

CITY OF LIVE OAK,
STATE OF CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended
June 30, 2013*



*Prepared by the
Finance Department*

Satwant Takhar
Finance Director

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**City of Live Oak,
California**

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2013**

Prepared by the Finance Department

**Satwant S. Takhar
Finance Director**

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Comprehensive Annual Financial Report
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INTRODUCTORY SECTION

- **Letter of Transmittal**
- **Government Finance Officer's Association
Certificate of Achievement**
- **City Officials**
- **Organizational Chart**

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October 28, 2013

Honorable Mayor and Members of the City Council, and Citizens of the City of Live Oak,

It is our pleasure to submit the City of Live Oak's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. Management relies upon a comprehensive framework of internal controls to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (USGAAP). Because the cost of internal controls should not outweigh their benefits, Live Oak's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. This report includes the annual audit report by the City's independent auditors, Smith & Newell, CPAs. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The data is designed to factually set forth the City's financial condition and to present results of City operations as measured by activity among the various fund groups in an easily readable and understandable style.

State statutes require an annual audit of the City's financial records by independent certified public accountants. The firm of Smith & Newell, CPAs audited the City's financial statements. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget's Circular A-133. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information is combined in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in the separately issued single audit report.

Although addressed to the City's governing body, the CAFR is intended also to provide relevant financial information to the citizens of Live Oak, creditors, investors, and other interested parties. This transmittal letter provides a summary of the City of Live Oak's finances, services, achievements, and economic prospects for the readers without a technical background. Those wishing a more detailed discussion of the City's financial results should refer to the

Management's Discussion and Analysis (MD&A) contained in the Financial Section of the CAFR.

The financial statements are prepared in accordance with Accounting Principles Generally Accepted in the United States of America (USGAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and include the report of the City's independent public accountants. USGAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

LIVE OAK HISTORY AND GOVERNMENT PROFILE

The City of Live Oak is a growing, rural community located on the Highway 99 corridor 60 miles north of Sacramento at the north end of Sutter County. Incorporated in 1947 and named for the oak forest that once dominated the landscape, Live Oak is rooted strongly in agriculture, surrounded on all sides by bountiful agricultural production including peaches, nuts, rice and other crops. Live Oak has grown to a population of over 8,300 residents and comprises 3.1 square miles.

The City is a full-service general law city that operates under a Council-Manager form of government. The City's five Council Members are elected at large and serve four year terms. The elections are staggered every two years, with three seats open in one election and two seats open in the next election. The Mayor and Vice-Mayor are elected by the City Council to serve one-year terms. The City Council appoints a City Manager to implement its policies and directives. All of the City departments operate under the supervision of the City Manager.

The City provides a full range of municipal services, including police and fire protection, street and park maintenance, community development, building inspection, code enforcement, recreation programs, finance, grants and general administration. The City also operates a municipal pool, water treatment plant and a new wastewater treatment facility.

At one time a major hub for shipping produce, Live Oak is still linked to transportation with both the Union Pacific Railroad tracks and Highway 99 running north and south through the community. The world's smallest mountain range, the Sutter Buttes, is seven miles west of the city providing magnificent views of this natural attraction. The Feather River flows quietly less than two miles to the east.

The Live Oak City Council has responded to recent growth with significant policy accomplishments including adoption of a new 2030 General Plan, new zoning ordinance, building design guidelines, water/sewer/storm drain master plans and a streetscape design master plan for the Highway 99 corridor. Over 300 acres of highway frontage zoned for business growth was annexed in 2011. A state of the art wastewater treatment plant was completed in 2012 ensuring adequate capacity for expected growth. The newly renovated Live Oak Depot, an icon of the community's historic link to the railroad, anchors the downtown core. New and renovated parks provide recreational opportunities for Live Oak residents. Live Oak is poised as

one of the nicest rural communities in the northern Sacramento Valley.

ECONOMIC CONDITION & FINANCIAL INFORMATION

The foreclosure and credit crisis, the State's budget deficit, and the recession have all had a remarkable effect on the Sacramento Valley. The number of housing foreclosures has reached a new high in many communities. Following years of significant residential development in Live Oak, new home construction has slowed to an almost halt and foreclosures are prevalent. In time, the housing construction cycle will return. The City issued its first building permit for a national chain supermarket/department store in 2013, showing signs of an upswing in commercial development in the City. Consumers have responded to all of the negative economic and financial news by reducing spending patterns.

BUDGET PROCESS

The City prepares a budget for each fiscal year on or before June 30. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds and enterprise funds are included in the annual appropriated budget. Budgetary controls (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level within an individual fund.

LONG-TERM FINANCIAL PLANNING

The City's capital improvement program contains over \$29 million in identified projects of which some have been funded and others that need to obtain funding in order to complete. Infrastructure improvements, including sidewalks, bikeways, street reconstruction, street signals, animal shelter, new parks and upgrades to police and fire facilities will require an estimate of over \$10 million. This outlay will be funded through identified sources including local funds, state and federal grants and shared funding with other local agencies. The City has also provided state and federal grant funds and local financial incentives to help construct a new 56 unit affordable housing project in partnership with the local housing authority.

ACCOMPLISHMENTS

Highlights of activities and accomplishments as of fiscal year ended June 30, 2013 include the following:

- General Plan Update and Related Master Plans
- Citywide Street Overlay Projects
- Construction of the Infrastructure Improvements for the 56 unit Maple Park Project
- Construction of the 56 unit Maple Park LP 1 Housing Project
- Update of the Housing Element

- Development of the Downtown Infrastructure Assessment Plan
- Development of the City's Graphic Information System (GIS)
- Memorial Park Improvement Project in Progress
- Design of Live Oak Recreational Trail Phase 3 in Progress
- Design of Live Oak Recreational Trail Phase 4 in Progress
- Design of the Live Oak Soccer Park/Storm Basin in Progress

The City of Live Oak received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for fiscal year ended June 30, 2012. The preparation of the comprehensive annual financial report could not be accomplished without the dedicated services of an efficient Finance Department staff. We express appreciation to each member of the Department and to those members of other City Departments for their contribution made in the preparation of this report.

In closing, the commitment to the achievement of mandated priorities speaks to the progressive leadership and dedication to public service of the Mayor and the City Council. Their support for a policy of financial integrity has been instrumental in the preparation of this report.

Respectfully Submitted,



Satwant S. Takhar
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Live Oak
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

CITY OF LIVE OAK
City Officials
For the Year Ended June 30, 2013

Elected Officials

Steve Alvarado. Mayor
Ray Rogers. Vice-Mayor
Diane Hodges. Member
Lakhvir Ghag. Member
Gary Baland. Member

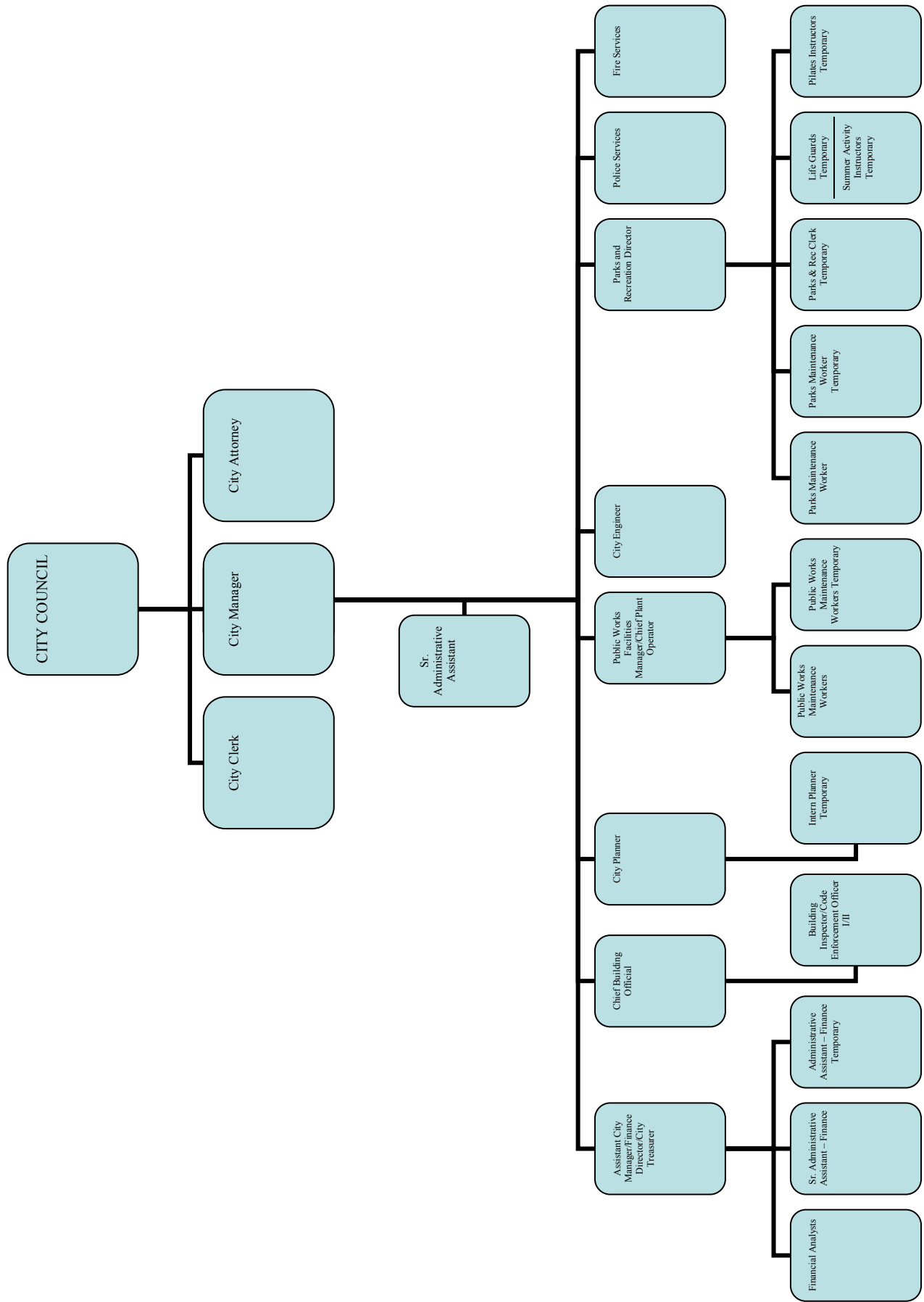
Appointed Officials

Melissa Dempsey. City Clerk
Satwant S. Takhar. City Treasurer

Executive Team

Jim Goodwin. City Manager
Satwant S. Takhar. Finance Director/Asst. City Manager
Jan Meyer. Parks & Recreation Director
Jim Little. Chief Building Official
Ron Walker. Public Works Facilities Manager
Brant Bordsen. City Attorney
Bruce Nash and Scott Rolls. City Engineer
Andrea Redamonti. City Planner
Butah Uppal. Lieutenant Sutter County Sheriff
Rick Martin. Captain Sutter County Fire

CITY OF LIVE OAK ORGANIZATIONAL CHART



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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Statements and Schedules**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Live Oak
Live Oak, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Live Oak, California (City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mayor and
Members of the City Council
City of Live Oak
Live Oak, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of June 30, 2013, 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.

Emphasis of Matter

As described in Note 1Q to the financial statements, in 2013, the City implemented Governmental Accounting Standards Board (GASB) Statements No. 60, 61, 62, 63 and 66 and implemented GASB 65 in advance during the fiscal year 2013. Among these new GASB Statements, GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, have significant impact over the City of Live Oak's financial statements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

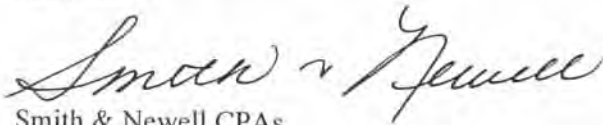
The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial 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 nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and
Members of the City Council
City of Live Oak
Live Oak, California

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 25, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.



Smith & Newell CPAs
Yuba City, California
October 25, 2013

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**Management's Discussion and Analysis
(Unaudited)**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal year 2012/2013 is the tenth year that the City of Live Oak is required to issue financial statements in the format prescribed by the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34). GASB 34 requires the City to provide this overview of its financial activities for the fiscal year and should be read in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Entity-wide:

- The City's total net position was \$77,163,774 as of June 30, 2013. Of this total, \$40,279,658 were governmental net position and \$36,884,116 were business-type net position.
- Entity-wide governmental revenues include program revenues of \$3,080,425 and general revenues and transfers of \$1,470,683 for a total of \$4,551,108.
- Entity-wide Governmental expenses were \$3,978,078.
- Entity-wide Business-type program, interest and other revenues were \$13,262,416 while Business-type expenses were \$4,037,336.

Fund Level:

- Governmental Fund balance decreased to \$15,081,999 in fiscal year 2013, down \$177,969 from the prior year. \$123,017 of this decrease was from a prior period adjustment for reclassification of loans receivable in the program income funds.
- Governmental Fund revenues decreased to \$4,739,031 in fiscal year 2013 down \$2,726,097 from the prior year. This decrease was from grants/contributions.
- Governmental Fund expenditures decreased to \$4,415,703 in fiscal year 2013, down \$78,013 from the prior year.

General Fund:

- General Fund revenues of \$2,085,099 were \$309,703 lower than the prior year.
- General Fund expenditures of \$1,945,105 represented a decrease of \$1,114,523 over the prior year.
- Other Financing Sources used \$49,586 in fiscal year 2013 down \$731,778 compared with the prior year.
- General Fund balance of \$4,495,657 as of June 30, 2013 compared favorably with fiscal year 2012's fund balance of \$4,405,249.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements, commonly referred to as the City's Basic Financial Statements. Management's Discussion and Analysis introduces these statements and includes two different views of the City's financial activities and position: (1) Government-Wide Financial Statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances; (2) Fund Financial Statements provide detailed information about the individual functions of City government, telling how services were financed in the short-term as well as what remains for future spending.

Each set of statements presents the City's finances in a distinct way. To assist the reader in understanding the differences between them, a brief discussion of each follows, including the relationship of these statements to each other and the significant differences in the information they provide.

Government-Wide Financial Statements

The Government-Wide Financial Statements provide a broad overview of City finances in a manner similar to private sector business. These statements separate the City's activities into two areas:

Governmental Activities – these services are principally supported by taxes and intergovernmental revenues. Most of the City's basic services are considered to be governmental activities including public safety, community development, public works, parks and recreation, and general administration.

Business-Type Activities – these services rely upon user fees and charges to help cover all or most of their costs. The City's water and wastewater systems are reported here.

Within the framework of these activities, a Statement of Net Position and a Statement of Activities report information about the City as a whole. These statements include all assets and liabilities of the City (i.e., infrastructure and long-term debt) and use the accrual basis of accounting in which all the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The two statements can be generally described as follows:

The Statement of Net Position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the year. 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.

Notably, these statements differ from the Fund Financial Statements in that they include all assets of the City (including infrastructure) and all liabilities (including long-term debt) and exclude certain interfund receivables, payables and other interfund activity as prescribed by GASB Statement No. 34. For additional reference, reconciliation between the two is provided on pages 16 and 18 of this report.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds – not the City as a whole. Management establishes funds to help control and manage money for particular purposes. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds – most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. This information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in reconciliation at the bottom of the fund financial statements.

Proprietary Funds – when the City charges customers for services it provides, whether outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements (i.e., business-type activities), only in more detail. The City uses enterprise funds to account for its water and sewer operations; in addition the City uses enterprise funds to account for water and sewer connection fees.

Fiduciary Funds – the City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City’s fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the City’s other financial statements because the resources of the funds are not available to support the City’s own programs. The City is responsible for ensuring that the assets reported in these funds are used for the intended purposes.

NOTES TO BASIC 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.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report presents the following required supplementary information: budgetary comparisons for the City’s General Fund and major special revenue funds as well as a description of the City’s accounting policies with regard to the annual budget.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements provide long-term and short-term information about the City’s overall financial conditions. This analysis addresses the financial statements of the City as a whole.

Following is a summary of net position:

	As of June 30, 2013			As of June 30, 2012		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Current and other assets	\$ 16,586,024	\$ 4,804,113	\$ 21,390,137	\$ 16,066,024	\$ 3,590,674	\$ 19,656,698
Capital assets	24,917,451	40,742,423	65,659,874	26,780,539	41,832,423	68,612,962
Total assets	41,503,475	45,546,536	87,050,011	42,846,563	45,423,097	88,269,660
Long term liabilities	108,714	8,557,763	8,666,477	122,555	17,649,231	17,771,786
Other liabilities	1,115,103	104,657	1,219,760	396,978	114,830	511,808
Total liabilities	1,223,817	8,662,420	9,886,237	519,533	17,764,061	18,283,594
Net position:						
Invested in capital assets, net of related debt	24,859,451	32,253,055	57,112,506	26,710,539	24,238,464	50,949,003
Restricted	10,932,658	2,189,552	13,122,210	10,859,158	2,208,655	13,067,813
Unrestricted	4,487,549	2,441,509	6,929,058	4,757,333	1,211,917	5,969,250
Total Net Position	\$ 40,279,658	\$ 36,884,116	\$ 77,163,774	\$ 42,327,030	\$ 27,659,036	\$ 69,986,066

Net position represents the difference between the City’s resources and its obligations. At June 30, 2013, the largest portion of the City’s total net position, 75 percent, reflects the investment in capital assets, less related debt outstanding. This component of net position, which reflects the total amount of funds used to acquire those assets less any outstanding debt used for such acquisition, was \$57.1 million at June 30, 2013. These capital assets are used by the City to provide services to the citizens.

Although the City’s investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position of \$13.1 million represents resources subject to external restrictions as to how they may be used. Unrestricted net position of \$6.9 million represents amounts that may be used to meet the City's ongoing obligations to its residents, businesses, customers, and creditors.

The governmental activities net position decreased by \$2.0 million, approximately 5 percent. Although governmental activities had a positive change in net position of \$573,030 before prior period adjustment, overall governmental activities net position decreased after correcting loan receivable balances and writing off one item incorrectly included in construction in progress in the prior year.

The business-type activities net position increased by \$9.2 million, approximately 33 percent. This increase in net position is primarily attributable to an increase in capital grants and contributions of \$10.0 million from the American Recovery & Reinvestment Act for a sewer project.

Following is a summary of changes in net position:

	As of June 30, 2013			As of June 30, 2012		
	Governmental Activites	Business-Type Activites	Totals	Governmental Activites	Business-Type Activites	Totals
Revenues:						
Program revenues:						
Charges for services	\$ 1,130,833	\$ 3,084,379	\$ 4,215,212	\$ 1,525,776	\$ 2,708,595	\$ 4,234,371
Operating grants and contributions	1,385,431	-	1,385,431	4,358,608	-	4,358,608
Capital grants and contributions	564,161	10,161,065	10,725,226	117,592	84,247	201,839
General revenues:						
Property taxes	1,239,301	-	1,239,301	1,250,494	-	1,250,494
Sales taxes	262,905	-	262,905	222,448	-	222,448
Franchise taxes	136,868	-	136,868	135,517	-	135,517
Property transfer taxes	9,114	-	9,114	11,301	-	11,301
Grants and contributions	4,792	-	4,792	6,840	-	6,840
Interest and investment earnings	75,530	10,974	86,504	79,828	13,411	93,239
Miscellaneous	120,453	5,998	126,451	92,395	477	92,872
Total revenues	4,929,388	13,262,416	18,191,804	7,800,799	2,806,730	10,607,529
Expenses:						
General government	412,935	-	412,935	384,156	-	384,156
Public safety	1,692,570	-	1,692,570	1,727,176	-	1,727,176
Public ways and facilities	775,399	-	775,399	844,453	-	844,453
Culture and recreation	503,341	-	503,341	515,775	-	515,775
Community development	589,673	-	589,673	606,085	-	606,085
Interest on long term debt	4,160	-	4,160	4,908	-	4,908
Water		1,342,609	1,342,609		1,267,180	1,267,180
Sewer		2,694,727	2,694,727		1,614,859	1,614,859
Total expenses	3,978,078	4,037,336	8,015,414	4,082,553	2,882,039	6,964,592
Excess - before transfers	951,310	9,225,080	10,176,390	3,718,246	(75,309)	3,642,937
Transfers	(378,280)	-	(378,280)	103,898	(103,898)	-
Extraordinary gain	-	-	-	378,280	-	378,280
Change in net position	573,030	9,225,080	9,798,110	4,200,424	(179,207)	4,021,217
Net Position - Beginning	42,327,030	27,659,036	69,986,066	34,674,869	27,838,243	62,513,112
Prior period adjustment	(2,620,402)	-	(2,620,402)	3,451,737	-	3,451,737
Net Position - Ending	\$40,279,658	\$36,884,116	\$77,163,774	\$42,327,030	\$27,659,036	\$69,986,066

Governmental Activities:

The City's governmental activities increased the City's net position by \$573,030 prior to prior period adjustments. Revenues were \$4.9 million which represented a decrease of \$2.9 million or 37 percent and expenses were \$4.0 million which represented a decrease of \$104,475 or 2.6 percent. Governmental activities highlights include the following:

Taxes provided \$1,639,074 or 33 percent of the total governmental activities revenue of the City. This amount is an increase of \$30,615 from the prior year.

Charges for services and operating grants and contributions provided \$2,516,264 or 51 percent of the total governmental activities revenue of the City. This amount is a decrease of \$3,368,120 from the prior year.

Prior period adjustments correcting loan receivable balances and writing off one item incorrectly included in construction in progress in the prior year resulted in a decrease in net position of \$2.6 million.

The following table shows the cost of each of the City's major programs and the net cost of the programs. The net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City's taxpayers by each of these programs. Following is a summary of net cost of government activities:

	Total Cost of Services	Net Cost of Services
General government	\$ 412,935	\$ (326,184)
Public safety	1,692,570	(1,220,677)
Public ways and facilities	775,399	878,396
Culture and recreation	503,341	(333,280)
Community development	589,673	108,252
Interest on long term debt	4,160	(4,160)
Totals	<u>\$ 3,978,078</u>	<u>\$ (897,653)</u>

Business Type Activities

The City's business type activities increased the City's net position by \$9.2 million. Revenues were \$13.3 million which represented an increase of \$10.5 million or 374.1 percent and expenses were \$4.0 million which represented an increase of \$1.2 million of 40.1 percent. Business type activities highlights include the following:

Charges for services provided \$3,084,379 or 23 percent of the total business type activities revenue of the City. This amount is an increase of \$375,784 from the prior year.

Capital grants and contributions provided \$10,161,064 or 76.6 percent of the total business type activities revenue of the City. This amount is an increase of \$10,076,818 from the prior year.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The City uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operation in more detail than the government-wide statements. The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. The City's governmental funds reported combined fund balances at June 30, 2013 of \$15,081,999, a decrease of \$177,969 over the previous fiscal year. The General Fund increased by \$90,408 and other Governmental Funds decreased by \$268,377. The General Fund increase was due to decreases in expenditures and decreases in other financing sources. Within the Governmental Funds, the decrease in fund balance was attributable to decreases in grant revenue and decreases in intergovernmental expenditures and a prior period adjustment and reclassification of loans receivable in the program income funds.

Analysis of Major Governmental Funds:

General Fund

General fund revenues totaled \$2,085,099 in fiscal year 2012/2013, a decrease of \$309,703 over last year. The decrease is comprised of the following: \$251,991 in taxes and assessments; \$132,954 in licenses and permits; \$4,138 in intergovernmental; increase of \$5,290 in use of money; \$22,262 in charges for services; and an increase of \$51,828 in other revenue.

General fund expenditures totaled \$1,945,105 in fiscal year 2012/2013, a decrease of \$1,114,523 over last year. The decrease is comprised of the following: \$46,905 in general government; \$473,700 in public safety; \$37,717 in public ways and facilities; \$117,182 in culture and recreation; \$16,150 in community development; \$423,121 in capital outlay and an increase of \$252 in debt service.

At the end of fiscal year 2013, the fund balance for the City's General fund was \$4,495,657, an increase of \$90,408 over last year. General fund balance was comprised of \$2,510,279 which is committed and \$1,985,378 which is unassigned.

Over the course of the year, the City Council revised the City budget three times. These budget amendments generally resulted in increases in appropriations for new grant programs and nonrecurring items that were not anticipated, utilizing the City's Contingency and General Reserve funds.

After considering these adjustments, actual expenditures were \$178,537 below final budgeted amounts for the City's General fund. The variance resulted from decreases in contract public safety and engineering services, culture and recreation, community development and capital outlays. Other positive variances resulted from minimizing expenditures in most department budgets during the year. Revenues during the year were \$287,240 above the final budgeted amount due to the receipt of higher taxes and charges for services that were not budgeted. The grant/project reimbursements were higher than anticipated and return on investments were higher than anticipated.

Program Income

Program Income fund revenues totaled \$25,618 in fiscal year 2012/2013, a decrease of \$1,738 due to a decrease in loan payments made to the City. Program Income expenditures totaled \$78,766, an increase of \$71,588 due to a rental new construction project. At the end of fiscal year 2013 the Program Income fund balance was \$7,174,443, an increase of \$149,552. The increase was due to the increase in program income loan activity of \$272,569 net of a prior period adjustment of \$123,017 to decrease loans receivable outstanding. The Program Income consists of both CDBG & HOME funds.

Capital Improvement Project

The Capital Improvement fund accounts for major City capital improvement projects. The Fund is budgeted on a project length basis and therefore is not comparable on an annual basis. Revenue and transfers in received in fiscal year 2013 of \$397,414 included funding for the Elm St signal, memorial park, pennington road, soccer park, substation rehabilitation and downtown reinvestment plan projects. Expenditures totaled \$729,274 in fiscal year 2013, an increase of \$116,779 over last year.

Other Governmental Funds

These funds are not presented separately in the Basic Financial Statements, but are individually presented as Supplemental Information.

Analysis of Major Enterprise Funds:

Water

The Water fund is financed and operated in a manner similar to that of a private business. Net position of the Water System fund decreased \$251,160 in fiscal year 2013. Overall, operating revenues increased by \$35,761 and operating expenses increased by \$76,959. Non-operating expenses decreased by \$1,530 and non-operating revenues decreased by \$238. As of June 30, 2013, the Fund's net position was \$9,435,401, with \$8,722,342 invested in capital assets net of related debt, \$66,302 restricted for debt service. Only \$646,757 of the Fund's net position was unrestricted at the close of fiscal year 2013. Due to the age of the water system infrastructure, significant investments will be required in future years to update water lines and equipment.

Sewer

The Sewer fund is financed and operated in a manner similar to that of a private business. Net position of the Sewer fund increased \$9,523,452 in fiscal year 2013. Overall, operating revenues increased by \$320,595 and operating expenses increased by \$982,061. Non-operating expenses increased by \$97,807 and non-operating revenues increased by \$559. As of June 30, 2013, the Fund's net position was \$26,298,202, with \$23,530,713 invested in capital assets net of related debt, \$972,737 restricted for debt service. Only \$1,794,752 of the Fund's net position was unrestricted at the close of fiscal year 2013. Due to the age of the sewer system infrastructure, significant investments will be required in future years to update sewer lines and equipment.

Water Connection

The Water Connection fund is used to account for water connection fees for the Water fund. Net position of the Water Connection fund decreased \$60,137 in fiscal year 2013. Operating revenues were \$21,505, an increase of \$21,205; interest income was \$2,546, a decrease of \$905 and transfers to the Water fund were \$84,188, an increase of \$27,759.

Sewer Connection

The Sewer Connection fund is used to account for sewer connection fees for the Sewer fund. Net position of the Sewer Connection fund increased by \$12,925 in fiscal year 2013. Operating revenues were \$12,259, an increase of \$3,444; interest income was \$666, a decrease of \$1,853 and there were no transfers to the Sewer fund, a decrease of \$528,078.

CAPITAL ASSET AND DEBT ADMINISTRATION

GASB 34 requires the City to record all its capital assets including infrastructure, which was not recorded in prior years. In fiscal year 2004, the City recorded the cost of its infrastructure assets. The accumulated depreciation on these assets was recorded based on their original acquisition dates. At the end of 2013, the City had invested \$65.6 million in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads and water and sewer lines and treatment facilities. Additional detailed information on the City's capital assets is presented in Note 4 to the financial statements.

Following is a summary of capital assets:

	Balances at June 30, 2013	Balances at June 30, 2012
Governmental Activities		
Land (not being depreciated)	\$ 6,564,957	\$ 6,564,957
Construction in progress (not being depreciated)	1,355,599	3,606,385
Buildings and Improvements	1,297,500	1,297,500
Equipment	3,710,861	3,661,930
Infrastructure	20,025,675	19,001,082
Less: Accumulated depreciation	<u>(8,037,141)</u>	<u>(7,351,315)</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,917,451</u>	<u>\$ 26,780,539</u>
Business-Type Activities		
Land (not being depreciated)	210,241	210,241
Structures and improvements	2,344,231	2,344,231
Equipment	602,204	346,527
Infrastructure	46,257,676	46,096,610
Less: Accumulated depreciation	<u>(8,671,929)</u>	<u>(7,165,186)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 40,742,423</u>	<u>\$ 41,832,423</u>

At June 30, 2013, major construction in progress included:

Governmental Activities:

- Police Substations improvement project in progress for \$6,974.
- Fire Substation improvement project in progress for \$4,661.
- Memorial Park improvement project in progress for \$7,865.
- Community Trail Segment 3 project in progress for \$10,744.
- Community Trail Segment 4 project in progress for \$9,563.
- Soccer Park project in progress for \$15,942.
- Elm Street Signal improvement project in progress for \$1,261,862.
- Pennington Road (West) improvement project in progress for \$37,988.

Business-type Activities:

- None.

Long-term Debt:

At June 30, 2012 and 2013 respectively, the City had \$17.7 and \$8.5 million in long-term debt outstanding. The City made all scheduled repayments on existing debt on time. Additional detailed information about the City's total long-term liabilities is presented in Note 7 to the financial statements.

As of June 30, 2013, the City's debt consisted of:

Governmental Activities Debt:

1987 USDA Rural Development Loan for City Hall Acquisition – 6.5% due 11/2016	\$ 58,000
2013 Compensated Absences	<u>50,714</u>
Total Governmental Activities Debt	<u>\$ 108,714</u>

Business-type Activities Debt:

1989 State of California Loan for Wastewater Treatment – 3.0% due 1/2014	\$ 10,029
1992 USDA Bonds for Wastewater Treatment – 5.0% due 5/2015	55,000
2003 USDA Bonds for Wastewater Treatment Plant Expansion – 4.25% due 7/2043	990,000
2006 USDA Bonds for Water Meter Project – 4.25% due 7/2044	1,260,000
2009 SWRCB State Revolving Fund Wastewater Plant – 1% 30Year Term	5,864,698
2013 Capital Lease for Sewer Vactor Truck – 1.99% 5 Year Term	309,641
2013 Compensated Absences	<u>68,395</u>
Total Business-type Activities Debt	<u>\$ 8,557,763</u>
 Total Outstanding Debt	 <u>\$ 8,666,477</u>

ECONOMIC FACTORS AND NEXT YEARS BUDGET

The City experienced significant decreases in property taxes, assessments and building fees, its largest general fund revenue source, over the past several years. This trend began to decline in fiscal year 2008/2009 as the value of properties declined significantly over the past four years and new housing construction has decreased significantly and is expected to stay weak for several years into the future. Assessed property values have decreased approximately 33% from 2009 to 2013 but we expected future trends for property values to stabilize and level out over the next few years.

When the local economy begins to improve, the City will face significant challenges related to the future growth, annexations and infrastructure needs. The new general plan was adopted in 2010 and the related master facilities plans were completed in fiscal year 2011/2012. In fiscal year 2011/2012 the City annexed approximately 300 acres of land zoned for commercial development in order to place the City in a position to expand commercial opportunities in the near future. In fiscal year 2013/2014 a new 20,000 square feet grocery/dry goods store will open for business, the largest commercial development in the history of the City.

The City decreased full time employee positions by about 45% over the past several years in order to balance the budget. Personnel related costs are expected to decrease by not filling vacant positions until revenues can justify filling vacant positions or creating new positions. There will be moderate increases related to PERS retirement benefits for employees and increasing health and worker’s compensation insurance costs.

The City balanced the 2012/2013 General Fund Budget using available fund balance and expects to spend some general fund reserves each year for the next few years. The City will have to balance increasing needs and costs for staffing with revenue as the demand for City services continues to grow.

The General Fund operating budget (total budget net of capital purchase) for 2013/2014 appropriates \$3.1 million. This compares to \$3.3 million, which was the final 2012/2013 operating budget amount.

The City continued to review and update various fees in fiscal year 2012/2013. The City’s development impact fees were updated in 2010/2011. Fee adjustments are necessary to ensure that the costs of providing services are matched closer to the fee revenues charged for providing these services.

Major projects that are budgeted for 2012/2013 include the completion of the elm street traffic signal, live oak soccer park, community trail segments 3 & 4 and the pennington road west reconstruction project.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City’s finances and to demonstrate the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Finance Department, 9955 Live Oak Blvd, Live Oak, CA. 95953, (530) 695-2112.

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Basic Financial Statements

- **Government-Wide Financial Statements**

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CITY OF LIVE OAK
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 8,452,054	\$ 4,386,646	\$ 12,838,700
Restricted cash and investments	-	31,000	31,000
Receivables:			
Accounts, net	30,492	312,120	342,612
Interest	4,505	2,505	7,010
Taxes	132,468	-	132,468
Intergovernmental	893,111	-	893,111
Loans receivable	6,996,388	-	6,996,388
Net OPEB asset	77,006	71,842	148,848
Capital assets:			
Non-depreciable	7,920,556	210,241	8,130,797
Depreciable, net	16,996,895	40,532,182	57,529,077
Total capital assets	<u>24,917,451</u>	<u>40,742,423</u>	<u>65,659,874</u>
Total Assets	<u>41,503,475</u>	<u>45,546,536</u>	<u>87,050,011</u>
LIABILITIES			
Accounts payable	430,644	77,513	508,157
Salaries and benefits payable	13,631	12,466	26,097
Due to other governments	6,166	-	6,166
Deposits payable	176,297	14,678	190,975
Unearned revenue	488,365	-	488,365
Long-term liabilities:			
Due within one year	48,500	385,182	433,682
Due in more than one year	60,214	8,172,581	8,232,795
Total Liabilities	<u>1,223,817</u>	<u>8,662,420</u>	<u>9,886,237</u>
NET POSITION			
Invested in capital assets, net of related debt	24,859,451	32,253,055	57,112,506
Restricted for:			
Public safety	651,358	-	651,358
Public ways and facilities	2,632,543	-	2,632,543
Culture and recreation	257,332	-	257,332
Community development	7,391,425	-	7,391,425
Capital projects	-	1,150,513	1,150,513
Debt service	-	1,039,039	1,039,039
Unrestricted	<u>4,487,549</u>	<u>2,441,509</u>	<u>6,929,058</u>
Total Net Position	<u>\$ 40,279,658</u>	<u>\$ 36,884,116</u>	<u>\$ 77,163,774</u>

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

CITY OF LIVE OAK
Statement of Activities
For the Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 412,935	\$ 76,244	\$ 10,507	\$ -
Public safety	1,692,570	388,263	-	83,630
Public ways and facilities	775,399	344,981	828,283	480,531
Culture and recreation	503,341	170,061	-	-
Community development	589,673	151,284	546,641	-
Interest on long-term debt	4,160	-	-	-
Total Governmental Activities	3,978,078	1,130,833	1,385,431	564,161
Business-type activities:				
Water	1,342,609	902,570	-	124,637
Sewer	2,694,727	2,181,809	-	10,036,428
Total Business-Type Activities	4,037,336	3,084,379	-	10,161,065
Total	\$ 8,015,414	\$ 4,215,212	\$ 1,385,431	\$ 10,725,226

General revenues:

Taxes:

 Property taxes

 Sales and use taxes

 Franchise taxes

 Property transfer taxes

Grants and contributions - unrestricted

Interest and investment earnings

Miscellaneous

Transfers to fiduciary funds

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Prior period adjustment

Net Position - Beginning, Restated

Net Position - Ending

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business- Type Activities	Total
\$ (326,184)	\$ -	\$ (326,184)
(1,220,677)	-	(1,220,677)
878,396	-	878,396
(333,280)	-	(333,280)
108,252	-	108,252
(4,160)	-	(4,160)
<u>(897,653)</u>	<u>-</u>	<u>(897,653)</u>
-	(315,402)	(315,402)
-	9,523,510	9,523,510
<u>-</u>	<u>9,208,108</u>	<u>9,208,108</u>
<u>(897,653)</u>	<u>9,208,108</u>	<u>8,310,455</u>
1,239,301	-	1,239,301
262,905	-	262,905
136,868	-	136,868
9,114	-	9,114
4,792	-	4,792
75,530	10,974	86,504
120,453	5,998	126,451
(378,280)	-	(378,280)
<u>1,470,683</u>	<u>16,972</u>	<u>1,487,655</u>
<u>573,030</u>	<u>9,225,080</u>	<u>9,798,110</u>
42,327,030	27,659,036	69,986,066
<u>(2,620,402)</u>	<u>-</u>	<u>(2,620,402)</u>
<u>39,706,628</u>	<u>27,659,036</u>	<u>67,365,664</u>
<u>\$ 40,279,658</u>	<u>\$ 36,884,116</u>	<u>\$ 77,163,774</u>

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF LIVE OAK
Balance Sheet
Governmental Funds
June 30, 2013

	<u>General</u>	<u>Program Income</u>	<u>Capital Improvement Project</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
ASSETS					
Cash and investments	\$ 4,434,416	\$ 177,975	\$ -	\$ 3,839,663	\$ 8,452,054
Receivables:					
Accounts	28,127	-	-	2,365	30,492
Interest	2,324	80	-	2,101	4,505
Taxes	41,207	-	-	91,261	132,468
Intergovernmental	8,870	-	766,419	117,822	893,111
Due from other funds	172,207	-	-	-	172,207
Loans receivable	-	6,996,388	-	-	6,996,388
Total Assets	<u>\$ 4,687,151</u>	<u>\$ 7,174,443</u>	<u>\$ 766,419</u>	<u>\$ 4,053,212</u>	<u>\$ 16,681,225</u>
LIABILITIES					
Accounts payable	\$ 168,609	\$ -	\$ 208,350	\$ 53,685	\$ 430,644
Salaries and benefits payable	13,469	-	-	162	13,631
Due to other governments	6,166	-	-	-	6,166
Deposits payable	3,250	-	-	173,047	176,297
Due to other funds	-	-	135,145	37,062	172,207
Unearned revenue	-	-	488,365	-	488,365
Total Liabilities	<u>191,494</u>	<u>-</u>	<u>831,860</u>	<u>263,956</u>	<u>1,287,310</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	266,419	45,497	311,916
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>266,419</u>	<u>45,497</u>	<u>311,916</u>
FUND BALANCES					
Restricted	-	7,174,443	-	3,758,215	10,932,658
Committed	2,510,279	-	-	-	2,510,279
Unassigned	1,985,378	-	(331,860)	(14,456)	1,639,062
Total Fund Balances	<u>4,495,657</u>	<u>7,174,443</u>	<u>(331,860)</u>	<u>3,743,759</u>	<u>15,081,999</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,687,151</u>	<u>\$ 7,174,443</u>	<u>\$ 766,419</u>	<u>\$ 4,053,212</u>	<u>\$ 16,681,225</u>

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

CITY OF LIVE OAK
Reconciliation of the Governmental Fund Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2013

Total Fund Balance - Total Governmental Funds	\$ 15,081,999
Amounts 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 governmental funds balance sheets.	24,917,451
The net OPEB asset is not an available resource and, therefore, is not reported in the funds.	77,006
Other long term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds.	311,916
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Loans payable	(58,000)
Compensated absences	(50,714)
Net Position of Governmental Activities	<u>\$ 40,279,658</u>

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

CITY OF LIVE OAK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	<u>General</u>	<u>Program Income</u>	<u>Capital Improvement Project</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
REVENUES					
Taxes and assessments	\$ 1,548,855	\$ -	\$ -	\$ 1,314,996	\$ 2,863,851
Licenses and permits	268,487	-	-	126,137	394,624
Fines and forfeitures	-	-	-	6,721	6,721
Use of money	68,229	471	-	9,659	78,359
Intergovernmental	14,100	25,147	18,039	1,084,270	1,141,556
Charges for services	82,989	-	-	50,478	133,467
Other revenues	102,439	-	-	18,014	120,453
Total Revenues	<u>2,085,099</u>	<u>25,618</u>	<u>18,039</u>	<u>2,610,275</u>	<u>4,739,031</u>
EXPENDITURES					
Current:					
General government	278,927	-	-	88,793	367,720
Public safety	1,117,271	-	-	484,756	1,602,027
Public ways and facilities	37,068	-	14,637	223,821	275,526
Culture and recreation	263,358	-	-	133,904	397,262
Community development	222,082	78,766	-	288,825	589,673
Debt service:					
Principal	12,000	-	-	-	12,000
Interest	4,160	-	-	-	4,160
Capital outlay	10,239	-	714,637	442,459	1,167,335
Total Expenditures	<u>1,945,105</u>	<u>78,766</u>	<u>729,274</u>	<u>1,662,558</u>	<u>4,415,703</u>
Excess of Revenues Over (Under) Expenditures	<u>139,994</u>	<u>(53,148)</u>	<u>(711,235)</u>	<u>947,717</u>	<u>323,328</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	370,018	369,799	379,375	3,923	1,123,115
Transfers out	(419,604)	(44,082)	-	(1,037,709)	(1,501,395)
Total Other Financing Sources (Uses)	<u>(49,586)</u>	<u>325,717</u>	<u>379,375</u>	<u>(1,033,786)</u>	<u>(378,280)</u>
Net Change in Fund Balances	<u>90,408</u>	<u>272,569</u>	<u>(331,860)</u>	<u>(86,069)</u>	<u>(54,952)</u>
Fund Balances - Beginning	4,405,249	7,024,891	-	3,829,828	15,259,968
Prior period adjustment	-	(123,017)	-	-	(123,017)
Fund Balances - Beginning, Restated	<u>4,405,249</u>	<u>6,901,874</u>	<u>-</u>	<u>3,829,828</u>	<u>15,136,951</u>
Fund Balances - Ending	<u>\$ 4,495,657</u>	<u>\$ 7,174,443</u>	<u>\$ (331,860)</u>	<u>\$ 3,743,759</u>	<u>\$ 15,081,999</u>

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

CITY OF LIVE OAK
Reconciliation of the Statement of Revenues, Expenditures,
And Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds \$ (54,952)

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 allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	1,167,335
Less current year depreciation	(747,150)
Various adjustments affecting capital assets (including contributions)	214,112

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal retirements	12,000
-----------------------	--------

Some revenues reported in the statement of activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Change in unavailable revenues	311,916
Change in taxes receivable	(332,842)
Change in interest receivable	(2,829)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences	1,841
Change in OPEB asset	3,599

Change in Net Position of Governmental Activities \$ 573,030

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

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CITY OF LIVE OAK
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-Type Activities - Enterprise Funds			
	Water	Water Connection	Sewer	Sewer Connection
ASSETS				
Current Assets:				
Cash and investments	\$ 655,331	\$ 894,814	\$ 2,581,448	\$ 255,053
Restricted cash and investments	-	-	31,000	-
Receivables:				
Accounts, net	97,835	-	214,285	-
Interest	368	503	1,491	143
Total Current Assets	753,534	895,317	2,828,224	255,196
Noncurrent Assets:				
Net OPEB asset	29,612	-	42,230	-
Capital assets:				
Non-depreciable	32,707	-	177,534	-
Depreciable, net	9,949,635	-	30,582,547	-
Total Noncurrent Assets	10,011,954	-	30,802,311	-
Total Assets	10,765,488	895,317	33,630,535	255,196
LIABILITIES				
Current Liabilities:				
Accounts payable	42,144	-	35,369	-
Salaries and benefits payable	3,706	-	8,760	-
Deposits payable	5,251	-	9,427	-
Compensated absences payable	13,290	-	34,587	-
Loans payable	-	-	185,354	-
Bonds payable	-	-	28,000	-
Certificates of participation	30,000	-	30,000	-
Capital leases	-	-	63,951	-
Total Current Liabilities	94,391	-	395,448	-
Noncurrent Liabilities:				
Compensated absences payable	5,696	-	14,822	-
Loans payable	-	-	5,689,373	-
Bonds payable	-	-	27,000	-
Certificates of participation	1,230,000	-	960,000	-
Capital leases	-	-	245,690	-
Total Noncurrent Liabilities	1,235,696	-	6,936,885	-
Total Liabilities	1,330,087	-	7,332,333	-
NET POSITION				
Invested in capital assets, net of related debt	8,722,342	-	23,530,713	-
Restricted for capital projects	-	895,317	-	255,196
Restricted for debt service	66,302	-	972,737	-
Unrestricted	646,757	-	1,794,752	-
Total Net Position	\$ 9,435,401	\$ 895,317	\$ 26,298,202	\$ 255,196

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

Totals

\$ 4,386,646
31,000

312,120
2,505

4,732,271

71,842

210,241
40,532,182

40,814,265

45,546,536

77,513
12,466
14,678
47,877
185,354
28,000
60,000
63,951

489,839

20,518
5,689,373
27,000
2,190,000
245,690

8,172,581

8,662,420

32,253,055
1,150,513
1,039,039
2,441,509

\$ 36,884,116

CITY OF LIVE OAK
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			
	Water	Water Connection	Sewer	Sewer Connection
OPERATING REVENUES				
Charges for services	\$ 881,065	\$ 21,505	\$ 2,169,550	\$ 12,259
Other revenue	-	-	5,998	-
Total Operating Revenues	<u>881,065</u>	<u>21,505</u>	<u>2,175,548</u>	<u>12,259</u>
OPERATING EXPENSES				
Salaries and benefits	375,927	-	818,559	-
Administration	17,258	-	36,917	-
Power	145,027	-	160,349	-
Insurance	21,763	-	56,903	-
Supplies	61,920	-	26,417	-
Repair and extension	66,871	-	111,827	-
Professional services	68,612	-	197,715	-
Depreciation	493,924	-	1,087,819	-
Other expense	37,119	-	49,921	-
Total Operating Expenses	<u>1,288,421</u>	<u>-</u>	<u>2,546,427</u>	<u>-</u>
Operating Income (Loss)	<u>(407,356)</u>	<u>21,505</u>	<u>(370,879)</u>	<u>12,259</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	1,559	2,546	6,203	666
Interest expense	(54,188)	-	(148,300)	-
Total Non-Operating Revenues (Expenses)	<u>(52,629)</u>	<u>2,546</u>	<u>(142,097)</u>	<u>666</u>
Income (Loss) Before Transfers	<u>(459,985)</u>	<u>24,051</u>	<u>(512,976)</u>	<u>12,925</u>
Capital contributions	124,637	-	10,036,428	-
Transfers in	84,188	-	-	-
Transfers out	-	(84,188)	-	-
Change in Net Position	<u>(251,160)</u>	<u>(60,137)</u>	<u>9,523,452</u>	<u>12,925</u>
Total Net Position - Beginning	<u>9,686,561</u>	<u>955,454</u>	<u>16,774,750</u>	<u>242,271</u>
Total Net Position - Ending	<u>\$ 9,435,401</u>	<u>\$ 895,317</u>	<u>\$ 26,298,202</u>	<u>\$ 255,196</u>

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

Totals

\$ 3,084,379
5,998

3,090,377

1,194,486
54,175
305,376
78,666
88,337
178,698
266,327
1,581,743
87,040

3,834,848

(744,471)

10,974
(202,488)

(191,514)

(935,985)

10,161,065
84,188
(84,188)

9,225,080

27,659,036

\$ 36,884,116

CITY OF LIVE OAK
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			
	Water	Water Connection	Sewer	Sewer Connection
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 882,009	\$ 21,505	\$ 2,138,136	\$ 12,259
Payments to suppliers	(416,678)	-	(650,257)	-
Payments to employees	(376,514)	-	(813,275)	-
Net Cash Provided (Used) by Operating Activities	<u>88,817</u>	<u>21,505</u>	<u>674,604</u>	<u>12,259</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers from other funds	84,188	-	-	-
Transfers to other funds	-	(84,188)	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>84,188</u>	<u>(84,188)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from debt	-	-	865,051	-
Principal paid on debt	(30,000)	-	(270,319)	-
Interest paid on debt	(54,188)	-	(148,300)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(84,188)</u>	<u>-</u>	<u>446,432</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	1,657	2,828	5,665	1,011
Net Cash Provided (Used) by Investing Activities	<u>1,657</u>	<u>2,828</u>	<u>5,665</u>	<u>1,011</u>
Net Increase (Decrease) in Cash and Cash Equivalents	90,474	(59,855)	1,126,701	13,270
Balances - Beginning	<u>564,857</u>	<u>954,669</u>	<u>1,485,747</u>	<u>241,783</u>
Balances - Ending	<u>\$ 655,331</u>	<u>\$ 894,814</u>	<u>\$ 2,612,448</u>	<u>\$ 255,053</u>

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

Totals

\$ 3,053,909
(1,066,935)
(1,189,789)

797,185

84,188
(84,188)

-

865,051
(300,319)
(202,488)

362,244

11,161

11,161

1,170,590

3,247,056

\$ 4,417,646

CITY OF LIVE OAK
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			
	Water	Water Connection	Sewer	Sewer Connection
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (407,356)	\$ 21,505	\$ (370,879)	\$ 12,259
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	493,924	-	1,087,819	-
Decrease (increase) in:				
Accounts receivable	505	-	(38,342)	-
OPEB asset	(1,575)	-	(3,625)	-
Increase (decrease) in:				
Accounts payable	1,892	-	(10,208)	-
Salaries and benefits payable	(1,032)	-	(2,194)	-
Deposits payable	439	-	930	-
Compensated absences	2,020	-	11,103	-
Net Cash Provided (Used) by Operating Activities	\$ 88,817	\$ 21,505	\$ 674,604	\$ 12,259
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contribution of capital assets	\$ 124,637	\$ -	\$ 36,428	\$ -
Inception of capital lease	-	-	330,676	-
Reclassification of loan to capital grant	-	-	10,000,000	-

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

Totals

\$ (744,471)

1,581,743

(37,837)

(5,200)

(8,316)

(3,226)

1,369

13,123

\$ 797,185

\$ 161,065

330,676

10,000,000

CITY OF LIVE OAK
Statement of Fiduciary Net Position
Private Purpose Trust Fund
Successor Agency to the Redevelopment Agency of the City of Live Oak
June 30, 2013

ASSETS	
Cash and investments	\$ -
Total Assets	<u><u>\$ -</u></u>
LIABILITIES	
Due to other agencies	\$ -
Total Liabilities	<u>-</u>
NET POSITION	
Net position held in trust	<u><u>-</u></u>

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

CITY OF LIVE OAK
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
Successor Agency to the Redevelopment Agency of the City of Live Oak
For the Year Ended June 30, 2013

ADDITIONS		
Taxes and assessments	\$	-
Total Additions		-
DEDUCTIONS		
Administrative expenses		-
Total Deductions		-
Transfer in		378,280
Net Change in Net Position		378,280
Net Position - Beginning		(378,280)
Net Position - Ending	\$	-

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

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of City of Live Oak (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City operates under a Council form of government and provides the following services: public safety, highways and streets, health and sanitation, culture-recreation, public improvements, planning and zoning, general administrative services, and water and sewer.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the City's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City Council. Separate financial statements for the City of Live Oak Public Improvement Corporation are not issued.

Blended Component Units

City of Live Oak Public Improvement Corporation - The Corporation, established August 18, 1987, was formed to assist the City in the financing of real or personal property for the benefit of the City of Live Oak. The Corporation is the lessor for the City's Farmers Home Administration Loan, the City's 2004 Certificates of Participation, and the City's 2003 Certificates of Participation and makes debt service payments on behalf of the City. The City Council is the governing body of the Corporation and because its financial and operational relationship with the City is closely integrated, the Corporation debt is reported as loans payable in the governmental activities, certificates of participation in the water enterprise fund and certificates of participation in the sewer enterprise fund financial statements.

Discretely Presented Component Units

There are no component units of the City which meet the criteria for discrete presentation.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Joint Agencies

The City is a participant in Small Cities Organized Risk Effort (SCORE), the purpose of which is for member cities to share in the administrative costs of providing liability and workers' compensation insurance. The SCORE is composed of 19 member cities and is governed by a board of directors appointed by the member cities. Complete financial information can be obtained from the SCORE offices in San Francisco, California. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

The City is participant in California Joint Powers Risk Management Authority (CJPRMA), the purpose of which is to provide excess coverage for its members. The CJPRMA is governed by a board of directors representing its member cities. Complete financial information can be obtained from the claims administrator at 3201 Doolan Road, Suite 285, Livermore, California 94551. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the City and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The City reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as public safety, community development, and recreation and culture services.
- The Program Income fund is a special revenue fund used to account for revenues and expenditures related to HOME, CDBG and EDBG program income. Funding comes primarily from program income from federal grants.
- The Capital Improvement Project fund is a capital projects fund used to account for revenues and expenditures for capital projects.

The City reports the following major proprietary funds:

- The Water fund is an enterprise fund used to account for activity related to providing customers with water service and billing for service provided by the City.
- The Water Connection fund is an enterprise fund used to account for water connection fee revenue.
- The Sewer fund is an enterprise fund used to account for activity related to providing customers with sewer service and billing for service provided by the City.
- The Sewer Connection fund is an enterprise fund used to account for sewer connection fee revenue.

The City reports the following additional fund types:

- The Private Purpose Trust fund accounts for property held under trust arrangement under which principal and income benefit individuals, private organizations or other governments. Private Purpose Trust funds include the Successor Agency to the Redevelopment Agency of the City of Live Oak.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within thirty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds include trust funds. All trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

E. Cash, Cash Equivalents and Investments

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Interest from pooled investments is allocated to the various funds based on average balances of the funds entitled to receive interest. Interest is allocated on the basis of average month end cash balance amounts for each fund as a percentage of the total balance.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash, Cash Equivalents and Investments (Continued)

Investments are reported in the accompanying balance sheet at fair value which is determined using selected bases annually. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

For purposes of the accompanying Statement of Cash Flows, the City considers all highly liquid investments, including restricted cash and investments, with original maturity of three months or less and amounts held in the City's investment pool to be cash and cash equivalents.

F. Restricted Cash and Investments

Restricted assets in the proprietary funds represent cash and investments of \$31,000 held in the Sewer fund that are restricted for repayment of the Rural Economic Development Infrastructure Program loan.

G. Receivables

Receivables for governmental activities consist mainly of accounts, interest, taxes, and intergovernmental. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

Receivables for enterprise funds consist mainly of user fees and interest. Management records an allowance for doubtful accounts based on actual customer balances that the City Council has approved to be written-off. At June 30, 2013, the allowance for doubtful accounts was \$3,640.

H. Other Assets

Inventory

Governmental funds inventories are recorded as expenditures at the time inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Prepaid Items

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Loans Receivable

For the purpose of the governmental fund financial statements, special revenue fund expenditures relating to long-term loans receivable arising from mortgage subsidy programs are charged to operations upon funding and the loans receivable are recorded. The balance of the long-term receivable includes loans that may be forgiven if certain terms and conditions of the loans are met.

J. Capital Assets

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer and similar items) are defined by the City as assets with a cost greater than \$5,000 (\$10,000 for enterprise funds) for assets other than infrastructure and \$75,000 for infrastructure and an estimated useful life of more than two years. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their estimated fair market value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	3-25 years
Structures and improvements	5-50 years
Infrastructure	20-75 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

K. Property Tax

Sutter County assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Property taxes are levied on a fiscal year (July 1 - June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1, and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

The City recognizes property taxes when the individual installments are due provided they are collected within 30 days after year-end.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables 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 noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

M. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

N. Compensated Absences

Compensated absences comprise unused vacation leave, vested sick pay and certain compensated time off, which is paid at the date of termination from City employment. All compensated pay is accrued when incurred in the government-wide and proprietary fund financial statements. For all governmental funds, termination pay-outs expected to be paid out of current financial resources are recorded as fund liabilities. Compensated absences liability is typically liquidated by the General fund for all non proprietary fund compensated absences.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2013, the City did not have any deferred outflows of resources.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

P. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Q. Implementation of Governmental Accounting Standards Board Statements (GASB)

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable to the City of Live Oak, in the current financial statements.

Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. This statement improves financial reporting by addressing issues related to service concession arrangements.

Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The statement clarifies the reporting of equity interest in legally separate organizations and requires the primary government to report its equity interest in a component unit as an asset.

Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement improves reporting by contributing to GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Implementation of Governmental Accounting Standards Board Statements (GASB) (Continued)

Statement No. 65, Items Previously Reported as Assets and Liabilities. This statements establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Statement No. 66, Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62. This statement improved accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of GASB Statements No. 54 and No. 62.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position/Fund Balance

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as restatements of beginning net position/fund balance. During the current year prior period adjustments were made to reflect loan receivable balances that had been discharged in a prior year and write-off one item incorrectly included in construction in progress in the prior year.

The impact of the restatement on the net position on the government-wide financial statements as previously reported is presented below:

	Governmental Activities
Net Position, June 30, 2012, as previously reported	\$ 42,327,030
Adjustment associated with:	
Write-off of loans receivable discharged in a prior year	(123,017)
Correction of construction in progress	(2,497,385)
Total Adjustments	(2,620,402)
Net Position, July 1, 2012, as restated	\$ 39,706,628

The impact of the restatement on the fund balances on the governmental fund financial statements as previously reported is presented below:

	Program Income
Fund Balance, June 30, 2012, as previously reported	\$ 7,024,891
Adjustment associated with:	
Write-off of loans receivable discharged in a prior year	(123,017)
Total Adjustments	(123,017)
Fund Balance, July 1, 2012, as restated	\$ 6,901,874

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Deficit Fund Balance/Net Position

The following major governmental fund had a deficit fund balance:

The Capital Improvement Project fund had a fund balance deficit of \$331,860, which is expected to be eliminated in the future through intergovernmental revenues.

The following non-major special revenue funds had deficit fund balances:

The 11-PTEC-7632 fund had a fund balance deficit of \$8,533, which is expected to be eliminated in the future through intergovernmental revenues.

The 11-HOME-7661 fund had a fund balance deficit of \$5,923, which is expected to be eliminated in the future through intergovernmental revenues.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2013, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 8,452,054
Business-Type activities	<u>4,417,646</u>
Total Cash and Investments	<u><u>\$ 12,869,700</u></u>

As of June 30, 2013, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 1,020
Deposits (less outstanding checks)	<u>919,669</u>
Total Cash	<u>920,689</u>
Investments:	
LAIF	<u>11,949,011</u>
Total Investments	<u>11,949,011</u>
Total Cash and Investments	<u><u>\$ 12,869,700</u></u>

B. Cash

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was \$919,669 and the bank balance was \$1,149,549. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition the City had cash on hand of \$1,020.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Cash (Continued)

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the City's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250,000 insured amount are collateralized.

C. Investments

Pursuant to Section 53646 of the Government Code, the City prepares an investment policy annually and presents it to the City Council for review and approval.

The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law. Under the provisions of the City's investment policy the City may invest or deposit in the following:

- Banker's Acceptances
- Commercial Paper
- Local Agency Investment Fund (LAIF)
- Mutual Funds
- Medium Term Corporate Notes
- Money Market Funds
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Securities of the Federal Government or its Agencies

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the City's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the City to meet all projected obligations. Any investments that mature more than five years from the date of purchase cannot occur without prior approval of the City Council.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2013, the City had the following investments all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
Local Agency Investment Fund (LAIF)	Variable	\$11,949,011	\$ -	\$ 11,949,011	-
Total Investments		\$11,949,011	\$ -	\$ 11,949,011	-

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2013, the City investments were all pooled with the State of California Local Agency Investment Fund which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk for Investments- Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the City's investment policy requires that all securities owned by the City shall be held in safekeeping by a third party bank trust department.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. As of June 30, 2013, the City investments were all pooled with the State of California Local Agency Investment Fund which holds a diversified portfolio of high quality investments.

D. Investment in External Investment Pools

Investment in Local Agency Investment Fund - The City of Live Oak is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code and is managed by the Treasurer of the State of California. The Local Investment Advisory Board (LAIF Board) has oversight responsibility for LAIF. The LAIF Board consists of five members as designated by State statute.

Investments in LAIF are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the City's position in the pool is the same as the value of the pooled shares. At June 30, 2013 the City's investment position in LAIF was \$11,949,011. The total amount invested by all public agencies in LAIF on that day was \$58,828,474,533. Of that amount, 98.04% is invested in non-derivative financial products and 1.96% in structured notes and asset-backed securities.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2013, was as follows:

Governmental Activities

	Balance				Balance
	<u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>June 30, 2013</u>
Capital assets, not being depreciated:					
Land	\$ 6,564,957	\$ -	\$ -	\$ -	\$ 6,564,957
Construction in progress	<u>3,606,385</u>	<u>714,637</u>	<u>-</u>	<u>(2,965,423)</u>	<u>1,355,599</u>
Total Capital Assets, Not Being Depreciated	<u>10,171,342</u>	<u>714,637</u>	<u>-</u>	<u>(2,965,423)</u>	<u>7,920,556</u>
Capital assets, being depreciated:					
Buildings and improvements	1,297,500	-	-	-	1,297,500
Equipment	3,661,930	100,593	(61,324)	9,662	3,710,861
Infrastructure	<u>19,001,082</u>	<u>566,217</u>	<u>-</u>	<u>458,376</u>	<u>20,025,675</u>
Total Capital Assets, Being Depreciated	<u>23,960,512</u>	<u>666,810</u>	<u>(61,324)</u>	<u>468,038</u>	<u>25,034,036</u>
Less accumulated depreciation for:					
Buildings and improvements	(738,404)	(63,154)	-	-	(801,558)
Equipment	(2,027,173)	(200,997)	61,324	-	(2,166,846)
Infrastructure	<u>(4,585,738)</u>	<u>(482,999)</u>	<u>-</u>	<u>-</u>	<u>(5,068,737)</u>
Total Accumulated Depreciation	<u>(7,351,315)</u>	<u>(747,150)</u>	<u>61,324</u>	<u>-</u>	<u>(8,037,141)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,609,197</u>	<u>(80,340)</u>	<u>-</u>	<u>468,038</u>	<u>16,996,895</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,780,539</u>	<u>\$ 634,297</u>	<u>\$ -</u>	<u>(\$ 2,497,385)</u>	<u>\$ 24,917,451</u>

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 4: CAPITAL ASSETS (CONTINUED)

Business-Type Activities

	Balance July 1, 2012	Additions	Retirements	Adjustments	Balance June 30, 2013
Capital assets, not being depreciated:					
Land	\$ 210,241	\$ -	\$ -	\$ -	\$ 210,241
Total Capital Assets, Not Being Depreciated	<u>210,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,241</u>
Capital assets, being depreciated:					
Buildings and improvements	2,344,231	-	-	-	2,344,231
Equipment	346,527	330,677	(75,000)	-	602,204
Infrastructure	<u>46,096,610</u>	<u>161,066</u>	<u>-</u>	<u>-</u>	<u>46,257,676</u>
Total Capital Assets, Being Depreciated	<u>48,787,368</u>	<u>491,743</u>	<u>(75,000)</u>	<u>-</u>	<u>49,204,111</u>
Less accumulated depreciation for:					
Buildings and improvements	(474,142)	(76,853)	-	-	(550,995)
Equipment	(334,274)	(17,765)	75,000	(540)	(277,579)
Infrastructure	<u>(6,356,770)</u>	<u>(1,487,125)</u>	<u>-</u>	<u>540</u>	<u>(7,843,355)</u>
Total Accumulated Depreciation	<u>(7,165,186)</u>	<u>(1,581,743)</u>	<u>75,000</u>	<u>-</u>	<u>(8,671,929)</u>
Total Capital Assets, Being Depreciated, Net	<u>41,622,182</u>	<u>(1,090,000)</u>	<u>-</u>	<u>-</u>	<u>40,532,182</u>
Business-Type Activities Capital Assets, Net	<u>\$ 41,832,423</u>	<u>(\$ 1,090,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,742,423</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 50,655
Public safety	90,543
Public ways and facilities	499,873
Recreation and culture	<u>106,079</u>
Total Depreciation Expense – Governmental Functions	<u>\$ 747,150</u>

Depreciation expense was charged to the business-type functions as follows:

Water	\$ 493,924
Sewer	<u>1,087,819</u>
Total Depreciation Expense – Business-Type Functions	<u>\$ 1,581,743</u>

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 4: CAPITAL ASSETS (CONTINUED)

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on street reconstruction, police and fire substation improvements, memorial park improvements, recreation trail, Live Oak soccer park, and Elm Street traffic signal.

NOTE 5: INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due to and due from balances as of June 30, 2013:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 172,207	\$ -
Capital Improvement Project	-	135,145
Nonmajor Governmental Funds	-	37,062
Total	<u>\$ 172,207</u>	<u>\$ 172,207</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operation and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2013:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 370,018	\$ 419,604
Program Income	369,799	44,082
Capital Improvement Project	379,375	-
Nonmajor Governmental Funds	3,923	1,037,709
Water	84,188	-
Water Connection	-	84,188
Successor Agency to the Redevelopment Agency	378,280	-
Total	<u>\$ 1,585,583</u>	<u>\$ 1,585,583</u>

NOTE 6: UNEARNED REVENUE

At June 30, 2013, components of unearned revenue were as follows:

	<u>Unearned</u>
Capital Improvement Project	
Police substation improvement advance received	\$ 267,720
Fire substation improvement advance received	220,645
Total	<u>\$ 488,365</u>

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

Type of Indebtedness	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013	Amounts Due Within One Year
Governmental Activities					
Loans	\$ 70,000	\$ -	(\$ 12,000)	\$ 58,000	\$ 13,000
Compensated Absences	<u>52,555</u>	<u>31,270</u>	<u>(33,111)</u>	<u>50,714</u>	<u>35,500</u>
Total Governmental Activities	<u>\$ 122,555</u>	<u>\$ 31,270</u>	<u>(\$ 45,111)</u>	<u>\$ 108,714</u>	<u>\$ 48,500</u>
Business-Type Activities					
Loans	\$ 15,201,959	\$ 865,051	(\$ 10,192,283)	\$ 5,874,727	\$ 185,354
Bonds	82,000	-	(27,000)	55,000	28,000
Certificates of Participation	2,310,000	-	(60,000)	2,250,000	60,000
Capital Leases	-	330,676	(21,035)	309,641	63,951
Compensated Absences	<u>55,272</u>	<u>49,022</u>	<u>(35,899)</u>	<u>68,395</u>	<u>47,877</u>
Total Business-Type Activities	<u>\$ 17,649,231</u>	<u>\$ 1,244,749</u>	<u>(\$ 10,336,217)</u>	<u>\$ 8,557,763</u>	<u>\$ 385,182</u>

The capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences are generally liquidated by the fund where the accrued liability occurred.

Individual issues of debt payable outstanding at June 30, 2013, are as follows:

Governmental Activities

Loans:

Farmers Home Administration loan, dated November 17, 1987 in the amount of \$205,000, payable in annual installments of \$1,000 to \$6,000 with an interest rate of 6.5% and maturity of October 15, 2016. The loan was used to finance the City Hall building.

\$ 58,000

Total Loans

58,000

Total Governmental Activities

\$ 58,000

Business-Type Activities

Loans:

Rural Economic Development Infrastructure Program loan, dated June 1, 1989 in the amount of \$300,000, payable in annual installments of \$8,205 to \$10,303 with an interest rate of 3.00% and maturity of June 30, 2014. The loan was used to finance wastewater improvements.

\$ 10,029

State Department of Water Resources loan, dated February 26, 2010 in the amount of \$6,040,511, payable in annual installments of \$175,812 to \$231,656 with an interest rate of 1.00% and maturity of June 30, 2042. The loan was used to finance wastewater treatment plant upgrade project.

5,864,698

Total Loans

5,874,727

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2013, are as follows: (Continued)

Business-Type Activities (Continued)

Bonds:

1988 Sewer Revenue Bonds, dated May 10, 1988, in the amount of \$1,000,000, payable in annual installments of \$8,000 to \$21,000 with an interest rate of 5.00% and maturity of May 1, 2015. The bonds were used to finance acquisition and construction of improvements to the sewage collection and disposal system. 55,000

Total Bonds 55,000

Certificates of Participation:

2003 Certificates of Participation, dated January 1, 2004 in the amount of \$1,269,025, payable in annual installments of \$30,000 to \$39,025 with an interest rate of 4.25% and maturity of July 1, 2043. The certificates were used to finance a wastewater improvement project. 990,000

2004 Certificates of Participation, dated January 1, 2006 in the amount of \$1,441,000, payable in annual installments of \$1,000 to \$40,000 with an interest rate of 4.25% and maturity of July 1, 2044. The certificates were used to finance a water meter installation and improvement project. 1,260,000

Total Certificates of Participation 2,250,000

Total Business-Type Activities \$ 8,179,727

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities and capital leases which are reported in Note 8.

Governmental Activities

Year Ended <u>June 30</u>	<u>Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 13,000	\$ 3,347	\$ 16,347
2015	14,000	2,470	16,470
2016	15,000	1,527	16,527
2017	<u>16,000</u>	<u>520</u>	<u>16,520</u>
Total	<u><u>\$ 58,000</u></u>	<u><u>\$ 7,864</u></u>	<u><u>\$ 65,864</u></u>

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Year Ended June 30	Loans		
	Principal	Interest	Total
2014	\$ 185,354	\$ 58,822	\$ 244,176
2015	177,079	56,894	233,973
2016	178,849	55,123	233,972
2017	180,638	53,334	233,972
2018	182,444	51,528	233,972
2019-2023	939,955	229,906	1,169,861
2024-2028	987,902	181,959	1,169,861
2029-2033	1,038,295	131,566	1,169,861
2034-2038	1,091,259	78,603	1,169,862
2039-2042	912,952	22,937	935,889
Total	\$ 5,874,727	\$ 920,672	\$ 6,795,399

Year Ended June 30	Bonds		
	Principal	Interest	Total
2014	\$ 28,000	\$ 2,750	\$ 30,750
2015	27,000	1,350	28,350
Total	\$ 55,000	\$ 4,100	\$ 59,100

Year Ended June 30	Certificates of Participation		
	Principal	Interest	Total
2014	\$ 60,000	\$ 94,350	\$ 154,350
2015	60,000	91,800	151,800
2016	70,000	89,038	159,038
2017	70,000	86,063	156,063
2018	70,000	83,088	153,088
2019-2023	350,000	370,813	720,813
2024-2028	362,000	296,268	658,268
2029-2033	365,000	217,919	582,919
2034-2038	365,000	140,356	505,356
2039-2043	365,000	62,794	427,794
2044-2048	113,000	4,101	117,101
Total	\$ 2,250,000	\$ 1,536,590	\$ 3,786,590

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 8: LEASES

Capital Leases

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

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30, 2013</u>
Governmental activities	1.99%	\$ 309,641
Total		<u>\$ 309,641</u>

Equipment and related accumulated depreciation under capital lease are as follows:

	<u>Governmental Activities</u>
Cost of equipment	\$ 330,676
Less: accumulated depreciation	(11,023)
Net Value	<u>\$ 319,653</u>

As of June 30, 2013, capital lease annual amortization was as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2014	\$ 69,540
2015	69,540
2016	69,540
2017	69,540
2018	<u>46,360</u>
Total Requirements	324,520
Less Interest	(14,879)
Present Value of Remaining Payments	<u>\$ 309,641</u>

NOTE 9: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 9: NET POSITION (CONTINUED)

- Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$13,122,210 of restricted net position, of which \$2,577,487 is restricted by enabling legislation.

NOTE 10: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2013, fund balance for governmental funds are made up of the following:

- Nonspendable fund balance - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- Restricted fund balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance - amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance - amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- Unassigned fund balance - the residual classification for the City’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 10: FUND BALANCES (CONTINUED)

The fund balances for all major and non major governmental funds as of June 30, 2013, were distributed as follows:

	<u>General</u>	<u>Program Income</u>	<u>Capital Improve- ment Project</u>	<u>Other Govern- mental Funds</u>	<u>Total</u>
Restricted For:					
Street maintenance and construction	\$ -	\$ -	\$ -	1,377,821	1,377,821
Traffic	-	-	-	7,457	7,457
Law enforcement services	-	-	-	158,050	158,050
Sidewalk improvement	-	-	-	17,058	17,058
Street lighting	-	-	-	92,576	92,576
Mello Roos	-	-	-	641,750	641,750
Fire protection services	-	-	-	36,529	36,529
Impact fees	-	-	-	913,675	913,675
Storm drain connection fees	-	-	-	513,299	513,299
Community development	-	<u>7,174,443</u>	-	-	<u>7,174,443</u>
Subtotal	<u>-</u>	<u>7,174,443</u>	<u>-</u>	<u>3,758,215</u>	<u>10,932,658</u>
Committed to:					
General reserve	866,300	-	-	-	866,300
City/County major fire	23,725	-	-	-	23,725
Equipment replacement	101,083	-	-	-	101,083
Info technology	101,083	-	-	-	101,083
PERS retirement	312,521	-	-	-	312,521
Health insurance	268,608	-	-	-	268,608
OPEB	178,762	-	-	-	178,762
Capital facilities	<u>658,197</u>	-	-	-	<u>658,197</u>
Subtotal	<u>2,510,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,510,279</u>
Unassigned	<u>1,985,378</u>	<u>-</u>	<u>(331,860)</u>	<u>(14,456)</u>	<u>1,639,062</u>
Total	<u>\$4,495,657</u>	<u>\$7,174,443</u>	<u>(\$ 331,860)</u>	<u>\$3,743,759</u>	<u>\$15,081,999</u>

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance is available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 10: FUND BALANCES (CONTINUED)

Fund Balance Policy

The City Council adopted the City of Live Oak Fund Balance Policy in 2013. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures. The policy also provides for a measure of financial protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54.

Included in the City's adopted budget each year are the City's Budget Policies. The Budget Policies state that the City will maintain a minimum General Fund general reserve equal to 30% of the General Fund's appropriations. This is considered Live Oak's "Healthy Cities Reserve".

NOTE 11: EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The City contributes to the California Public Employees Retirement System (PERS), an cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office – 400 Q Street, Lincoln Plaza East, Sacramento, CA 95811.

B. Funding Policy

Miscellaneous plan members in PERS are required to contribute 8 percent of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2012/2013 was 21.127 percent for miscellaneous plan. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS. The City's contributions for the years ending June 30, 2013, 2012, and 2011 were \$213,363, \$195,531 and \$170,304, respectively, which equaled the required contributions each year.

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The City contributes to California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer defined benefit postemployment healthcare plan administrator ("the Retiree Health Plan"). An employee is eligible for lifetime medical benefits under the Plan, along with his/her spouse at the time of retirement, if he or she retires from the City under CalPERS.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Funding Policy

The Minimum Employer Contribution, subject to adjustments per AB2544, is paid on behalf of eligible retirees by the City in accordance with “OPEB Assumption Model” which describes guidelines to be used for retiree healthcare valuations for plans intending to pre-fund benefits through California Employers’ Retiree Benefit Trust (CERBT).

C. Annual OPEB Cost and Net OPEB Obligation

The City’s annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year. The City elected to prepay the unfunded actuarial liability.

The following table shows the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and the City’s net OPEB obligation (asset).

Annual required contribution	\$ 14,251
Interest on net OPEB obligation	(10,854)
Adjustment to annual required contribution	<u>9,113</u>
Annual OPEB cost	12,510
Contributions made:	
Pay as you go contribution	(7,058)
Additional funding contribution	<u>(14,251)</u>
Increase (Decrease) in net OPEB obligation	(8,799)
Net OPEB Obligation (Asset) Beginning	<u>(140,049)</u>
Net OPEB Obligation (Asset) Ending	<u><u>(\$ 148,848)</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the current and prior two years are as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of Annual</u> <u>OPEB Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation (Asset)</u>
June 30, 2011	\$ 17,934	29.4%	(\$ 132,440)
June 30, 2012	18,949	140.2%	(140,049)
June 30, 2013	12,510	170.3%	(148,848)

D. Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the plan was 69.7 percent funded. The actuarial accrued liability was \$293,000 and the actuarial value of assets was \$204,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$89,000. The covered payroll (annual payroll of employees covered by the plan) was \$980,000, and the ratio of the UAAL to the covered payroll was 9.1 percent.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information (as it becomes available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The assumptions used for this valuation are in accordance with CalPers' "OPEB Assumption Model", which describes guidelines to be used for retiree healthcare valuations for plans intending to pre-fund benefits through California Employers' Retiree Benefit Trust (CERBT).

All assets and liabilities are computed as of June 30, 2011.

The annual rate of return on assets used to pay for benefits is assumed to be 7.61% (assumed rate of return on general assets). The rate of return for assets in a trust is assumed to be 7.61%.

Healthcare cost trend rate - the actuarial valuation included healthcare inflation of 4.5%

Inflation rate - the cost of living as measured by the Consumer Price Index (CPI) which is assumed to increase at the rate of 3.00% per year.

Payroll growth rate - salaries are assumed to increase annually at 3.25%.

The unfunded actuarial accrued liability determined from this valuation is amortized at a level percentage of pay over a rolling 30 year period.

CITY OF LIVE OAK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 13: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The City has joined together with other municipalities to participate in Small Cities Organized Risk Effort (SCORE) for general liability, vehicle liability, and errors and omissions purposes. SCORE is a public entity risk pool which serves as a common risk management and insurance program for member cities. The City pays an annual premium to SCORE for its insurance coverage. The agreements with SCORE provide that they will be self sustaining through member premiums and will reinsure through commercial companies for excess coverage.

The City continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years. There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 14: OTHER INFORMATION

A. Commitments and Contingencies

The City has signed agreements to construct various capital improvements subsequent to June 30 2013. The balance owed on the commitments at June 30, 2013, was approximately \$113,318.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

B. Successor Agency to the Redevelopment Agency of the City of Live Oak

In accordance with Assembly Bill 1X 26 and Assembly Bill 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. It was determined that the liability of the Successor Agency to the Redevelopment Agency of the City of Live Oak to the City of Live Oak was not recognized as a valid liability. The \$378,280 due to the City of Live Oak was therefore, reclassified by the Successor Agency to the Redevelopment Agency of the City of Live Oak from a due to other agencies to a transfer in during the year ended June 30, 2013.

C. Subsequent Events

Management has evaluated events subsequent to June 30, 2013 through October 25, 2013, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information
(Unaudited)**

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CITY OF LIVE OAK
Required Supplementary Information
For the Year Ended June 30, 2013

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Schedule of Funding Progress - Other Postemployment Benefits provides a consolidated snapshot of the City's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

The table below shows a three year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2011 for the City Other Postemployment Benefit Plan.

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
July 1, 2007	\$ 0	\$ 159,000	\$ 159,000	0.0%	\$ 988,000	16.1%
July 1, 2009	124,000	207,000	83,000	60.0%	1,030,000	8.0%
June 30, 2011	204,000	293,000	89,000	69.7%	980,000	9.1%

CITY OF LIVE OAK
Required Supplementary Information
Budgetary Comparison Schedule - Budgetary Basis
General Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and assessments	\$ 1,417,000	\$ 1,417,000	\$ 1,548,855	\$ 131,855
Licenses and permits	251,000	251,000	268,487	17,487
Use of money	63,600	45,000	68,229	23,229
Intergovernmental	13,150	13,150	14,100	950
Charges for services	43,350	43,350	82,989	39,639
Other revenues	150,000	150,000	224,080	74,080
Total Revenues	<u>1,938,100</u>	<u>1,919,500</u>	<u>2,206,740</u>	<u>287,240</u>
EXPENDITURES				
Current:				
General government:				
City council	60,066	60,066	77,505	(17,439)
City administrator	281,643	281,643	253,110	28,533
Finance	159,337	159,337	134,057	25,280
City attorney/legal	65,000	65,000	70,623	(5,623)
Total General Government	<u>566,046</u>	<u>566,046</u>	<u>535,295</u>	<u>30,751</u>
Public safety:				
Building inspection	156,141	156,141	188,317	(32,176)
Fire	387,709	387,709	386,436	1,273
Police	1,014,253	1,014,253	964,361	49,892
Animal control	85,000	85,000	98,157	(13,157)
Total Public Safety	<u>1,643,103</u>	<u>1,643,103</u>	<u>1,637,271</u>	<u>5,832</u>
Public ways and facilities:				
Engineer	50,300	50,300	68,031	(17,731)
Total Public Ways and Facilities	<u>50,300</u>	<u>50,300</u>	<u>68,031</u>	<u>(17,731)</u>
Culture and recreation:				
Parks operating	194,253	194,253	174,511	19,742
Recreation	67,546	67,546	77,089	(9,543)
Pool	97,291	97,291	83,316	13,975
Community center	47,941	47,941	48,442	(501)
Total Culture and Recreation	<u>407,031</u>	<u>407,031</u>	<u>383,358</u>	<u>23,673</u>
Community development:				
Community development	241,126	241,126	216,632	24,494
Economic development	12,000	12,000	5,450	6,550
Total Community Development	<u>253,126</u>	<u>253,126</u>	<u>222,082</u>	<u>31,044</u>

Continued (Page 1 of 2)

CITY OF LIVE OAK
Required Supplementary Information
Budgetary Comparison Schedule - Budgetary Basis
General Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
Debt service:				
Principal	12,000	12,000	12,000	-
Interest	4,000	4,000	4,160	(160)
Capital outlay	115,367	115,367	14,355	101,012
Total Expenditures	<u>3,050,973</u>	<u>3,050,973</u>	<u>2,872,436</u>	<u>178,537</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,112,873)</u>	<u>(1,131,473)</u>	<u>(665,696)</u>	<u>465,777</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,280,348	1,249,379	1,251,598	2,219
Transfers out	(129,325)	(139,815)	(495,494)	(355,679)
Total Other Financing Sources (Uses)	<u>1,151,023</u>	<u>1,109,564</u>	<u>756,104</u>	<u>(353,460)</u>
Net Change in Fund Balances	38,150	(21,909)	90,408	112,317
Fund Balances - Beginning	<u>4,405,249</u>	<u>4,405,249</u>	<u>4,405,249</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,443,399</u>	<u>\$ 4,383,340</u>	<u>\$ 4,495,657</u>	<u>\$ 112,317</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ 90,408

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:

Expenditure reimbursements were included as other revenues, transfers in, and transfers out for budgetary purposes, but are a reduction of expenditures for financial reporting purposes.

Other revenues	121,641
General government expenditures	(256,368)
Public safety expenditures	(520,000)
Public ways and facilities expenditures	(30,963)
Culture and recreation expenditures	(120,000)
Transfers in	881,580
Transfers out	(75,890)

General plan update expenditures were recorded as capital outlay for budgetary purposes, but are a general government expenditure for financial reporting purposes.

General government expenditures	4,116
Capital outlay expenditures	(4,116)

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 90,408

CITY OF LIVE OAK
Required Supplementary Information
Budgetary Comparison Schedule - Budgetary Basis
Program Income - Major Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -	\$ -	\$ 471	\$ 471
Intergovernmental	49,600	49,600	25,147	(24,453)
Total Revenues	<u>49,600</u>	<u>49,600</u>	<u>25,618</u>	<u>(23,982)</u>
EXPENDITURES				
Current:				
Community development	87,100	87,100	78,766	8,334
Total Expenditures	<u>87,100</u>	<u>87,100</u>	<u>78,766</u>	<u>8,334</u>
Excess of Revenues Over (Under) Expenditures	<u>(37,500)</u>	<u>(37,500)</u>	<u>(53,148)</u>	<u>(15,648)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	369,799	369,799
Transfers out	(25,000)	(25,000)	(44,082)	(19,082)
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>325,717</u>	<u>350,717</u>
Net Change in Fund Balances	<u>(62,500)</u>	<u>(62,500)</u>	<u>272,569</u>	<u>335,069</u>
Fund Balances - Beginning	7,024,891	7,024,891	7,024,891	-
Prior period adjustment	-	-	(123,017)	(123,017)
Fund Balances - Beginning, Restated	<u>7,024,891</u>	<u>7,024,891</u>	<u>6,901,874</u>	<u>(123,017)</u>
Fund Balances - Ending	<u>\$ 6,962,391</u>	<u>\$ 6,962,391</u>	<u>\$ 7,174,443</u>	<u>\$ 212,052</u>

CITY OF LIVE OAK
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2013

BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year for the General fund and Special Revenue funds. The City did not adopt a budget for the Developer Deposits major special revenue fund. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant adjustments.

The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

- (1) In May of each year, the Finance Department is to submit to the City Council a recommended operating budget for the fiscal year commencing the following July 1. The operating budget includes recommended expenditures and estimated revenues.
- (2) Public hearings are to be conducted at City Hall to obtain taxpayer comments. Generally by the first of July, after adjustment as appropriate by the City Council, the budget is to be legally enacted through council motion.
- (3) Council approval is required for transfers between funds, or for an increase in total appropriations. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).
- (4) All unused appropriations for budgeted amounts lapse at the end of the year.

The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

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**Combining and Individual Fund Statements and
Schedules**

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Nonmajor Governmental Funds

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Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF LIVE OAK
Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenues that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. Nonmajor special revenue funds used by the City are listed below:

Developer Deposits

The Developer Deposits fund is used to account for developer deposits.

Streets and Roads

The Streets and Roads fund accounts for gas tax revenue allocations from the State. Funds received are restricted to expenditures for street maintenance, traffic safety, and construction.

Transportation

The Transportation fund is used to account for monies received through the Transportation Development Act (TDA) tax and Surface Transportation Program (STP) funding. The financing from State and Federal programs helps to build and maintain the City streets.

Traffic Safety

This fund is used to account for court fines collected on the City's account for moving violations.

COPS

This fund is used to account for special police revenue received under the Citizens Options for Public Safety for frontline law enforcement services.

Sidewalk Improvement

This fund is used to account for monies to be used for sidewalk improvements.

Street Lighting

This fund is used to account for monies to be used for various street lighting districts. This assessment district excludes property within the CFD 2004-1 services district.

Mello Roos CFD 92-1

This fund is used to account for special assessment revenue received to finance the purchase, construction, expansion or rehabilitation of sites and structures for general government, police, fire, parks, recreation, streets, schools and other governmental facilities. The revenues received are shared with the Live Oak Unified School District receiving 2/3 of the annual assessments received.

Fire Benefit Assessment

This fund is used to account for special assessment revenue received for the purposes of fire protection services. This assessment district excludes property within the CFD 2004-1 services district.

CITY OF LIVE OAK
Nonmajor Special Revenue Funds

Mello Roos CFD 2004-1 Fire

This fund is used to account for special assessment revenue received for the purposes of fire protection services.

Mello Roos CFD 2004-1 Police

This fund is used to account for special assessment revenue received for the purposes of police protection services.

Mello Roos CFD 2004-1 Animal Services

This fund is used to account for special assessment revenue received for the purposes of animal protection services.

Mello Roos CFD 2004-1 Street Lighting

This fund is used to account for special assessment revenue received for the purposes of street lighting services.

Mello Roos CFD 2004-1 Parks/Recreation/Pool

This fund is used to account for special assessment revenue received for the purposes of parks and pool maintenance and recreation programs.

Mello Roos CFD 2004-1 Storm Drain

This fund is used to account for special assessment revenue received for the purposes of storm drain maintenance and improvements.

Parks & Recreation Impact Fees

This fund is used to account for development impact fees received for the purposes of expansion and construction of parks and recreation facilities.

Community Center Impact Fees

This fund is used to account for development impact fees received for the purposes of expansion and construction of community centers.

Public Works Impact Fees

This fund is used to account for development impact fees received for the expansion and construction of public works/corp yard facilities and equipment.

General Government Impact Fees

This fund is used to account for development impact fees received for the expansion and construction of general government administration facilities and equipment.

CITY OF LIVE OAK
Nonmajor Special Revenue Funds

Police Impact Fees

This fund is used to account for development impact fees received for the expansion and construction of public safety police facilities and equipment.

Fire Impact Fees

This fund is used to account for development impact fees received for the expansion and construction of public safety fire facilities and equipment.

Flood Control Impact Fees

This fund is used to account for development impact fees received for the expansion and construction of storm drainage facilities.

Storm Drain Connection Fees

This fund is used to account for the capacity and connection fees received for the rehabilitation, expansion and construction of storm drainage facilities.

10-STBG-6724 PIHNC

This fund is used to account for CDBG grant funds used to make loans for public improvements in support of new housing construction for the Maple Park affordable housing project.

11-PTEC-7632

This fund is used to account for CDBG planning and technical assistance grant funds used for the update of the Housing Element, Downtown Infrastructure Analysis and implementation of a GIS system.

10-HOME-6349 Maple Park

This fund is used to account for HOME grant funds used to make loans for new housing construction for the Maple Park affordable housing project.

11-HOME-7661

This fund is used to account for HOME grant funds used to make loans to residents for the purposes of housing rehabilitation and down payment assistance for first time home buyers.

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CITY OF LIVE OAK
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2013

	Developer Deposits	Streets and Roads	Trans- portation	Traffic Safety
ASSETS				
Cash and investments	\$ 172,950	\$ 680,697	\$ 607,104	\$ 7,157
Receivables:				
Accounts	-	2,070	-	295
Interest	97	408	335	5
Taxes	-	34,398	43,888	-
Intergovernmental	-	31,950	-	-
Total Assets	\$ 173,047	\$ 749,523	\$ 651,327	\$ 7,457
LIABILITIES				
Accounts payable	\$ -	\$ 13,320	\$ 9,547	\$ -
Salaries and benefits payable	-	162	-	-
Deposits payable	173,047	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	173,047	13,482	9,547	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted	-	736,041	641,780	7,457
Unassigned	-	-	-	-
Total Fund Balances	-	736,041	641,780	7,457
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 173,047	\$ 749,523	\$ 651,327	\$ 7,457

COPS	Sidewalk Improvement	Street Lighting	Mello Roos CFD 92-1	Fire Benefit Assessment	Mello Roos CFD 2004-1 Fire	Mello Roos CFD 2004-1 Police	Mello Roos CFD 2004-1 Animal Services
\$ 161,665	\$ 17,048	\$ 93,752	\$ 216,590	\$ 32,265	\$ 70,433	\$ 149,752	\$ 20,307
-	-	-	-	-	-	-	-
82	10	46	137	18	23	39	9
-	-	2,617	1,492	4,246	850	2,305	134
-	-	148	-	-	-	-	-
<u>\$ 161,747</u>	<u>\$ 17,058</u>	<u>\$ 96,563</u>	<u>\$ 218,219</u>	<u>\$ 36,529</u>	<u>\$ 71,306</u>	<u>\$ 152,096</u>	<u>\$ 20,450</u>
\$ 3,697	\$ -	\$ 3,987	\$ 1,237	\$ -	\$ 310	\$ 1,040	\$ 63
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,697</u>	<u>-</u>	<u>3,987</u>	<u>1,237</u>	<u>-</u>	<u>310</u>	<u>1,040</u>	<u>63</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
158,050	17,058	92,576	216,982	36,529	70,996	151,056	20,387
-	-	-	-	-	-	-	-
<u>158,050</u>	<u>17,058</u>	<u>92,576</u>	<u>216,982</u>	<u>36,529</u>	<u>70,996</u>	<u>151,056</u>	<u>20,387</u>
<u>\$ 161,747</u>	<u>\$ 17,058</u>	<u>\$ 96,563</u>	<u>\$ 218,219</u>	<u>\$ 36,529</u>	<u>\$ 71,306</u>	<u>\$ 152,096</u>	<u>\$ 20,450</u>

CITY OF LIVE OAK
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2013

	Mello Roos CFD 2004-1 Street Lighting	Mello Roos CFD 2004-1 Parks/ Recreation/ Pool	Mello Roos CFD 2004-1 Storm Drain	Parks & Recreation Impact Fees
ASSETS				
Cash and investments	\$ 57,422	\$ 43,821	\$ 82,528	\$ 58,308
Receivables:				
Accounts	-	-	-	-
Interest	30	16	44	34
Taxes	139	1,053	139	-
Intergovernmental	-	-	-	-
Total Assets	<u>\$ 57,591</u>	<u>\$ 44,890</u>	<u>\$ 82,711</u>	<u>\$ 58,342</u>
LIABILITIES				
Accounts payable	\$ 1,460	\$ 1,273	\$ 130	\$ -
Salaries and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>1,460</u>	<u>1,273</u>	<u>130</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	56,131	43,617	82,581	58,342
Unassigned	-	-	-	-
Total Fund Balances	<u>56,131</u>	<u>43,617</u>	<u>82,581</u>	<u>58,342</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 57,591</u>	<u>\$ 44,890</u>	<u>\$ 82,711</u>	<u>\$ 58,342</u>

Community Center Impact Fees	Public Works Impact Fees	General Government Impact Fees	Police Impact Fees	Fire Impact Fees	Flood Control Impact Fees	Storm Drain Connection Fees	10-STBG- 6724 PIHNC
\$ 155,286	\$ 2,418	\$ 357,186	\$ 139,124	\$ 75,096	\$ 125,743	\$ 513,011	\$ -
-	-	-	-	-	-	-	-
87	1	201	78	42	71	288	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 155,373</u>	<u>\$ 2,419</u>	<u>\$ 357,387</u>	<u>\$ 139,202</u>	<u>\$ 75,138</u>	<u>\$ 125,814</u>	<u>\$ 513,299</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
155,373	2,419	357,387	139,202	75,138	125,814	513,299	-
-	-	-	-	-	-	-	-
<u>155,373</u>	<u>2,419</u>	<u>357,387</u>	<u>139,202</u>	<u>75,138</u>	<u>125,814</u>	<u>513,299</u>	<u>-</u>
<u>\$ 155,373</u>	<u>\$ 2,419</u>	<u>\$ 357,387</u>	<u>\$ 139,202</u>	<u>\$ 75,138</u>	<u>\$ 125,814</u>	<u>\$ 513,299</u>	<u>\$ -</u>

CITY OF LIVE OAK
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2013

	11-PTEC- 7632	10-HOME- 6349 Maple Park	11-HOME- 7661	Totals
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ 3,839,663
Receivables:				
Accounts	-	-	-	2,365
Interest	-	-	-	2,101
Taxes	-	-	-	91,261
Intergovernmental	56,715	23,085	5,924	117,822
Total Assets	\$ 56,715	\$ 23,085	\$ 5,924	\$ 4,053,212
LIABILITIES				
Accounts payable	\$ 12,330	\$ -	\$ 5,291	\$ 53,685
Salaries and benefits payable	-	-	-	162
Deposits payable	-	-	-	173,047
Due to other funds	36,430	-	632	37,062
Total Liabilities	48,760	-	5,923	263,956
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	16,488	23,085	5,924	45,497
Total Deferred Inflows of Resources	16,488	23,085	5,924	45,497
FUND BALANCES				
Restricted	-	-	-	3,758,215
Unassigned	(8,533)	-	(5,923)	(14,456)
Total Fund Balances	(8,533)	-	(5,923)	3,743,759
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 56,715	\$ 23,085	\$ 5,924	\$ 4,053,212

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CITY OF LIVE OAK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2013

	Developer Deposits	Streets and Roads	Trans- portation	Traffic Safety
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ 607,449	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	6,721
Use of money	-	1,836	1,515	24
Intergovernmental	-	517,535	-	-
Charges for services	-	-	-	-
Other revenue	-	16,091	-	-
Total Revenues	<u>-</u>	<u>535,462</u>	<u>608,964</u>	<u>6,745</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	7,000
Public ways and facilities	-	123,429	24,716	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	352,105	-
Total Expenditures	<u>-</u>	<u>123,429</u>	<u>376,821</u>	<u>7,000</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>412,033</u>	<u>232,143</u>	<u>(255)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,923	-	-
Transfers out	(334,013)	(302,416)	(53,905)	-
Total Other Financing Sources (Uses)	<u>(334,013)</u>	<u>(298,493)</u>	<u>(53,905)</u>	<u>-</u>
Net Change in Fund Balance	<u>(334,013)</u>	<u>113,540</u>	<u>178,238</u>	<u>(255)</u>
Fund Balances - Beginning	<u>334,013</u>	<u>622,501</u>	<u>463,542</u>	<u>7,712</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 736,041</u>	<u>\$ 641,780</u>	<u>\$ 7,457</u>

COPS	Sidewalk Improvement	Street Lighting	Mello Roos CFD 92-1	Fire Benefit Assessment	Mello Roos CFD 2004-1 Fire	Mello Roos CFD 2004-1 Police	Mello Roos CFD 2004-1 Animal Services
\$ -	\$ -	\$ 56,968	\$ -	\$ 118,965	\$ 97,817	\$ 265,276	\$ 15,417
-	-	-	126,137	-	-	-	-
-	-	-	-	-	-	-	-
506	47	203	585	119	142	370	47
65,591	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,923	-	-	-	-	-
66,097	47	59,094	126,722	119,084	97,959	265,646	15,464
-	-	-	-	-	88,793	-	-
32,840	-	-	-	133,684	-	297,524	13,708
-	-	45,736	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	92,392	-	-	-	-
78,568	-	-	-	-	-	-	-
111,408	-	45,736	92,392	133,684	88,793	297,524	13,708
(45,311)	47	13,358	34,330	(14,600)	9,166	(31,878)	1,756
-	-	-	-	-	-	-	-
-	-	-	(13,794)	-	-	-	-
-	-	-	(13,794)	-	-	-	-
(45,311)	47	13,358	20,536	(14,600)	9,166	(31,878)	1,756
203,361	17,011	79,218	196,446	51,129	61,830	182,934	18,631
\$ 158,050	\$ 17,058	\$ 92,576	\$ 216,982	\$ 36,529	\$ 70,996	\$ 151,056	\$ 20,387

CITY OF LIVE OAK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2013

	Mello Roos CFD 2004-1 Street Lighting	Mello Roos CFD 2004-1 Parks/ Recreation/ Pool	Mello Roos CFD 2004-1 Storm Drain	Parks & Recreation Impact Fees
REVENUES				
Taxes and assessments	\$ 15,948	\$ 121,208	\$ 15,948	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money	145	114	204	177
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	<u>16,093</u>	<u>121,322</u>	<u>16,152</u>	<u>177</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities	16,982	-	9,981	-
Culture and recreation	-	133,904	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>16,982</u>	<u>133,904</u>	<u>9,981</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(889)</u>	<u>(12,582)</u>	<u>6,171</u>	<u>177</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(7,865)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,865)</u>
Net Change in Fund Balance	<u>(889)</u>	<u>(12,582)</u>	<u>6,171</u>	<u>(7,688)</u>
Fund Balances - Beginning	<u>57,020</u>	<u>56,199</u>	<u>76,410</u>	<u>66,030</u>
Fund Balances - Ending	<u>\$ 56,131</u>	<u>\$ 43,617</u>	<u>\$ 82,581</u>	<u>\$ 58,342</u>

Community Center Impact Fees	Public Works Impact Fees	General Government Impact Fees	Police Impact Fees	Fire Impact Fees	Flood Control Impact Fees	Storm Drain Connection Fees	10-STBG-6724 PIHNC
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
422	22	969	378	203	348	1,283	-
-	-	-	-	-	-	-	388,285
-	-	-	-	-	-	50,478	-
-	-	-	-	-	-	-	-
422	22	969	378	203	348	51,761	388,285
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,977	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	73,557
-	11,786	-	-	-	-	-	-
-	11,786	-	-	-	2,977	-	73,557
422	(11,764)	969	378	203	(2,629)	51,761	314,728
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(325,716)
-	-	-	-	-	-	-	(325,716)
422	(11,764)	969	378	203	(2,629)	51,761	(10,988)
154,951	14,183	356,418	138,824	74,935	128,443	461,538	10,988
<u>\$ 155,373</u>	<u>\$ 2,419</u>	<u>\$ 357,387</u>	<u>\$ 139,202</u>	<u>\$ 75,138</u>	<u>\$ 125,814</u>	<u>\$ 513,299</u>	<u>\$ -</u>

CITY OF LIVE OAK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2013

	11-PTEC- 7632	10-HOME- 6349 Maple Park	11-HOME- 7661	Totals
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 1,314,996
Licenses and permits	-	-	-	126,137
Fines and forfeitures	-	-	-	6,721
Use of money	-	-	-	9,659
Intergovernmental	51,217	59,642	2,000	1,084,270
Charges for services	-	-	-	50,478
Other revenue	-	-	-	18,014
Total Revenues	<u>51,217</u>	<u>59,642</u>	<u>2,000</u>	<u>2,610,275</u>
EXPENDITURES				
Current:				
General government	-	-	-	88,793
Public safety	-	-	-	484,756
Public ways and facilities	-	-	-	223,821
Culture and recreation	-	-	-	133,904
Community development	55,701	59,642	7,533	288,825
Capital outlay	-	-	-	442,459
Total Expenditures	<u>55,701</u>	<u>59,642</u>	<u>7,533</u>	<u>1,662,558</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,484)</u>	<u>-</u>	<u>(5,533)</u>	<u>947,717</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	3,923
Transfers out	-	-	-	(1,037,709)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,033,786)</u>
Net Change in Fund Balance	<u>(4,484)</u>	<u>-</u>	<u>(5,533)</u>	<u>(86,069)</u>
Fund Balances - Beginning	<u>(4,049)</u>	<u>-</u>	<u>(390)</u>	<u>3,829,828</u>
Fund Balances - Ending	<u>\$ (8,533)</u>	<u>\$ -</u>	<u>\$ (5,923)</u>	<u>\$ 3,743,759</u>

Continued (Page 3 of 3)

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Streets and Roads - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money	\$ 500	\$ 500	\$ 1,836	\$ 1,336
Intergovernmental	1,134,114	1,134,114	517,535	(616,579)
Other revenue	8,000	8,000	16,091	8,091
Total Revenues	<u>1,142,614</u>	<u>1,142,614</u>	<u>535,462</u>	<u>(607,152)</u>
EXPENDITURES				
Current:				
Public ways and facilities	191,526	191,526	105,444	86,082
Capital outlay	300,000	300,000	-	300,000
Total Expenditures	<u>491,526</u>	<u>491,526</u>	<u>105,444</u>	<u>386,082</u>
Excess of Revenues Over (Under) Expenditures	<u>651,088</u>	<u>651,088</u>	<u>430,018</u>	<u>(221,070)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,923	3,923	3,923	-
Transfers out	(919,943)	(919,943)	(320,401)	599,542
Total Other Financing Sources (Uses)	<u>(916,020)</u>	<u>(916,020)</u>	<u>(316,478)</u>	<u>599,542</u>
Net Change in Fund Balances	<u>(264,932)</u>	<u>(264,932)</u>	<u>113,540</u>	<u>378,472</u>
Fund Balances - Beginning	<u>622,501</u>	<u>622,501</u>	<u>622,501</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 357,569</u>	<u>\$ 357,569</u>	<u>\$ 736,041</u>	<u>\$ 378,472</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ 113,540

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:

Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.

Public ways and facilities expenditures	17,985
Transfers out	<u>(17,985)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 113,540

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Transportation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and assessments	\$ 319,649	\$ 319,649	\$ 607,449	\$ 287,800
Use of money	500	500	1,515	1,015
Total Revenues	<u>320,149</u>	<u>320,149</u>	<u>608,964</u>	<u>288,815</u>
EXPENDITURES				
Current:				
Public ways and facilities	30,000	30,000	8,982	21,018
Capital outlay	400,000	400,000	352,105	47,895
Total Expenditures	<u>430,000</u>	<u>430,000</u>	<u>361,087</u>	<u>68,913</u>
Excess of Revenues Over (Under) Expenditures	<u>(109,851)</u>	<u>(109,851)</u>	<u>247,877</u>	<u>357,728</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(17,446)	(17,446)	(69,639)	(52,193)
Total Other Financing Sources (Uses)	<u>(17,446)</u>	<u>(17,446)</u>	<u>(69,639)</u>	<u>(52,193)</u>
Net Change in Fund Balances	(127,297)	(127,297)	178,238	305,535
Fund Balances - Beginning	<u>463,542</u>	<u>463,542</u>	<u>463,542</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 336,245</u>	<u>\$ 336,245</u>	<u>\$ 641,780</u>	<u>\$ 305,535</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ 178,238

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:

Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.

Public ways and facilities expenditures	15,734
Transfers out	<u>(15,734)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 178,238

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Traffic Safety - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 6,000	\$ 6,000	\$ 6,721	\$ 721
Use of money	-	-	24	24
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>6,745</u>	<u>745</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>6,000</u>	<u>6,000</u>	<u>6,745</u>	<u>745</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(7,000)	(7,000)	(7,000)	-
Total Other Financing Sources (Uses)	<u>(7,000)</u>	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,000)</u>	<u>(1,000)</u>	<u>(255)</u>	<u>745</u>
Fund Balances - Beginning	<u>7,712</u>	<u>7,712</u>	<u>7,712</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 6,712</u>	<u>\$ 6,712</u>	<u>\$ 7,457</u>	<u>\$ 745</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ (255)

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:

Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.

Public safety expenditures	7,000
Transfers out	<u>(7,000)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances \$ (255)

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
COPS - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -	\$ -	\$ 506	\$ 506
Intergovernmental	100,000	100,000	65,591	(34,409)
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>66,097</u>	<u>(33,903)</u>
EXPENDITURES				
Current:				
Public safety	60,000	60,000	32,840	27,160
Capital outlay	100,000	100,000	78,568	21,432
Total Expenditures	<u>160,000</u>	<u>160,000</u>	<u>111,408</u>	<u>48,592</u>
Excess of Revenues Over (Under) Expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>(45,311)</u>	<u>14,689</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(60,000)	(60,000)	(45,311)	14,689
Fund Balances - Beginning	<u>203,361</u>	<u>203,361</u>	<u>203,361</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 143,361</u>	<u>\$ 143,361</u>	<u>\$ 158,050</u>	<u>\$ 14,689</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Sidewalk Improvement - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -	\$ -	\$ 47	\$ 47
Total Revenues	<u>-</u>	<u>-</u>	<u>47</u>	<u>47</u>
EXPENDITURES				
Capital outlay	17,050	17,050	-	17,050
Total Expenditures	<u>17,050</u>	<u>17,050</u>	<u>-</u>	<u>17,050</u>
Excess of Revenues Over (Under) Expenditures	<u>(17,050)</u>	<u>(17,050)</u>	<u>47</u>	<u>17,097</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(17,050)	(17,050)	47	17,097
Fund Balances - Beginning	17,011	17,011	17,011	-
Fund Balances - Ending	<u>\$ (39)</u>	<u>\$ (39)</u>	<u>\$ 17,058</u>	<u>\$ 17,097</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Street Lighting - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 53,000	\$ 53,000	\$ 56,968	\$ 3,968
Use of money	200	200	203	3
Other revenue	1,775	1,775	1,923	148
Total Revenues	<u>54,975</u>	<u>54,975</u>	<u>59,094</u>	<u>4,119</u>
EXPENDITURES				
Current:				
Public ways and facilities	60,000	60,000	44,035	15,965
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>44,035</u>	<u>15,965</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,025)</u>	<u>(5,025)</u>	<u>15,059</u>	<u>20,084</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,037)	(2,037)	(1,701)	336
Total Other Financing Sources (Uses)	<u>(2,037)</u>	<u>(2,037)</u>	<u>(1,701)</u>	<u>336</u>
Net Change in Fund Balances	<u>(7,062)</u>	<u>(7,062)</u>	<u>13,358</u>	<u>20,420</u>
Fund Balances - Beginning	<u>79,218</u>	<u>79,218</u>	<u>79,218</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 72,156</u>	<u>\$ 72,156</u>	<u>\$ 92,576</u>	<u>\$ 20,420</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ 13,358

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:

Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.

Public ways and facilities expenditures	1,701
Transfers out	<u>(1,701)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 13,358

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Mello Roos CFD 92-1 - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 128,000	\$ 128,000	\$ 126,137	\$ (1,863)
Use of money	500	500	585	85
Total Revenues	<u>128,500</u>	<u>128,500</u>	<u>126,722</u>	<u>(1,778)</u>
EXPENDITURES				
Current:				
Community development	95,000	95,000	87,906	7,094
Capital outlay	76,110	76,110	-	76,110
Total Expenditures	<u>171,110</u>	<u>171,110</u>	<u>87,906</u>	<u>83,204</u>
Excess of Revenues Over (Under) Expenditures	<u>(42,610)</u>	<u>(42,610)</u>	<u>38,816</u>	<u>81,426</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(69,367)	(69,367)	(18,280)	51,087
Total Other Financing Sources (Uses)	<u>(69,367)</u>	<u>(69,367)</u>	<u>(18,280)</u>	<u>51,087</u>
Net Change in Fund Balances	(111,977)	(111,977)	20,536	132,513
Fund Balances - Beginning	<u>196,446</u>	<u>196,446</u>	<u>196,446</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 84,469</u>	<u>\$ 84,469</u>	<u>\$ 216,982</u>	<u>\$ 132,513</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ 20,536

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:

Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.

Community development expenditures	4,486
Transfers out	<u>(4,486)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 20,536

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Fire Benefit Assessment - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 110,000	\$ 110,000	\$ 118,965	\$ 8,965
Use of money	-	-	119	119
Total Revenues	<u>110,000</u>	<u>110,000</u>	<u>119,084</u>	<u>9,084</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>110,000</u>	<u>110,000</u>	<u>119,084</u>	<u>9,084</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(134,412)	(134,412)	(133,684)	728
Total Other Financing Sources (Uses)	<u>(134,412)</u>	<u>(134,412)</u>	<u>(133,684)</u>	<u>728</u>
Net Change in Fund Balances	(24,412)	(24,412)	(14,600)	9,812
Fund Balances - Beginning	<u>51,129</u>	<u>51,129</u>	<u>51,129</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 26,717</u>	<u>\$ 26,717</u>	<u>\$ 36,529</u>	<u>\$ 9,812</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ (14,600)

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:

Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.

Public safety expenditures	133,684
Transfers out	<u>(133,684)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances \$ (14,600)

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Mello Roos CFD 2004-1 Fire - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 75,000	\$ 75,000	\$ 97,817	\$ 22,817
Use of money	-	-	142	142
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>97,959</u>	<u>22,959</u>
EXPENDITURES				
Current:				
General government	2,500	2,500	1,312	1,188
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>1,312</u>	<u>1,188</u>
Excess of Revenues Over (Under) Expenditures	<u>72,500</u>	<u>72,500</u>	<u>96,647</u>	<u>24,147</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(87,970)	(87,970)	(87,481)	489
Total Other Financing Sources (Uses)	<u>(87,970)</u>	<u>(87,970)</u>	<u>(87,481)</u>	<u>489</u>
Net Change in Fund Balances	(15,470)	(15,470)	9,166	24,636
Fund Balances - Beginning	<u>61,830</u>	<u>61,830</u>	<u>61,830</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 46,360</u>	<u>\$ 46,360</u>	<u>\$ 70,996</u>	<u>\$ 24,636</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ 9,166

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:

Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.

General government expenditures	87,481
Transfers out	<u>(87,481)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 9,166

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Mello Roos CFD 2004-1 Police - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 240,000	\$ 240,000	\$ 265,276	\$ 25,276
Use of money	-	-	370	370
Total Revenues	240,000	240,000	265,646	25,646
EXPENDITURES				
Current:				
Public safety	7,500	7,500	4,232	3,268
Total Expenditures	7,500	7,500	4,232	3,268
Excess of Revenues Over (Under) Expenditures	232,500	232,500	261,414	28,914
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(294,928)	(294,928)	(293,292)	1,636
Total Other Financing Sources (Uses)	(294,928)	(294,928)	(293,292)	1,636
Net Change in Fund Balances	(62,428)	(62,428)	(31,878)	30,550
Fund Balances - Beginning	182,934	182,934	182,934	-
Fund Balances - Ending	\$ 120,506	\$ 120,506	\$ 151,056	\$ 30,550
 Net Change in Fund Balances - Budgetary Basis				 \$ (31,878)
The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:				
Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.				
Public safety expenditures				293,292
Transfers out				(293,292)
Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances				\$ (31,878)

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Mello Roos CFD 2004-1 Animal Services - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 13,000	\$ 13,000	\$ 15,417	\$ 2,417
Use of money	-	-	47	47
Total Revenues	13,000	13,000	15,464	2,464
EXPENDITURES				
Current:				
Public safety	500	500	325	175
Total Expenditures	500	500	325	175
Excess of Revenues Over (Under) Expenditures	12,500	12,500	15,139	2,639
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(13,458)	(13,458)	(13,383)	75
Total Other Financing Sources (Uses)	(13,458)	(13,458)	(13,383)	75
Net Change in Fund Balances	(958)	(958)	1,756	2,714
Fund Balances - Beginning	18,631	18,631	18,631	-
Fund Balances - Ending	\$ 17,673	\$ 17,673	\$ 20,387	\$ 2,714
 Net Change in Fund Balances - Budgetary Basis				 \$ 1,756
The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:				
Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.				
Public safety expenditures				13,383
Transfers out				(13,383)
Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances				 \$ 1,756

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Mello Roos CFD 2004-1 Street Lighting - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 15,000	\$ 15,000	\$ 15,948	\$ 948
Use of money	175	175	145	(30)
Total Revenues	15,175	15,175	16,093	918
EXPENDITURES				
Current:				
Public ways and facilities	21,500	21,500	16,372	5,128
Total Expenditures	21,500	21,500	16,372	5,128
Excess of Revenues Over (Under) Expenditures	(6,325)	(6,325)	(279)	6,046
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(731)	(731)	(610)	121
Total Other Financing Sources (Uses)	(731)	(731)	(610)	121
Net Change in Fund Balances	(7,056)	(7,056)	(889)	6,167
Fund Balances - Beginning	57,020	57,020	57,020	-
Fund Balances - Ending	\$ 49,964	\$ 49,964	\$ 56,131	\$ 6,167
Net Change in Fund Balances - Budgetary Basis				\$ (889)
The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:				
Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.				
Public ways and facilities expenditures				610
Transfers out				(610)
Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances				\$ (889)

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Mello Roos CFD 2004-1 Parks/Recreation/Pool - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 120,000	\$ 120,000	\$ 121,208	\$ 1,208
Use of money	-	-	114	114
Total Revenues	120,000	120,000	121,322	1,322
EXPENDITURES				
Current:				
Culture and recreation	14,500	14,500	10,091	4,409
Total Expenditures	14,500	14,500	10,091	4,409
Excess of Revenues Over (Under) Expenditures	105,500	105,500	111,231	5,731
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(124,566)	(124,566)	(123,813)	753
Total Other Financing Sources (Uses)	(124,566)	(124,566)	(123,813)	753
Net Change in Fund Balances	(19,066)	(19,066)	(12,582)	6,484
Fund Balances - Beginning	56,199	56,199	56,199	-
Fund Balances - Ending	\$ 37,133	\$ 37,133	\$ 43,617	\$ 6,484
Net Change in Fund Balances - Budgetary Basis				\$ (12,582)
The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:				
Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.				
Culture and recreation expenditures				123,813
Transfers out				(123,813)
Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances				\$ (12,582)

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Mello Roos CFD 2004-1 Storm Drain - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and assessments	\$ 14,000	\$ 14,000	\$ 15,948	\$ 1,948
Use of money	100	100	204	104
Total Revenues	<u>14,100</u>	<u>14,100</u>	<u>16,152</u>	<u>2,052</u>
EXPENDITURES				
Current:				
Public ways and facilities	16,000	16,000	8,535	7,465
Capital outlay	35,000	35,000	-	35,000
Total Expenditures	<u>51,000</u>	<u>51,000</u>	<u>8,535</u>	<u>42,465</u>
Excess of Revenues Over (Under) Expenditures	<u>(36,900)</u>	<u>(36,900)</u>	<u>7,617</u>	<u>44,517</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,732)	(1,732)	(1,446)	286
Total Other Financing Sources (Uses)	<u>(1,732)</u>	<u>(1,732)</u>	<u>(1,446)</u>	<u>286</u>
Net Change in Fund Balances	<u>(38,632)</u>	<u>(38,632)</u>	<u>6,171</u>	<u>44,803</u>
Fund Balances - Beginning	<u>76,410</u>	<u>76,410</u>	<u>76,410</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 37,778</u>	<u>\$ 37,778</u>	<u>\$ 82,581</u>	<u>\$ 44,803</u>
Net Change in Fund Balances - Budgetary Basis				\$ 6,171
The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:				
Expenditure reimbursements were included as transfers out for budgetary purposes, but are an expenditure for financial reporting purposes.				
Public ways and facilities expenditures				1,446
Transfers out				<u>(1,446)</u>
Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances				<u>\$ 6,171</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Parks & Recreation Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -	\$ -	\$ 177	\$ 177
Total Revenues	<u>-</u>	<u>-</u>	<u>177</u>	<u>177</u>
EXPENDITURES				
Capital outlay	1,035	1,035	-	1,035
Total Expenditures	<u>1,035</u>	<u>1,035</u>	<u>-</u>	<u>1,035</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,035)</u>	<u>(1,035)</u>	<u>177</u>	<u>1,212</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(65,000)	(65,000)	(7,865)	57,135
Total Other Financing Sources (Uses)	<u>(65,000)</u>	<u>(65,000)</u>	<u>(7,865)</u>	<u>57,135</u>
Net Change in Fund Balances	<u>(66,035)</u>	<u>(66,035)</u>	<u>(7,688)</u>	<u>58,347</u>
Fund Balances - Beginning	<u>66,030</u>	<u>66,030</u>	<u>66,030</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (5)</u>	<u>\$ (5)</u>	<u>\$ 58,342</u>	<u>\$ 58,347</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Community Center Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -	\$ -	\$ 422	\$ 422
Total Revenues	<u>-</u>	<u>-</u>	<u>422</u>	<u>422</u>
EXPENDITURES				
Capital outlay	154,802	154,802	-	154,802
Total Expenditures	<u>154,802</u>	<u>154,802</u>	<u>-</u>	<u>154,802</u>
Excess of Revenues Over (Under) Expenditures	<u>(154,802)</u>	<u>(154,802)</u>	<u>422</u>	<u>155,224</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(154,802)</u>	<u>(154,802)</u>	<u>422</u>	<u>155,224</u>
Fund Balances - Beginning	<u>154,951</u>	<u>154,951</u>	<u>154,951</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 149</u>	<u>\$ 149</u>	<u>\$ 155,373</u>	<u>\$ 155,224</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Public Works Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -	\$ -	\$ 22	\$ 22
Total Revenues	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>
EXPENDITURES				
Capital outlay	14,184	14,184	11,786	2,398
Total Expenditures	<u>14,184</u>	<u>14,184</u>	<u>11,786</u>	<u>2,398</u>
Excess of Revenues Over (Under) Expenditures	<u>(14,184)</u>	<u>(14,184)</u>	<u>(11,764)</u>	<u>2,420</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(14,184)</u>	<u>(14,184)</u>	<u>(11,764)</u>	<u>2,420</u>
Fund Balances - Beginning	<u>14,183</u>	<u>14,183</u>	<u>14,183</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 2,419</u>	<u>\$ 2,420</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
General Government Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -	\$ -	\$ 969	\$ 969
Total Revenues	<u>-</u>	<u>-</u>	<u>969</u>	<u>969</u>
EXPENDITURES				
Capital outlay	276,442	276,442	-	276,442
Total Expenditures	<u>276,442</u>	<u>276,442</u>	<u>-</u>	<u>276,442</u>
Excess of Revenues Over (Under) Expenditures	<u>(276,442)</u>	<u>(276,442)</u>	<u>969</u>	<u>277,411</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(80,000)	(80,000)	-	80,000
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>	<u>80,000</u>
Net Change in Fund Balances	<u>(356,442)</u>	<u>(356,442)</u>	<u>969</u>	<u>357,411</u>
Fund Balances - Beginning	<u>356,418</u>	<u>356,418</u>	<u>356,418</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (24)</u>	<u>\$ (24)</u>	<u>\$ 357,387</u>	<u>\$ 357,411</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Police Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -		\$ 378	\$ 378
Total Revenues	<u>-</u>	<u>-</u>	<u>378</u>	<u>378</u>
EXPENDITURES				
Capital outlay	38,834	38,834	-	38,834
Total Expenditures	<u>38,834</u>	<u>38,834</u>	<u>-</u>	<u>38,834</u>
Excess of Revenues Over (Under) Expenditures	<u>(38,834)</u>	<u>(38,834)</u>	<u>378</u>	<u>39,212</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(100,000)	(100,000)	-	100,000
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balances	<u>(138,834)</u>	<u>(138,834)</u>	<u>378</u>	<u>139,212</u>
Fund Balances - Beginning	<u>138,824</u>	<u>138,824</u>	<u>138,824</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (10)</u>	<u>\$ (10)</u>	<u>\$ 139,202</u>	<u>\$ 139,212</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Fire Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -	\$ -	\$ 203	\$ 203
Total Revenues	<u>-</u>	<u>-</u>	<u>203</u>	<u>203</u>
EXPENDITURES				
Capital outlay	78,945	78,945	-	78,945
Total Expenditures	<u>78,945</u>	<u>78,945</u>	<u>-</u>	<u>78,945</u>
Excess of Revenues Over (Under) Expenditures	<u>(78,945)</u>	<u>(78,945)</u>	<u>203</u>	<u>79,148</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(78,945)</u>	<u>(78,945)</u>	<u>203</u>	<u>79,148</u>
Fund Balances - Beginning	<u>74,935</u>	<u>74,935</u>	<u>74,935</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (4,010)</u>	<u>\$ (4,010)</u>	<u>\$ 75,138</u>	<u>\$ 79,148</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Flood Control Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -	\$ -	\$ 348	\$ 348
Total Revenues	<u>-</u>	<u>-</u>	<u>348</u>	<u>348</u>
EXPENDITURES				
Current:				
Public ways and facilities	-	-	2,977	(2,977)
Capital outlay	128,451	128,451	-	128,451
Total Expenditures	<u>128,451</u>	<u>128,451</u>	<u>2,977</u>	<u>125,474</u>
Excess of Revenues Over (Under) Expenditures	<u>(128,451)</u>	<u>(128,451)</u>	<u>(2,629)</u>	<u>125,822</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(128,451)</u>	<u>(128,451)</u>	<u>(2,629)</u>	<u>125,822</u>
Fund Balances - Beginning	<u>128,443</u>	<u>128,443</u>	<u>128,443</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (8)</u>	<u>\$ (8)</u>	<u>\$ 125,814</u>	<u>\$ 125,822</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
Storm Drain Connection Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -	\$ -	\$ 1,283	\$ 1,283
Charges for services	-	-	50,478	50,478
Total Revenues	<u>-</u>	<u>-</u>	<u>51,761</u>	<u>51,761</u>
EXPENDITURES				
Capital outlay	465,576	465,576	-	465,576
Total Expenditures	<u>465,576</u>	<u>465,576</u>	<u>-</u>	<u>465,576</u>
Excess of Revenues Over (Under) Expenditures	<u>(465,576)</u>	<u>(465,576)</u>	<u>51,761</u>	<u>517,337</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(465,576)	(465,576)	51,761	517,337
Fund Balances - Beginning	<u>461,538</u>	<u>461,538</u>	<u>461,538</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (4,038)</u>	<u>\$ (4,038)</u>	<u>\$ 513,299</u>	<u>\$ 517,337</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
10-STBG-6724 PIHNC - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 388,285	\$ (11,715)
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>388,285</u>	<u>(11,715)</u>
EXPENDITURES				
Current:				
Community development	400,000	400,000	399,273	727
Total Expenditures	<u>400,000</u>	<u>400,000</u>	<u>399,273</u>	<u>727</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(10,988)</u>	<u>(10,988)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(10,988)</u>	<u>(10,988)</u>
Fund Balances - Beginning	<u>10,988</u>	<u>10,988</u>	<u>10,988</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 10,988</u>	<u>\$ 10,988</u>	<u>\$ -</u>	<u>\$ (10,988)</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ (10,988)

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:

Grant revenues transferred to the program income fund to provide loans are included as community development expenditures for budgetary purposes, but are recorded as transfers out for financial reporting purposes.

Community development expenditures	(325,716)
Transfers out	<u>325,716</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balances \$ (10,988)

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
11-PTEC-7632 - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 105,000	\$ 105,000	\$ 51,217	\$ (53,783)
Total Revenues	<u>105,000</u>	<u>105,000</u>	<u>51,217</u>	<u>(53,783)</u>
EXPENDITURES				
Current:				
Community development	130,000	130,000	55,701	74,299
Total Expenditures	<u>130,000</u>	<u>130,000</u>	<u>55,701</u>	<u>74,299</u>
Excess of Revenues Over (Under) Expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>(4,484)</u>	<u>20,516</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	25,000	-	(25,000)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Net Change in Fund Balances	-	-	(4,484)	(4,484)
Fund Balances - Beginning	<u>(4,049)</u>	<u>(4,049)</u>	<u>(4,049)</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (4,049)</u>	<u>\$ (4,049)</u>	<u>\$ (8,533)</u>	<u>\$ (4,484)</u>

CITY OF LIVE OAK
Required Supplementary Information
Budgetary Comparison Schedule - Budgetary Basis
10-HOME-6349 Maple Park - Major Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 59,642	\$ (240,358)
Total Revenues	<u>300,000</u>	<u>300,000</u>	<u>59,642</u>	<u>(240,358)</u>
EXPENDITURES				
Current:				
Community development	300,000	300,000	59,642	240,358
Total Expenditures	<u>300,000</u>	<u>300,000</u>	<u>59,642</u>	<u>240,358</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF LIVE OAK
Budgetary Comparison Schedule - Budgetary Basis
11-HOME-7661 - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 700,000	\$ 700,000	\$ 2,000	\$ (698,000)
Total Revenues	<u>700,000</u>	<u>700,000</u>	<u>2,000</u>	<u>(698,000)</u>
EXPENDITURES				
Current:				
Community development	700,000	700,000	7,533	692,467
Total Expenditures	<u>700,000</u>	<u>700,000</u>	<u>7,533</u>	<u>692,467</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(5,533)</u>	<u>(5,533)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,533)</u>	<u>(5,533)</u>
Fund Balances - Beginning	<u>(390)</u>	<u>(390)</u>	<u>(390)</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (390)</u>	<u>\$ (390)</u>	<u>\$ (5,923)</u>	<u>\$ (5,533)</u>

STATISTICAL SECTION

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CITY OF LIVE OAK

Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise stated, the information in this section is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF LIVE OAK
Net Position by Component
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Governmental Activities				
Invested in capital assets, net of related debt	\$ 6,035,735	\$ 9,911,374	\$ 17,913,956	\$ 19,340,451
Restricted	10,625	8,225	5,017,517	4,765,409
Unrestricted	4,116,721	5,875,852	4,569,278	5,180,509
Total governmental activities net position	<u>\$ 10,163,081</u>	<u>\$ 15,795,451</u>	<u>\$ 27,500,751</u>	<u>\$ 29,286,369</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 8,610,773	\$ 10,506,373	\$ 13,197,012	\$ 16,392,362
Restricted	71,297	74,297	74,297	98,297
Unrestricted	(780,873)	1,662,396	6,068,775	6,438,445
Total business-type activities net position	<u>\$ 7,901,197</u>	<u>\$ 12,243,066</u>	<u>\$ 19,340,084</u>	<u>\$ 22,929,104</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 14,646,508	\$ 20,417,747	\$ 31,110,968	\$ 35,732,813
Restricted	81,922	82,522	5,091,814	4,863,706
Unrestricted	3,335,848	7,538,248	10,638,053	11,618,954
Total primary government net position	<u>\$ 18,064,278</u>	<u>\$ 28,038,517</u>	<u>\$ 46,840,835</u>	<u>\$ 52,215,473</u>

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ 22,369,965	\$ 23,825,627	\$ 25,091,826	\$ 26,297,382	\$ 26,710,539	\$ 24,859,451
5,655,141	5,249,750	4,442,014	4,353,031	10,859,158	10,932,658
5,543,662	4,625,325	4,242,057	4,024,456	4,757,333	4,487,549
<u>\$ 33,568,768</u>	<u>\$ 33,700,702</u>	<u>\$ 33,775,897</u>	<u>\$ 34,674,869</u>	<u>\$ 42,327,030</u>	<u>\$ 40,279,658</u>
\$ 20,379,766	\$ 20,296,002	\$ 23,752,860	\$ 25,362,569	\$ 24,238,464	\$ 32,253,055
118,297	118,297	149,094	765,294	2,208,655	2,189,552
6,392,756	6,580,141	3,809,714	1,710,380	1,211,917	2,441,509
<u>\$ 26,890,819</u>	<u>\$ 26,994,440</u>	<u>\$ 27,711,668</u>	<u>\$ 27,838,243</u>	<u>\$ 27,659,036</u>	<u>\$ 36,884,116</u>
\$ 42,749,731	\$ 44,121,629	\$ 48,844,686	\$ 51,659,951	\$ 50,949,003	\$ 57,112,506
5,773,438	5,368,047	4,591,108	5,118,325	13,067,813	13,122,210
11,936,418	11,205,466	8,051,771	5,734,836	5,969,250	6,929,058
<u>\$ 60,459,587</u>	<u>\$ 60,695,142</u>	<u>\$ 61,487,565</u>	<u>\$ 62,513,112</u>	<u>\$ 69,986,066</u>	<u>\$ 77,163,774</u>

CITY OF LIVE OAK
Changes in Net Position
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Expenses				
Governmental Activities:				
General government	\$ 890,238	\$ 2,247,068	\$ 944,630	\$ 785,799
Public safety	737,449	1,126,502	1,204,888	1,397,495
Public ways and facilities	318,759	1,110,984	790,416	812,320
Culture and recreation	127,089	234,193	376,894	440,256
Community development	195,117	151,835	211,658	593,167
Interest on long-term debt	9,578	9,128	8,485	8,125
Total Governmental Activities Expenses	<u>2,278,230</u>	<u>4,879,710</u>	<u>3,536,971</u>	<u>4,037,162</u>
Business-type Activities				
Water	524,757	560,885	527,253	1,069,818
Sewer	528,139	823,477	932,794	1,074,688
Total Business-Type Activities Expenses	<u>1,052,896</u>	<u>1,384,362</u>	<u>1,460,047</u>	<u>2,144,506</u>
Total Primary Government Expenses	<u>\$ 3,331,126</u>	<u>\$ 6,264,072</u>	<u>\$ 4,997,018</u>	<u>\$ 6,181,668</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 39,395	\$ 58,198	\$ 860,110	\$ 174,663
Public safety	37,349	196,228	309,973	297,967
Public ways and facilities	678,549	2,119,994	2,933,278	852,999
Culture and recreation	56,383	357,804	352,510	201,576
Community development	226,540	207,408	372,164	769,633
Operating grants and contributions	770,275	1,411,677	1,161,469	883,991
Capital grants and contributions	100,000	4,005,450	7,141,932	17,281
Total Governmental Activities Program Revenues	<u>1,908,491</u>	<u>8,356,759</u>	<u>13,131,436</u>	<u>3,198,110</u>
Business-Type Activities:				
Charges for services:				
Water	627,332	1,697,876	2,218,718	1,245,061
Sewer	953,595	2,252,603	3,339,133	1,737,381
Operating grants and contributions	-	377,159	-	-
Capital grants and contributions	2,962,862	1,402,123	2,942,914	2,325,590
Total Business-Type Activities Program Revenues	<u>4,543,789</u>	<u>5,729,761</u>	<u>8,500,765</u>	<u>5,308,032</u>
Total Primary Government Program Revenues	<u>\$ 6,452,280</u>	<u>\$ 14,086,520</u>	<u>\$ 21,632,201</u>	<u>\$ 8,506,142</u>

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ 867,560	\$ 627,563	\$ 466,702	\$ 476,146	\$ 384,156	\$ 412,935
163,248	1,806,590	1,698,799	1,835,998	1,727,176	1,692,570
978,051	1,005,625	695,187	858,822	844,453	775,399
485,944	661,265	477,418	524,675	515,775	503,341
1,101,216	1,054,897	439,633	388,380	606,085	589,673
7,577	7,111	6,305	16,556	4,908	4,160
<u>3,603,596</u>	<u>5,163,051</u>	<u>3,784,044</u>	<u>4,100,577</u>	<u>4,082,553</u>	<u>3,978,078</u>
1,078,638	1,294,680	1,317,033	1,274,430	1,267,180	1,342,609
<u>1,121,766</u>	<u>1,269,658</u>	<u>1,323,859</u>	<u>1,661,896</u>	<u>1,614,859</u>	<u>2,694,727</u>
2,200,404	2,564,338	2,640,892	2,936,326	2,882,039	4,037,336
<u>\$ 5,804,000</u>	<u>\$ 7,727,389</u>	<u>\$ 6,424,936</u>	<u>\$ 7,036,903</u>	<u>\$ 6,964,592</u>	<u>\$ 8,015,414</u>
\$ 73,919	\$ 62,823	\$ 63,838	\$ 67,433	\$ 435,738	\$ 76,244
361,484	336,655	363,492	355,367	384,574	388,263
806,589	332,088	474,204	474,353	410,929	344,981
235,096	132,423	139,756	150,378	146,573	170,061
340,850	82,243	184,538	233,189	147,962	151,284
1,484,052	980,955	744,348	1,466,831	4,358,608	1,385,431
2,809,465	759,589	152,576	257,902	117,592	564,161
<u>6,111,455</u>	<u>2,686,776</u>	<u>2,122,752</u>	<u>3,005,453</u>	<u>6,001,976</u>	<u>3,080,425</u>
1,260,977	921,547	1,040,934	1,050,211	844,900	902,570
1,844,538	1,447,946	1,772,336	2,037,925	1,863,695	2,181,809
-	-	-	-	-	-
<u>2,882,698</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>84,247</u>	<u>10,161,065</u>
<u>5,988,213</u>	<u>2,569,493</u>	<u>2,813,270</u>	<u>3,088,136</u>	<u>2,792,842</u>	<u>13,245,444</u>
<u>\$ 12,099,668</u>	<u>\$ 5,256,269</u>	<u>\$ 4,936,022</u>	<u>\$ 6,093,589</u>	<u>\$ 8,794,818</u>	<u>\$ 16,325,869</u>

CITY OF LIVE OAK
Changes in Net Position
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Net (Expense)/Revenue¹				
Governmental activities	\$ (369,739)	\$ 3,477,049	\$ 9,594,465	\$ (839,052)
Business-type activities	3,490,893	4,345,399	7,040,718	3,163,526
 Total Primary Government Net Expense	 <u>\$ 3,121,154</u>	 <u>\$ 7,822,448</u>	 <u>\$ 16,635,183</u>	 <u>\$ 2,324,474</u>
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 292,286	\$ 663,714	\$ 928,360	\$ 1,348,013
Sales and use taxes	175,266	170,792	145,804	174,001
Franchise taxes	98,995	105,801	125,023	142,467
Property transfer taxes	13,153	49,915	57,495	37,137
Grants and contributions - unrestricted	288,927	179,965	72,050	129,662
Interest and investment earnings	75,927	118,713	369,254	484,266
Miscellaneous	83,734	176,290	217,026	366,907
Transfers	271,648	213,715	195,823	(57,783)
Extraordinary gain	-	-	-	-
 Total Governmental Activities	 <u>1,299,936</u>	 <u>1,678,905</u>	 <u>2,110,835</u>	 <u>2,624,670</u>
Business-type Activities				
Interest and investment earnings	15,268	47,873	250,086	372,307
Miscellaneous	-	-	2,037	15,404
Transfers	(271,648)	(213,715)	(195,823)	57,783
 Total Business-Type Activities	 <u>(256,380)</u>	 <u>(165,842)</u>	 <u>56,300</u>	 <u>445,494</u>
 Total Primary Government	 <u>\$ 1,043,556</u>	 <u>\$ 1,513,063</u>	 <u>\$ 2,167,135</u>	 <u>\$ 3,070,164</u>
 Change in Net Position				
Governmental activities	\$ 930,197	\$ 5,155,954	\$ 11,705,300	\$ 1,785,618
Business-type activities	3,234,513	4,179,557	7,097,018	3,609,020
 Total Primary Government	 <u>\$ 4,164,710</u>	 <u>\$ 9,335,511</u>	 <u>\$ 18,802,318</u>	 <u>\$ 5,394,638</u>

¹ Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ 2,507,859	\$ (2,476,275)	\$ (1,661,292)	\$ (1,095,124)	\$ 1,919,423	\$ (897,653)
3,787,809	5,155	172,378	151,810	(89,197)	9,208,108
<u>\$ 6,295,668</u>	<u>\$ (2,471,120)</u>	<u>\$ (1,488,914)</u>	<u>\$ (943,314)</u>	<u>\$ 1,830,226</u>	<u>\$ 8,310,455</u>
\$ 1,716,555	\$ 1,645,832	\$ 1,498,092	\$ 1,221,589	\$ 1,250,494	\$ 1,239,301
184,036	186,347	176,158	197,343	222,448	262,905
137,139	138,523	136,247	138,306	135,517	136,868
16,662	14,620	11,451	10,688	11,301	9,114
53,556	37,354	28,895	44,502	6,840	4,792
457,890	264,186	109,954	97,386	79,828	75,530
546,058	124,779	267,018	231,104	92,395	120,453
102,644	101,412	(491,328)	53,178	103,898	(378,280)
-	-	-	-	378,280	-
<u>3,214,540</u>	<u>2,513,053</u>	<u>1,736,487</u>	<u>1,994,096</u>	<u>2,281,001</u>	<u>1,470,683</u>
276,550	135,642	39,313	23,298	13,411	10,974
-	-	14,209	4,645	477	5,998
(102,644)	(101,412)	491,328	(53,178)	(103,898)	-
<u>173,906</u>	<u>34,230</u>	<u>544,850</u>	<u>(25,235)</u>	<u>(90,010)</u>	<u>16,972</u>
<u>\$ 3,388,446</u>	<u>\$ 2,547,283</u>	<u>\$ 2,281,337</u>	<u>\$ 1,968,861</u>	<u>\$ 2,190,991</u>	<u>\$ 1,487,655</u>
\$ 5,722,399	\$ 36,778	\$ 75,195	\$ 898,972	\$ 4,200,424	\$ 573,030
3,961,715	39,385	717,228	126,575	(179,207)	9,225,080
<u>\$ 9,684,114</u>	<u>\$ 76,163</u>	<u>\$ 792,423</u>	<u>\$ 1,025,547</u>	<u>\$ 4,021,217</u>	<u>\$ 9,798,110</u>

CITY OF LIVE OAK
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
General Fund				
Reserved	\$ 10,625	\$ 9,245	\$ 11,748	\$ 14,245
Unreserved	2,115,641	3,038,734	4,542,511	4,720,551
Total General Fund	<u>\$ 2,126,266</u>	<u>\$ 3,047,979</u>	<u>\$ 4,554,259</u>	<u>\$ 4,734,796</u>
All Other Governmental Funds				
Unreserved, reported in:				
Special revenue funds	\$ 1,998,714	\$ 2,753,941	\$ 4,885,726	\$ 4,268,779
Capital projects funds	-	-	121,066	483,405
Total All Other Governmental Funds	<u>\$ 1,998,714</u>	<u>\$ 2,753,941</u>	<u>\$ 5,006,792</u>	<u>\$ 4,752,184</u>

	Fiscal Year		
	2010/2011	2011/2012	2012/2013
General Fund			
Nonspendable	\$ 379,300	\$ -	\$ -
Committed	2,481,928	2,487,180	2,510,279
Unassigned	1,526,655	1,918,069	1,985,378
Total General Fund	<u>\$ 4,387,883</u>	<u>\$ 4,405,249</u>	<u>\$ 4,495,657</u>
All Other Governmental Funds			
Nonspendable	\$ 172,530	\$ -	\$ -
Restricted	4,180,501	10,859,158	10,932,658
Unassigned	(386,273)	(4,439)	(346,316)
Total All Other Governmental Funds	<u>\$ 3,966,758</u>	<u>\$ 10,854,719</u>	<u>\$ 10,586,342</u>

Notes:

(1) The City implemented GASB 54 for fiscal year June 30, 2011 under which fund balances are reported as nonspendable, restricted, committed, assigned and unassigned as compared to reserved and unreserved.

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>
\$ 12,245	\$ 14,745	\$ 17,245
<u>5,202,120</u>	<u>4,388,451</u>	<u>4,143,909</u>
<u>\$ 5,214,365</u>	<u>\$ 4,403,196</u>	<u>\$ 4,161,154</u>
\$ 5,513,199	\$ 5,236,025	\$ 4,424,769
<u>(35,615)</u>	<u>-</u>	<u>(209,921)</u>
<u>\$ 5,477,584</u>	<u>\$ 5,236,025</u>	<u>\$ 4,214,848</u>

CITY OF LIVE OAK
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Revenues				
Taxes and assessments	\$ 473,104	\$ 837,505	\$ 1,025,271	\$ 1,585,013
Licenses and permits	579,734	1,399,432	2,228,693	566,282
Fines and forfeitures	-	-	-	-
Use of money	37,833	57,675	154,433	242,907
Intergovernmental	322,927	356,218	503,708	167,750
Charges for services	34,347	34,830	42,869	50,752
Other revenues	83,734	189,635	191,729	246,850
Total Revenues	<u>1,531,679</u>	<u>2,875,295</u>	<u>4,146,703</u>	<u>2,859,554</u>
Expenditures				
Current:				
General government	739,191	930,480	748,042	755,521
Public safety	678,513	950,183	1,203,078	1,271,952
Public ways and facilities	-	-	357,537	251,943
Culture and recreation	114,567	124,238	216,739	314,127
Community development	-	-	156,264	192,342
Debt service				
Principal	7,000	7,000	8,000	8,000
Interest	9,578	9,128	8,485	8,125
Capital outlay	185,807	472,212	213,359	15,891
Total Expenditures	<u>1,734,656</u>	<u>2,493,241</u>	<u>2,911,504</u>	<u>2,817,901</u>
Excess of Revenues Over (Under) Expenditures	<u>(202,977)</u>	<u>382,054</u>	<u>1,235,199</u>	<u>41,653</u>
Other Financial Sources (Uses)				
Transfers in	769,258	539,659	383,345	3,088,066
Transfers out	-	-	(112,266)	(2,949,179)
Total Other Financial Sources (Uses)	<u>769,258</u>	<u>539,659</u>	<u>271,079</u>	<u>138,887</u>
Extraordinary gain	-	-	-	-
Net Change in Fund Balances	<u>\$ 566,281</u>	<u>\$ 921,713</u>	<u>\$ 1,506,278</u>	<u>\$ 180,540</u>
Debt Service as a Percentage of Noncapital Expenditures	1.07%	0.80%	0.61%	0.58%

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ 2,755,058	\$ 2,578,059	\$ 2,540,100	\$ 2,613,913	\$ 2,485,312	\$ 2,863,851
1,039,549	444,691	562,834	549,275	522,378	394,624
7,436	15,084	6,922	5,751	9,870	6,721
457,890	264,186	109,954	97,386	76,999	78,359
1,588,190	1,131,234	704,323	1,449,768	4,217,447	1,141,556
97,797	52,807	79,370	105,240	60,727	133,467
546,058	124,779	276,604	231,104	92,395	120,453
<u>6,491,978</u>	<u>4,610,840</u>	<u>4,280,107</u>	<u>5,052,437</u>	<u>7,465,128</u>	<u>4,739,031</u>
880,572	587,672	411,815	412,141	327,197	367,720
1,504,358	1,717,263	1,611,660	1,725,374	1,641,963	1,602,027
544,653	289,885	256,301	414,164	372,854	275,526
417,575	584,686	383,213	423,889	409,879	397,262
1,101,216	852,952	439,633	388,380	606,085	589,673
9,000	10,000	10,000	11,000	11,000	12,000
7,577	7,111	6,305	16,556	4,908	4,160
924,702	1,715,411	1,933,071	1,908,002	1,119,830	1,167,335
<u>5,389,653</u>	<u>5,764,980</u>	<u>5,051,998</u>	<u>5,299,506</u>	<u>4,493,716</u>	<u>4,415,703</u>
<u>1,102,325</u>	<u>(1,154,140)</u>	<u>(771,891)</u>	<u>(247,069)</u>	<u>2,971,412</u>	<u>323,328</u>
3,123,756	2,154,907	2,110,306	1,918,195	4,664,414	1,123,115
<u>(3,021,112)</u>	<u>(2,053,495)</u>	<u>(2,601,634)</u>	<u>(1,865,017)</u>	<u>(4,560,516)</u>	<u>(1,501,395)</u>
<u>102,644</u>	<u>101,412</u>	<u>(491,328)</u>	<u>53,178</u>	<u>103,898</u>	<u>(378,280)</u>
-	-	-	-	378,280	-
<u>\$ 1,204,969</u>	<u>\$ (1,052,728)</u>	<u>\$ (1,263,219)</u>	<u>\$ (193,891)</u>	<u>\$ 3,453,590</u>	<u>\$ (54,952)</u>
0.37%	0.42%	0.52%	0.81%	0.47%	0.50%

CITY OF LIVE OAK
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured	Unsecured	SBE Nonunitary	Taxable Assessed Value	% Change	Direct Rate
2003/2004	136,404,625	2,368,310	246,275	139,019,210	4.190%	1.000%
2004/2005	151,657,608	3,193,078	259,901	155,110,587	11.570%	1.000%
2005/2006	191,046,284	2,514,825	119,931	193,681,040	24.870%	1.000%
2006/2007	305,452,181	3,554,355	108,550	309,115,086	59.600%	1.000%
2007/2008	388,826,609	4,409,217	55,926	393,291,752	27.230%	1.000%
2008/2009	370,352,618	5,445,846	66,680	375,865,144	-4.430%	1.000%
2009/2010	323,245,981	5,607,852	66,680	328,920,513	-12.490%	1.000%
2010/2011	288,107,715	5,141,917	66,680	293,316,312	-10.820%	1.000%
2011/2012	274,962,151	5,101,648	66,680	280,130,479	-4.500%	1.000%
2012/2013	272,426,872	5,096,684	2,004	277,525,560	-0.900%	1.000%

Notes:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property tax may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of the taxable property and is subject to the limitations described above.

Source: Auditor-Controller's Office, County of Sutter
HDL Coren & Cone

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CITY OF LIVE OAK
Property Tax Rates - All Overlapping Governments
Last Ten Fiscal Years

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
City of Live Oak General purpose	1.000	1.000	1.000	1.000
	1.000	1.000	1.000	1.000
Live Oak Unified School District	-	0.050	0.053	0.052
Yuba Community College District	-	-	-	-
	<u>1.000</u>	<u>1.050</u>	<u>1.053</u>	<u>1.052</u>

Notes:

(1) The above tax rates are applied per \$100 of assessed valuation.

(2) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school district bonds.

Source: Auditor-Controller's Office, County of Sutter
HDL Coren & Cone

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
1.000	1.000	1.000	1.000	1.000	1.000
0.023	0.060	0.059	0.073	0.076	0.081
<u>0.014</u>	<u>0.016</u>	<u>0.018</u>	<u>0.015</u>	<u>0.025</u>	<u>0.025</u>
<u>1.037</u>	<u>1.076</u>	<u>1.077</u>	<u>1.088</u>	<u>1.101</u>	<u>1.106</u>

CITY OF LIVE OAK
Principal Property Tax Payers
Current Year and One Year Ago

<u>Taxpayer</u>	<u>Fiscal Year 2012/2013</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
CCA Properties of America	\$ 6,576,015	2.37%
Tower Energy Group Corporation	3,417,655	1.23%
Auburn Manor Holding Corporation	3,343,250	1.20%
Sunsweet Dryers	2,521,553	0.91%
Jaswant S. Saprai	2,059,902	0.75%
L and R Gas and Food Inc.	1,835,296	0.66%
Kashmir K. Gill	1,792,057	0.65%
KB Home Sacramento Inc.	1,455,000	0.52%
Millenium Farms LLC	1,387,161	0.50%
Cavazos Family Rev 11 Trust Etal	1,272,000	0.46%
	<u>\$ 25,659,889</u>	<u>9.25%</u>
Total City of Live Oak assessed property valuation Fiscal Year 2012/13		<u>\$ 277,525,560</u>

<u>Taxpayer</u>	<u>Fiscal Year 2011/2012</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
CCA Properties of America LLC	\$ 6,447,071	2.30%
Tower Energy Group Corporation	3,428,889	1.22%
Auburn Manor Holding Corporation	3,392,115	1.21%
Sunsweet Dryers	2,502,236	0.90%
KB Homes Sacramento	2,107,000	0.76%
Jaswant S. Saprai	2,054,567	0.73%
L and Ra Gas and Food Inc.	1,857,477	0.66%
Melton Family Trust	1,468,553	0.52%
RBC Real Estate Finance Inc.	1,440,099	0.51%
Millenium Farms LLC	1,303,354	0.47%
	<u>\$ 26,001,361</u>	<u>9.28%</u>
Total City of Live Oak assessed property valuation Fiscal Year 2011/12		<u>\$ 280,130,479</u>

Note:

Data pertaining to fiscal year 2003/2004 is not available, the latest prior year available is fiscal year 2011/2012.

Source: Auditor-Controller's Office, County of Sutter

CITY OF LIVE OAK
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collections within the Fiscal Year of the Levy</u>		<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percent of Levy</u>	<u>Amount</u>	<u>Percent of Levy</u>
2003/2004	252,401	252,401	100.00%	252,401	100.00%
2004/2005	228,411	228,411	100.00%	228,411	100.00%
2005/2006	302,021	302,021	100.00%	302,021	100.00%
2006/2007	495,888	495,888	100.00%	495,888	100.00%
2007/2008	607,428	607,428	100.00%	607,428	100.00%
2008/2009	589,827	589,827	100.00%	589,827	100.00%
2009/2010	515,671	515,671	100.00%	515,671	100.00%
2010/2011	465,337	465,337	100.00%	465,337	100.00%
2011/2012	412,894	412,894	100.00%	412,894	100.00%
2012/2013	459,780	459,780	100.00%	459,780	100.00%

Source: Auditor-Controller's Office, County of Sutter
Finance Department, City of Live Oak

CITY OF LIVE OAK
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities				Total
	Loans	Total	Loans	Bonds	Certificates of Participation	Capital Leases	
2003/2004	144,000	144,000	216,381	254,000	1,269,025	-	1,739,406
2004/2005	137,000	137,000	201,243	236,000	1,230,000	-	1,667,243
2005/2006	129,000	129,000	178,899	217,000	2,561,235	-	2,957,134
2006/2007	121,000	121,000	160,380	197,000	2,610,000	-	2,967,380
2007/2008	112,000	112,000	130,802	176,000	2,550,000	-	2,856,802
2008/2009	102,000	102,000	104,956	154,000	2,490,000	-	2,748,956
2009/2010	92,000	92,000	1,531,863	131,000	2,430,000	-	4,092,863
2010/2011	81,000	81,000	10,593,503	107,000	2,370,000	-	13,070,503
2011/2012	70,000	70,000	15,201,959	82,000	2,310,000	-	17,593,959
2012/2013	58,000	58,000	5,874,727	55,000	2,250,000	309,641	8,489,368

(1) See Demographic and Economic Statistics schedule for personal income and population data.

(2) See Assessed Value and Estimated Actual Value of Taxable Property schedule for property value data.

n/a - information is not available

Source: City of Live Oak Annual Financial Reports
Finance Department, City of Live Oak

Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
1,883,406	n/a	1.35%	296
1,804,243	1.81%	1.16%	274
3,086,134	2.77%	1.59%	424
3,088,380	2.45%	1.00%	389
2,968,802	2.17%	0.75%	359
2,850,956	2.07%	0.76%	344
4,184,863	3.10%	1.27%	493
13,151,503	9.47%	4.48%	1,588
17,663,959	13.03%	6.31%	2,142
8,547,368	n/a	3.08%	1,025

CITY OF LIVE OAK
Direct and Overlapping Bonded Debt
As of June 30, 2013

City Assessed Valuation		\$ 277,525,560	
	Percent Applicable	Outstanding Debt June 30, 2013	Estimated Share of Overlapping Debt
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Live Oak Unified School District	43.493%	\$ 9,180,697	\$ 3,992,961
Yuba Community College District	3.593%	39,431,837	1,416,786
Total Overlapping Tax and Assessment Debt		48,612,534	5,409,746
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Sutter Butte Flood Control Agency Obligations	3.160%	6,580,949	207,958
Sutter County Office of Education Certificates of Participation	0.000%	5,085,000	-
Total Overlapping General Fund Obligation Debt		11,665,949	207,958
Total Overlapping Debt		60,278,483	5,617,704
DIRECT GENERAL FUND OBLIGATION DEBT:			
City of Live Oak loan	100.000%	58,000	58,000
Total Overlapping General Fund Obligation Debt		58,000	58,000
Total Combined Debt		\$ 60,336,483	\$ 5,675,704
RATIOS TO 2012/2013 ASSESSED VALUATION:			
Ratio of overlapping debt to assessed value		21.74%	2.05%

Note: Overlapping governments are those that coincide, at least in part, within the geographic boundaries of the City of Live Oak. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

Source: Auditor-Controller's Office, County of Yuba
Yuba Community College
Live Oak Unified School District
Sutter-Butte Flood Control Agency
Finance Department, City of Live Oak

CITY OF LIVE OAK
Computation of Legal Bonded Debt Margin
June 30, 2013

Secured Property Assessed Value, Net of Exempt Real Property	\$ 277,525,560
	<hr/>
Bonded debt limit (3.75% of assessed value) (a)	\$ 10,407,209
Less debt subject to limit:	
Total water certificates of participation at 06/30/13	(1,260,000)
Total sewer certificates of participation at 06/30/13	(990,000)
Total sewer revenue bonds at 06/30/13	(55,000)
	<hr/>
Legal debt margin	\$ 8,102,209
	<hr/>

(a) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value at full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Source: Assessor's Office, County of Sutter
Finance Department, City of Live Oak
HDL Coren & Cone

CITY OF LIVE OAK
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Personal Income		Taxable Assessed Valuation	Per Capita Taxable Property Values	Average Unemployment Rate
		Total (in thousands)	Per Capita			
2004	6,365	n/a	n/a	139,019,210	21,841	20.2%
2005	6,585	99,805	15,156	155,110,587	23,555	17.9%
2006	7,277	111,447	15,315	193,681,040	26,616	16.6%
2007	7,937	125,989	15,874	309,115,086	38,946	17.6%
2008	8,263	137,027	16,583	393,291,752	47,597	21.5%
2009	8,287	137,641	16,609	375,865,144	45,356	29.8%
2010	8,483	135,127	15,929	328,920,513	38,774	33.3%
2011	8,281	138,935	16,778	293,316,312	35,420	33.2%
2012	8,247	135,517	16,432	280,130,479	33,968	31.3%
2013	8,341	n/a	n/a	277,525,560	33,272	25.9%

n/a - information is not available

Source: Assessor's Office, County of Sutter
Finance Department, City of Live Oak
Franchise Tax Board, State of California

**CITY OF LIVE OAK
Principal Employers
2013**

<u>Employer</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Live Oak Unified School District	170	8.10%
Live Oak Manor	120	5.71%
City of Live Oak	30	1.43%
E-Center Head Start	26	1.24%
Sunsweet Dryers	10	0.48%
Tower Supermarket	13	0.62%
United States Post Office	12	0.57%
Live Oak Pharmacy	6	0.29%
Gold Country Bank	6	0.29%
Total	<u>393</u>	<u>18.73%</u>

Note: Data pertaining to principal employers for nine years ago is not readily available.

Source: City of Live Oak
Employment Development Department, State of California

CITY OF LIVE OAK
Full-Time and Part-Time City Government Employees
Last Ten Fiscal Years

	As of June 30,			
	2004	2005	2006	2007
City Council	5	5	5	5
City Manager	1	1	1	1
City Clerk's Office	1	1	1	1
Administration	-	1	1	1
Finance/Administrative Services	3	3	4	4
Community Development	2	2	3	3
Public Works	10	11	9	13
Parks and Recreation	12	13	7	6
Building	2	2	3	3
Total Full-Time Equivalent Employees	36	39	34	37

Source: Finance Department, City of Live Oak

2008	2009	2010	2011	2012	2013
5	5	5	5	5	5
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
9	7	8	9	8	9
6	7	7	7	7	7
2	2	2	1	1	1
30	29	30	30	29	30

**CITY OF LIVE OAK
Operating Indicators
Last Ten Fiscal Years**

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Business Licenses				
Annual business license	101	126	149	163
One time license	-	-	-	-
Environment and Utilities				
Gallons of wastewater treated per year (in millions)	252	216	227	161
Fire				
Fires per year	27	26	24	25
Emergency medical calls per year	447	417	467	495
Hazardous materials incidents per year	9	8	12	10
Non-emergency service calls per year	52	90	166	187
Police				
911 calls per year	n/a	n/a	n/a	n/a
Cases investigated per year	690	645	660	702
Arrests per year	263	243	158	276
Building Permits				
Building permits issued per year	208	504	492	257
New building and alteration valuation	\$ 6,824,658	\$ 58,342,402	\$ 61,152,807	\$ 12,488,247

Note: Data pertaining to 911 calls per year is not available for years prior to FY 2007/2008.

n/a - information is not available

Source: City of Live Oak
Sutter County Sheriff
Sutter County Fire

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
166	133	147	156	148	140
-	-	-	-	-	18
144	236	235	282	210	258
26	20	18	20	26	41
523	542	559	544	530	603
4	9	4	4	6	12
190	114	125	124	137	136
1,106	1,574	1,528	1,363	1,485	845
739	669	685	867	709	826
273	174	244	175	193	186
281	146	174	141	155	110
\$ 9,788,024	\$ 1,906,625	\$ 5,644,595	\$ 6,157,812	\$ 7,621,784	\$ 1,892,973

**CITY OF LIVE OAK
Capital Asset Statistics
Last Ten Fiscal Years**

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Environment and Utilities				
Miles of municipal sewer mains	24.9	24.9	24.9	24.9
Maximum daily capacity (gallons per day)	1,400,000	1,400,000	1,400,000	1,400,000
Miles of water mains	30.4	30.4	30.4	30.4
Water wells	5	5	5	5
Water storage tanks	-	-	1	1
Fire				
Full-time staffed positions	4	4	4	4
Volunteer stations	1	1	1	1
Police				
Stations	1	1	1	1
Vehicles and motorcycles	8	8	8	9
Community Development				
Miles of municipal roadways	18.53	18.53	18.53	20.31
Park sites	4	4	4	4

Source: City of Live Oak

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
24.9	24.9	24.9	24.9	24.9	24.9
1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
30.4	30.4	30.4	30.4	30.4	30.4
5	4	4	4	4	4
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
9	10	10	10	10	10
20.31	25.61	25.61	25.61	26.84	28.44
5	6	7	8	8	8

CITY OF LIVE OAK
Sales Value History
Last Ten Years

Calendar Year	Full Value Sales	Average Price	Median Price	Median % Change
2004	58	159,441	168,250	21.92%
2005	83	264,861	244,000	45.02%
2006	81	283,142	271,500	11.27%
2007	66	243,676	225,750	-16.85%
2008	110	162,936	167,050	-26.00%
2009	134	135,254	131,000	-21.88%
2010	110	130,695	132,500	1.15%
2011	115	121,666	120,000	-9.43%
2012	111	121,243	129,000	7.50%
2013	48	122,282	121,000	-6.20%

Source: Assessor's Office, County of Sutter
Finance Department, City of Live Oak
HDL Coren & Cone