -	$ -	$ -	$ -	$ 12,352	$ 136,439

OTHER INFORMATION

CITY OF LIVE OAK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2025

Federal Agency Pass-Through Entity Federal Program	Assistance Listing #	Contract/ Grant Number	Expenditures
U.S. Department of Justice			
Passed through the Office of the Attorney General Victim's Advocate		VH280	
Victims of Crime Act (VOCA)	16.575	POLICE DEPARTMENT -00232	$ 30,175
National Highway Traffic Safety Administration			
Passed through the Florida Department of Transportation			
Occupant Protection	20.600	G2G45	12,172
Speed and Aggressive Driving	20.600	G2G66	37,722
Subtotal of ALN 20.600			49,894
Total National Highway Traffic Safety Administration			49,894
U.S. Department of Homeland Security			
Direct Programs:			
Federal Emergency Management Administration			
Hurricane Idalia DR4734	97.036	Z3976	507,578
Federal Emergency Management Administration			
Hurricane Debbie DR4806	97.036	Z4250	104,341
Federal Emergency Management Administration			
Hurricane Helene DR4828	97.036	Z4541	43,074
Subtotal of ALN 97.036			654,993
Total U.S. Department of Homeland Security			654,993
U.S. Department of Treasury (SLFRP)			
Passed through Florida Department of Environmental Protection			
Passed through Suwannee River Water Management District			
COVID-19 - Coronavirus State & Local Fiscal Recovery Funds			
Live Oak Septic to Sewer to Reuse	21.027	WG051	3,141,170
Direct Program:			
COVID-19 - Coronavirus State & Local Fiscal Recovery Funds	21.027		1,084,357
Subtotal of ALN 21.027			4,225,527
Total all U.S. Department of Treasury			4,225,527
Total Expenditures of Federal Awards			4,960,589
Florida Department of Commerce			
Regional Community Development and Infrastructure			
Water & Sewer 68th Terrace	40.042	DO288	3,000
Florida Department of Forestry			
Cooperative Forestry Assistance	10.664	VFA	13,771
Florida Department of Agricultural and Consumer Services			
Division of Agricultural Environmental Services			
City of Live Oak Mosquito Control	42.003	29518	36,549
Florida Department of Environmental Protection			
Statewide Water Quality Restoration			
Passed through Suwannee River Water Management District			
Live Oak Septic to Sewer to Reuse	37.039	WG051	2,361,326
Florida Recreation Development Assistant Program			
Azalea Park	37.017	A23053	4,063
Total Expenditures of State Financial Assistance			2,418,709
Total Expenditures of Federal Awards and State Financial Assistance			$ 7,379,298

CITY OF LIVE OAK, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Note 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 (the City). 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.

Note 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.

Note 3 - Loans Outstanding

The City had the following loan balance outstanding at September 30, 2025. There were no loan expenditures incurred during the year ended September 30, 2025.

All FDEP Program Title Expenditures Loan Amounts U.S. Department of Environmental Protection	Assistance Listing #	Outstanding Balance
State Revolving Fund Loan No. WW66206P	66.458	$ 135,501
State Revolving Fund Loan No. WW662080	66.458	475,518
State Revolving Fund Loan No. WW662111	66.458	5,646,604
State Revolving Fund Loan No. WW662110	66.458	72,744
State Revolving Fund Loan No. WW610201	66.458	44,478
State Revolving Fund Loan No. WW610220	66.458	746,210
State Revolving Fund Loan No. WW610200	66.458	408,669
State Revolving Fund Loan No. WW66207P	66.458	35,503
State Revolving Fund Loan No. WW662070	66.458	161,619
State Revolving Fund Loan No. DW610211	66.458	136,073
State Revolving Fund Loan No. DW610210	66.458	150,966
Total		$ 8,013,885

Note 4 - De Minimis Indirect Cost Rate Election

The City did not elect to use the 15% de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) Costs*, of the Uniform Guidance.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Live Oak, Florida (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 23, 2026.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described as Finding 2025-01 that we consider to be a significant deficiency.

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*

2025-01 - Financial Close and Reporting

Condition: Subsequent to fiscal year-end, the City's long-time Finance Director retired. During the annual closeout process, certain year-end reconciliations and procedures were not completed on a timely basis, resulting in weaknesses in internal controls over financial reporting.

Criteria: Management is responsible for designing, implementing, and maintaining effective internal controls to ensure accurate and timely financial reporting. This includes establishing formal policies and procedures that document the methodology and frequency of year-end reconciliations.

Cause: The transition of key personnel highlighted the City's reliance on institutional knowledge and the need for more comprehensive documentation and cross-training to support continuity of the year-end closeout process.

Effect: Delays in completing account reconciliations contributed to delays in closing the accounting records. In addition, multiple audit adjustments were required to ensure the financial statements were not materially misstated.

Recommendation: We recommend that management formally document all year-end closing processes and procedures, including step-by-step instructions for key account reconciliations. Management should also continue developing cross-training and management review protocols to promote continuity and ensure the year-end closeout process can be completed efficiently and accurately in future periods.

City Response to Finding 2025-01 – Financial Close and Reporting: With new direction in the Finance Department, more emphasis will be shown on the importance of reconciliations and how they strengthen internal controls over financial reporting. In addition to a checklist for closing the fiscal year, the Finance Team is working on a formal reconciliation process whereby reconciliations will be prepared by staff in each area of Finance, and then they will be reviewed by the Finance Director, or designee. This process will bring about awareness, transparency, and also contribute to cross-training as financial reports are reviewed.

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*.

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*

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described above. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

June 23, 2026
Tallahassee, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

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

Report on Compliance of the Major Federal Program and State Project

Opinion on the Major Federal Program and State Project

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* and in the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on the City's major federal programs and state projects for the year ended September 30, 2025. The City's major federal program and state project is identified in the summary of auditors' 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 the major federal program or state project for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program and State Project

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; 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*. Our responsibilities under those standards and Chapter 10.550 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 the major sate project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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 STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

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 and state projects.

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 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 Chapter 10.550, *Rules of the Auditor General*, 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 and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards; *Government Auditing Standards*; and Chapter 10.550, *Rules of the Auditor General*, 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 and Chapter 10.550, *Rules of the Auditor General*, 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.

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 STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

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 or state project 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 or state project 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 state project 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 results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General.* Accordingly, this report is not suitable for any other purpose.

Purvis Gray

June 23, 2026
Tallahassee, Florida

CITY OF SOPCHOPPY, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

State Agency / Pass-Through Entity / State Program	CSFA Number	Contract / Grant Number	Expenditures
STATE FINANCIAL ASSISTANCE			
Florida Department of Environmental Protection			
Direct:			
Statewide Water Restoration and Wastewater Projects	37.039	LPA0681	$ 1,321,479
Total Department of Environmental Protection			1,321,479
Total State Financial Assistance			$ 1,321,479

The accompanying notes to the schedule of expenditures of state financial assistance are an integral part of this statement

CITY OF LIVE OAK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

See Finding 2025-01.

SECTION III - FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV - SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

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, 2025. 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, 2025.

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

June 23, 2026
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, 2025, and have issued our report thereon dated June 23, 2026.

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 June 23, 2026, should be considered in conjunction with this management letter.

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

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

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

MANAGEMENT LETTER

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General,* requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. The PACE program is actively involved in Suwannee County but is not active within the City limits of Live Oak. Residents participating in the PACE program live in Suwannee County. The City has not passed a resolution nor an ordinance regarding the PACE program.

As required by Section 10.554(1)(i)6.b., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the City, the City is required to include a list of all program administrators and third-party administrators that administered the program. As described above, no PACE program was authorized or operating within the geographical boundaries of the City during the fiscal year ended September 30, 2025.

As required by Section 10.554(1)(i)6.c., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the City, the City is required to include the full names and contact information of each such program administrator and third-party administrator. As described above, no PACE program was authorized or operating within the geographical boundaries of the City during the fiscal year ended September 30, 2025.

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.

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

MANAGEMENT LETTER

Additional Matters

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

Purpose of this Letter

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

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

Purvis Gray

June 23, 2026
Tallahassee, Florida

AFFIDAVIT OF IMPACT FEE COMPLIANCE

BEFORE ME, the undersigned authority, personally appeared Tammie Girard, 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.

Tammie Girard
Tammie Girard, Finance Director

STATE OF FLORIDA
COUNTY OF SUWANNEE

SWORN TO AND SUBSCRIBED before me this 22nd day of June, 2026.

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

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com