

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

*For the Fiscal Year Ended
June 30, 2016*



*Prepared by the
Finance Department*

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**City of Live Oak,
California**

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2016**

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CITY OF LIVE OAK
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

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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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December 26, 2016

To the Honorable Mayor, City Council and Citizens of Live Oak:

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF LIVE OAK

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Live Oak for the fiscal year July 1, 2015 through June 30, 2016. Although addressed to the City's governing body and its citizens, the CAFR is intended also to provide relevant financial information to creditors, investors, and other interested parties. This transmittal letter provides a summary of City of Live Oak finances, services, achievements and economic prospects for readers without a technical background. Those wishing a more detailed discussion of the City's financial results should refer to Management's Discussion and Analysis (MD&A) contained in the Financial Section of the CAFR.

The City of Live Oak's management is solely responsible for the accuracy of the information contained in this report, the adequacy of its disclosures, and the fairness of its presentation. We believe this CAFR to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, the City has established a system of internal controls designed to protect City assets from loss, to identify and record transactions accurately, and to compile the information necessary to produce financial statements in conformity with generally accepted accounting principles.

The City contracted with Smith & Newell, CPAs, a firm of Certified Public Accountants licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City's financial statements for fiscal year 2014-15 are fairly stated and in compliance with accounting principles generally accepted in the United States. This conclusion is the most favorable kind and is commonly known as an "unqualified" or "clean" opinion. The independent auditor's report is included in the Financial Section of this report.

REPORTING ENTITY

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 agriculture production including peaches, nuts, rice, and other crops. Live Oak has grown to a population of 8,500 residents and comprises of 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 waste water 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 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 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 AND OUTLOOK

The City's revenue base continues to recover from the 2008 economic downturn. Property taxes, sales taxes, general taxes and assessments received by the City's governmental funds for the most recent two years reflect steady improvement. These two recent years restore the City's core revenue base to what it was received in the peak year of FY 2007-08. However, new home construction and commercial expansion remains stagnant in Live Oak and the surrounding area. In time, the City hopes to benefit from the economic growth being experienced in the rest of the State of California.

In recent years, the City has leveraged various grant sources in funding significant public improvements projects including the City's new soccer park, sheriff and fire station rehabilitation and recent expansion of its bike/pedestrian trail system. Such projects add to the existing community assets and provides for new facilities for the betterment of public services being delivered to the City's residents.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

Highlights of activities and accomplishments for the fiscal year ended June 30, 2016 include the following:

- Completed construction on the Live Oak Soccer Park/Storm Basin
- Completed study into a downtown reinvestment plan
- Completed design and engineering of Kola Street and O Street project
- Completed design and engineering of the skate park construction project
- Continued engineering analysis of historic downtown infrastructure
- Continued planning and design for the infrastructure improvements at Highway 99 and major crossroads
- Continued design and engineering for new municipal water well
- Continued design and engineering of Pennington Road reconstruction project
- Continued design and engineering of Pennington Road water main project
- Began 2015 street rehab project
- Welcomed new businesses along the Highway 99 corridor

FINANCIAL INFORMATION

The City's management staff is responsible for establishing and maintaining internal controls that safeguard the assets of the government from loss, theft, or misuse and allow the compilation of adequate accounting data for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed its likely benefits and that the evaluation of costs and benefits is subject to management estimates and judgments.

Budgetary Controls

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 majority of the funds are included in the annual appropriated budget. In administering the budget, the City Manager shall have the authority to provide each department with sufficient funding to meet its needs so long as a decision to vary from approved appropriations does

not exceed, except in the case of emergencies, the total resources estimated to be available to the affected municipal fund at the time of the decision. If necessary, staff recommends budgetary changes during periodic financial status reports to the City Council.

The City continues to meet its responsibility for sound financial management as demonstrated by the statements and schedules included in the financial section of this report.

AWARD AND ACKNOWLEDGEMENTS

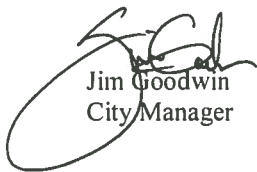
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to the City of Live Oak for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This award recognizes the City's conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirement and we are submitting it to the GFOA to determine its eligibility for another certificate.


The preparation of this CAFR represents the culmination of a concerted team effort by the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In addition, staff in all City departments should be recognized for their timely and positive response to the requests for detailed information necessary to prepare the annual audit. The role of Smith & Newell, CPAs should also be acknowledged as a significant contribution.

Finally, we wish to express our sincere appreciation to the Mayor and City Council for providing policy direction and a firm foundation of support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Jim Goodwin
City Manager



Joe Aguilar
Director of Finance

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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, 2015

Executive Director/CEO

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CITY OF LIVE OAK
City Officials
For the Year Ended June 30, 2016

Elected Officials

Lakhvir S. Ghag. Mayor
Jason M. Banks. Vice-Mayor
Gary Baland. Member
Steve Alvarado. Member
Diane Hodges. Member

Appointed Officials

Melissa Dempsey. City Clerk
Joe Aguilar. City Treasurer

Executive Team

Jim Goodwin. City Manager
Joe Aguilar. Finance Director
Luis Cibrian. Parks & Recreation Director
Jim Little. Chief Building Official
Ron Walker. Public Works Facilities Manager
Nicole Delerio. City Attorney
Bruce Nash and Scott Rolls. City Engineer
June Cowles. City Planner
James Casner. Lieutenant Sutter County Sheriff
John Shalowitz. Battalion Chief Sutter County Fire

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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, 2016, 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, 2016, 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 1S to the financial statements, in 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement Nos. 72, 73, 76 and 79. Our opinion is not modified with respect to this matter.

As reported in Note 11, the net pension liability is measured as of June 30, 2015 and the pension expense is for the measurement period 2014-15. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, City Pension Plans-Schedule of Proportionate Share of the Net Pension Liability, City Pension Plans-Schedule of Contributions, Notes to the City Pension Plans, City OPEB Plan-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.

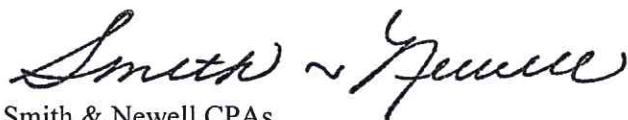
To the Honorable Mayor and
Members of the City Council
City of Live Oak
Live Oak, California

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.

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 December 26, 2016 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
December 26, 2016

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal year 2015-16 is the twelfth 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 \$69,213,171 as of June 30, 2016. Of this total, \$35,656,848 were governmental net position and \$33,556,323 were business-type net position.
- Entity-wide governmental revenues include program revenues of \$6,445,796 and general revenues of \$2,223,906 for a total of \$8,669,702.
- Entity-wide Governmental expenses were \$7,038,372.
- Entity-wide Business-type program, program revenues were \$3,192,282 and general revenues of \$21,473 while Business-type expenses were \$3,980,610.

Fund Level:

- Governmental Fund balance decreased to \$7,766,338 in fiscal year 2016, down \$8,996,248 from the prior year due to restating housing loan payments.
- Governmental Fund revenues increased to \$7,807,642 in fiscal year 2016 up \$451,214 from the prior year. This increase stemmed from larger than expected in intergovernmental revenues.
- Governmental Fund expenditures increased to \$8,292,001 in fiscal year 2016, up \$1,716,102 from the prior year.

General Fund:

- General Fund revenues of \$2,647,400 were \$348,709 higher than the prior year.
- General Fund expenditures of \$2,632,717 represented an increase of \$2,957 over the prior year.
- Other Financing Sources used was zero in fiscal year 2016, changed from \$528,825 compared with the prior year.
- General Fund balance of \$4,764,414 as of June 30, 2016 compared almost equally with fiscal year 2015 restated fund balance of \$4,749,731.

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 17 and 19 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, 2016			As of June 30, 2015		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Current assets and outflows	\$ 20,052,188	\$ 6,081,976	\$ 26,134,164	\$ 17,910,117	\$ 5,631,549	\$ 23,541,666
Capital assets	27,543,409	36,107,195	63,650,604	26,930,638	37,654,272	64,584,910
Total assets	47,595,597	42,189,171	89,784,768	44,840,755	43,285,821	88,126,576
Long term liabilities	489,331	7,575,928	8,065,259	1,031,553	8,633,687	9,665,240
Other liabilities and inflows	11,449,418	1,056,920	12,506,338	733,688	328,956	1,062,644
Total liabilities	11,938,749	8,632,848	20,571,597	1,765,241	8,962,643	10,727,884
Net position:						
Invested in capital assets, net of related debt	27,103,387	28,599,846	55,703,233	26,423,155	29,831,525	56,254,680
Restricted	4,272,612	2,401,678	6,674,290	12,167,030	2,228,397	14,395,427
Unrestricted	4,280,849	2,554,799	6,835,648	4,485,329	2,263,256	6,748,585
Total Net Position	\$ 35,656,848	\$ 33,556,323	\$ 69,213,171	\$ 43,075,514	\$34,323,178	\$ 77,398,692

Net position represents the difference between the City’s resources and its obligations. At June 30, 2016, the largest portion of the City’s total net position, 80 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 \$55.7 million at June 30, 2016. These capital assets are used by the City to provide services to the citizens.

Overall, the net position for the governmental portion of the City funds has improved due to both operating results and increase contributions from operating and capital grants. However, the net position of the business activities continues to shrink due to a decreasing position in capital assets.

Restricted net position of \$6.7 million represents resources subject to external restrictions as to how they may be used. Unrestricted net position of \$6.8 million represents amounts that may be used to meet the City's ongoing obligations to its residents, businesses, customers, and creditors.

Following is a summary of changes in net position:

	As of June 30, 2016			As of June 30, 2015		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Revenues:						
Program revenues:						
Charges for services	\$ 1,961,933	\$ 3,169,282	\$ 5,131,215	\$ 1,308,415	\$ 3,123,992	\$ 4,432,407
Operating grants and contributions	2,793,371	-	2,793,371	1,977,712	-	1,977,712
Capital grants and contributions	1,690,492	23,000	1,713,492	2,152,350	-	2,152,350
General revenues:						
Property taxes	1,383,175	-	1,383,175	1,382,229	-	1,382,229
Sales taxes	297,481	-	297,481	263,086	-	263,086
Franchise taxes	166,356	-	166,356	155,071	-	155,071
Property transfer taxes	11,536	-	11,536	8,290	-	8,290
Grants and contributions	34,609	-	34,609	80,806	-	80,806
Interest and investment earnings	113,073	21,309	134,382	79,218	13,448	92,666
Miscellaneous and special item	217,676	164	217,840	512,718	1,934	514,652
Total revenues	8,669,702	3,213,755	11,883,457	7,919,895	3,139,374	11,059,269
Expenses:						
General government	519,223	-	519,223	543,796	-	543,796
Public safety	2,235,826	-	2,235,826	1,635,797	-	1,635,797
Public ways and facilities	1,196,682	-	1,196,682	1,418,607	-	1,418,607
Culture and recreation	609,869	-	609,869	544,100	-	544,100
Community development	2,474,188	-	2,474,188	620,114	-	620,114
Interest on long term debt	2,584	-	2,584	3,748	-	3,748
Water	-	1,275,640	1,275,640	-	1,404,692	1,404,692
Sewer	-	2,704,970	2,704,970	-	2,633,340	2,633,340
Total expenses	7,038,372	3,980,610	11,018,982	4,766,162	4,038,032	8,804,194
Excess - before transfers	1,631,330	(766,855)	864,475	3,153,733	(898,658)	2,255,075
Transfers	-	-	-	-	-	-
Extraordinary gain	-	-	-	-	-	-
Change in net position	1,631,330	(766,855)	864,475	3,153,733	(898,658)	2,255,075
Net Position - Beginning	43,075,514	34,323,178	77,398,692	40,417,584	36,000,488	76,418,072
Prior Period adjustment	(9,049,996)	-	(9,049,996)	(495,803)	(778,652)	(1,274,455)
Net Position - Ending	\$ 35,656,848	\$ 33,556,323	\$ 69,213,171	\$ 43,075,514	\$ 34,323,178	\$ 77,398,692

Governmental Activities:

The City's governmental activities increased the City's net position by 1.6 million. Revenues were \$8.7 million which represented an increase of \$749,827 or 9 percent and expenses were \$7 million which represented an increase of \$2.3 million or 48 percent. Governmental activities highlights include the following:

Taxes provided \$1.3 million or 16 percent of the total governmental activities revenue of the City. This amount is an increase of \$946 from the prior year.

Charges for services, operating grants and capital grants provided \$6.4 million or 74 percent of the total governmental activities revenue of the City. This amount is an increase of \$1,007,319 from the prior year.

Business Type Activities

The City's business type activities decreased the City's net position by \$766,855. Revenues were \$3.2 million which represented an increase of \$74,381 primarily due greater service charges. Business type activities highlights include the following:

Charges for services provided \$3.2 million or 99 percent of the total business type activities revenue of the City.

Service revenues are not keeping up depreciation expenses especially in the Water Fund. The net position of investment in capital assets continues to shrink as previously mentioned before.

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, 2016 of \$7,766,338. The General Fund increased by \$14,683 and other Governmental Funds decreased by \$499,042. The General Fund increase was due an increase of revenues. Within the Governmental Funds, the decrease in fund balance was attributable a decrease in the receipt of intergovernmental revenues.

Analysis of Major Governmental Funds

General Fund

General fund revenues totaled \$2,647,400 in fiscal year 2015-16, an increase of \$348,709 over last year. The increase was primarily caused by an increase in licenses, permits, and franchise fees that was \$165,290 over the prior year. The grouping of Other Revenues was also up \$153,266. General fund expenditures totaled \$2,632,717 in fiscal year 2015-16, an increase of \$2,957 over last year.

At the end of fiscal year 2016, the fund balance for the City's General fund was \$4,764,414 a change of \$433,147 under last year. This decrease includes a one-time prior period adjustment balance amount of \$447,830 related to the write off of a long-term receivable from the City's Redevelopment Successor Agency. The fund balance in General Fund was comprised of \$2,525,652 which is committed and \$2,230,647 which is unassigned. The unassigned portion of the fund balance in the General Fund increased by \$3,557.

Program Income

Program Income fund revenues totaled \$206,525 in fiscal year 2015-16, an increase of \$187,610 due to more program activity. Program Income expenditures totaled \$17,558, a decrease of \$66,312 due to less program activity. At the end of fiscal year 2016 the Program Income fund balance was \$43,175 a change of \$7.9 million due to an accounting treatment change of housing loan payments.

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 2016 of \$1,331,613 included funding for the Pennington road, soccer park, alley overlay and street overlay projects. Expenditures totaled \$1,894,796 in fiscal year 2016.

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 \$505,177 in fiscal year 2016. Overall, operating revenues shrank to \$768,866 (5% drop) due to implementation of water saving rules to combat the statewide drought situation. In addition, operating expenses decreased to \$1,225,490 annually representing a reduction of \$127,564 representing a 9% drop over the prior year. As of June 30, 2016, the Fund's net position went from \$8,121,651 in 2015 to \$7,616,474 in 2016 representing a reduction of \$505,177. At present, the water charges are not recapturing funding for depreciation. Related to this fact includes the fund's invested equity in capital assets going from \$7,828,756 in 2015 to \$7,377,047 in 2016. Only \$173,125 of the Fund's net position was unrestricted at the close of fiscal year 2016. 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 decreased \$465,959 in fiscal year 2016. As of June 30, 2016, the Fund's net position totaled \$24,546,210 of which \$21,222,799 remains invested in capital assets net of related debt and \$941,737 for restricted for debt service. The Fund's unrestricted net position stood at \$2,381,674 at the close of fiscal year 2016. Overall, operating revenues remained fairly constant at \$2,201,619, only a \$5627 change over the prior year. Operating expenses totaled \$2,607,969 for the year, a change of \$77,338, only a 3% change over the prior year. Non-operating items did not significantly change from the previous year. Due to the age of the sewer system infrastructure, significant investments will be required in future years to update sewer lines and equipment.

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 2016, the City had invested \$63.7 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. For additional detailed information on the City's capital assets is presented in Note 4 to the financial statements on pages 39 through 40.

The financial statements summarize the City's accounting policies regarding capital assets in Note 1 Section J of the note disclosures. In general terms, the City capitalizes assets in governmental funds at the \$5,000 level and at the \$10,000 level for business activity funds. These fixed assets are depreciated on a straight-line basis varied from 3 years to 75 years.

Following is a summary of capital assets:

	Balances at June 30, 2016	Balances at June 30, 2015
Governmental Activities:		
Land (not being depreciated)	\$ 6,584,996	\$ 6,564,957
Construction in progress (not being depreciated)	5,327,043	3,562,689
Buildings and improvements	1,857,585	2,386,409
Equipment	3,806,293	3,733,885
Infrastructure	20,167,265	20,167,265
Less: Accumulated depreciation	<u>(10,199,773)</u>	<u>(9,484,567)</u>
Governmental Activities Capital Assets (net)	<u>\$ 27,543,409</u>	<u>\$ 26,930,638</u>
Business-Type Activities:		
Land (not being depreciated)	\$ 233,241	\$ 210,241
Buildings and improvements	2,344,231	2,344,231
Equipment	716,843	693,118
Infrastructure	46,257,676	46,257,676
Less: Accumulated depreciation	<u>(13,444,796)</u>	<u>(11,850,994)</u>
Business-Type Activities Capital Assets (net)	<u>\$ 36,107,195</u>	<u>\$ 37,654,272</u>

At June 30, 2016, major construction in progress included:

Governmental Activities:

- Completion of the Community Trail Segment 4 project.
- Completion of the Soccer Park and drainage project.
- Alleyways repaving project in progress.
- Kola/'O' Street repaving project in progress

Business-type Activities:

- None.

Long-term Debt:

At June 30, 2015 and 2016 respectively, the City had \$8.4 million and \$8.1 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, 2016, the City’s debt consisted of:

Governmental Activities Debt:

1987 USDA Rural Development Loan for City Hall Acquisition – 6.5% due 11/2016	\$ 16,000
2012 City of Yuba City/County of Sutter joint facility animal shelter loan due 2023	424,022
2016 Compensated Absences	<u>49,309</u>
Total Governmental Activities Debt	\$ <u>489,331</u>

Business-type Activities Debt:

2003 USDA Certificates of Participation for Wastewater Treatment Plant Expansion – 4.25% due 7/2043	900,000
2006 USDA Certificates of Participation for Water Meter Project – 4.25% due 7/2044	1,160,000
2009 SWRCB State Revolving Fund Wastewater Plant – 1% 30Year Term	5,333,446
2013 Capital Lease for Sewer Vactor Truck – 1.99% 5 Year Term	113,903
2015 Compensated Absences	<u>68,579</u>
Total Business-type Activities Debt	\$ <u>7,575,928</u>
Total Outstanding Debt	\$ <u>8,065,259</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 next four years and new housing construction decreased significantly. Assessed property values began increasing over the recent two years moving from \$320 million in 2015 to \$342 million in 2016.

As the local economy continues to improve, the City will face 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 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. 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 adopted a balanced 2016-17 General Fund Budget and expects to watch spending closely as the City continues to rebound financially. Over the past three fiscal years, the City experienced positive actual results and added \$260,000 to its unrestricted fund balance during that period. 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 for 2016-17 appropriates \$2.8 million.

The City continued to review and update various fees in fiscal year 2015-16. 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.

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, California 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, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 8,222,167	\$ 5,386,459	\$ 13,608,626
Restricted cash and investments	-	-	-
Receivables:			
Accounts, net	172,585	287,286	459,871
Interest	9,452	6,654	16,106
Taxes	54,700	-	54,700
Intergovernmental	1,330,969	-	1,330,969
Other governmental agencies	-	-	-
Prepaid costs	8,445	9,415	17,860
Loans receivable	9,944,693	-	9,944,693
Net OPEB asset	79,125	73,820	152,945
Capital assets:			
Non-depreciable	11,912,039	233,241	12,145,280
Depreciable, net	15,631,370	35,873,954	51,505,324
Total capital assets	<u>27,543,409</u>	<u>36,107,195</u>	<u>63,650,604</u>
Total Assets	<u>47,365,545</u>	<u>41,870,829</u>	<u>89,236,374</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	230,052	318,342	548,394
Total Deferred Outflows of Resources	<u>230,052</u>	<u>318,342</u>	<u>548,394</u>
LIABILITIES			
Accounts payable	606,952	106,146	713,098
Retention payable	19,188	-	19,188
Due to other governments	4,633	-	4,633
Salaries and benefits payable	25,923	21,854	47,777
Deposits payable	178,959	13,553	192,512
Unearned revenue	7,576	-	7,576
Net pension liability	583,437	807,354	1,390,791
Long-term liabilities:			
Due within one year	84,193	361,573	445,766
Due in more than one year	405,138	7,214,355	7,619,493
Total Liabilities	<u>1,915,999</u>	<u>8,524,835</u>	<u>10,440,834</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	78,057	108,013	186,070
Deferred business loan payments	46,416	-	46,416
Deferred housing loan payments	9,898,277	-	9,898,277
Total Deferred Inflows of Resources	<u>10,022,750</u>	<u>108,013</u>	<u>10,130,763</u>

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

Continued (Page 1 of 2)

CITY OF LIVE OAK
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	27,103,387	28,599,846	55,703,233
Restricted for:			
Public safety	702,598	-	702,598
Public ways and facilities	2,912,585	-	2,912,585
Culture and recreation	287,615	-	287,615
Community development	369,814	-	369,814
Capital projects	-	1,393,639	1,393,639
Debt service	-	1,008,039	1,008,039
Unrestricted	4,280,849	2,554,799	6,835,648
Total Net Position	\$ 35,656,848	\$ 33,556,323	\$ 69,213,171

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

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CITY OF LIVE OAK
Statement of Activities
For the Year Ended June 30, 2016

<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	\$ 519,223	\$ 83,748	\$ 10,623	\$ -
Public safety	2,235,826	398,570	-	104,235
Public ways and facilities	1,196,682	973,516	646,530	1,586,257
Culture and recreation	609,869	185,432	-	-
Community development	2,474,188	320,667	2,136,218	-
Interest on long-term debt	2,584	-	-	-
Total Governmental Activities	7,038,372	1,961,933	2,793,371	1,690,492
Business-type activities:				
Water	1,275,640	878,199	-	-
Sewer	2,704,970	2,291,083	-	23,000
Total Business-Type Activities	3,980,610	3,169,282	-	23,000
Total	\$11,018,982	\$ 5,131,215	\$ 2,793,371	\$ 1,713,492

General revenues:

Taxes:
 Property taxes
 Sales and use taxes
 Franchise taxes
 Property transfer taxes
Grants and contributions - unrestricted
Interest and investment earnings
Miscellaneous

Total General Revenues

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
\$ (424,852)	\$ -	\$ (424,852)
(1,733,021)	-	(1,733,021)
2,009,621	-	2,009,621
(424,437)	-	(424,437)
(17,303)	-	(17,303)
(2,584)	-	(2,584)
<u>(592,576)</u>	<u>-</u>	<u>(592,576)</u>
-	(397,441)	(397,441)
-	(390,887)	(390,887)
<u>-</u>	<u>(788,328)</u>	<u>(788,328)</u>
<u>(592,576)</u>	<u>(788,328)</u>	<u>(1,380,904)</u>
1,383,175	-	1,383,175
297,481	-	297,481
166,356	-	166,356
11,536	-	11,536
34,609	-	34,609
113,073	21,309	134,382
217,676	164	217,840
<u>2,223,906</u>	<u>21,473</u>	<u>2,245,379</u>
<u>1,631,330</u>	<u>(766,855)</u>	<u>864,475</u>
43,075,514	34,323,178	77,398,692
<u>(9,049,996)</u>	<u>-</u>	<u>(9,049,996)</u>
<u>34,025,518</u>	<u>34,323,178</u>	<u>68,348,696</u>
<u>\$ 35,656,848</u>	<u>\$ 33,556,323</u>	<u>\$ 69,213,171</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, 2016

	General	14-HOME- 9274	Program Income	Capital Improvement Project
ASSETS				
Cash and investments	\$ 3,626,373	\$ -	\$ 189,270	\$ -
Receivables:				
Accounts	172,585	-	-	-
Interest	3,628	-	146	-
Taxes	54,700	-	-	-
Intergovernmental	5,691	49,606	-	1,046,923
Due from other funds	1,345,596	-	-	-
Prepaid costs	8,115	-	-	-
Loans receivable	-	-	9,944,693	-
Total Assets	\$ 5,216,688	\$ 49,606	\$ 10,134,109	\$ 1,046,923
LIABILITIES				
Accounts payable	\$ 341,307	\$ 90	\$ -	\$ 170,850
Retention payable	-	-	-	13,760
Due to other governments	4,633	-	-	-
Salaries and benefits payable	24,564	-	-	-
Deposits payable	4,475	-	-	-
Due to other funds	77,295	49,423	146,241	818,500
Unearned revenue	-	-	-	-
Total Liabilities	452,274	49,513	146,241	1,003,110
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	4,488	-	1,046,923
Deferred business loan payments	-	-	46,416	-
Deferred housing loan payments	-	-	9,898,277	-
Total Deferred Inflows of Resources	-	4,488	9,944,693	1,046,923
FUND BALANCES				
Nonspendable	8,115	-	-	-
Restricted	-	-	43,175	-
Committed	2,525,652	-	-	-
Unassigned	2,230,647	(4,395)	-	(1,003,110)
Total Fund Balances (Deficits)	4,764,414	(4,395)	43,175	(1,003,110)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,216,688	\$ 49,606	\$ 10,134,109	\$ 1,046,923

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

Other Governmental Funds	Totals
\$ 4,406,524	\$ 8,222,167
-	172,585
5,678	9,452
-	54,700
228,749	1,330,969
-	1,345,596
330	8,445
-	9,944,693
<u>\$ 4,641,281</u>	<u>\$ 21,088,607</u>
\$ 94,705	\$ 606,952
5,428	19,188
-	4,633
1,359	25,923
174,484	178,959
254,137	1,345,596
7,576	7,576
<u>537,689</u>	<u>2,188,827</u>
137,338	1,188,749
-	46,416
-	9,898,277
<u>137,338</u>	<u>11,133,442</u>
330	8,445
4,229,107	4,272,282
-	2,525,652
(263,183)	959,959
<u>3,966,254</u>	<u>7,766,338</u>
<u>\$ 4,641,281</u>	<u>\$ 21,088,607</u>

CITY OF LIVE OAK
Reconciliation of the Governmental Fund Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2016

Total Fund Balance - Total Governmental Funds	\$ 7,766,338
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.	27,543,409
The net OPEB asset is not an available resource and, therefore, is not reported in the funds.	79,125
Other long term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	1,188,749
Deferred outflows of resources related to pensions are not reported in the governmental funds.	230,052
Deferred inflows of resources related to pensions are not reported in the governmental funds.	(78,057)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Net pension liability	(583,437)
Compensated absences	(49,309)
Loans payable	(440,022)
Net Position of Governmental Activities	<u>\$ 35,656,848</u>

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

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CITY OF LIVE OAK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General	14-HOME- 9274	Program Income	Capital Improvement Project
REVENUES				
Taxes and assessments	\$ 1,691,279	\$ -	\$ -	\$ -
Licenses, permits and franchises	521,360	-	-	-
Fines and forfeitures	-	-	-	-
Use of money	85,370	-	10,756	-
Intergovernmental	46,416	1,995,624	195,769	842,501
Charges for services	104,748	-	-	-
Other revenues	198,227	-	-	-
Total Revenues	<u>2,647,400</u>	<u>1,995,624</u>	<u>206,525</u>	<u>842,501</u>
EXPENDITURES				
Current:				
General government	362,309	-	-	-
Public safety	1,608,006	-	-	-
Public ways and facilities	50,113	-	-	121,159
Culture and recreation	374,462	-	-	-
Community development	167,782	1,984,772	17,558	-
Debt service:				
Principal	67,461	-	-	-
Interest	2,584	-	-	-
Capital outlay	-	-	-	1,773,637
Total Expenditures	<u>2,632,717</u>	<u>1,984,772</u>	<u>17,558</u>	<u>1,894,796</u>
Excess of Revenues Over (Under) Expenditures	<u>14,683</u>	<u>10,852</u>	<u>188,967</u>	<u>(1,052,295)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	489,112
Transfers out	-	-	(24,129)	(98,885)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(24,129)</u>	<u>390,227</u>
Net Change in Fund Balances	<u>14,683</u>	<u>10,852</u>	<u>164,838</u>	<u>(662,068)</u>
Fund Balances (Deficits) - Beginning	5,197,561	(15,247)	7,942,396	(341,042)
Prior period adjustment	(447,830)	-	(8,064,059)	-
Fund Balances (Deficits) - Beginning, Restated	<u>4,749,731</u>	<u>(15,247)</u>	<u>(121,663)</u>	<u>(341,042)</u>
Fund Balances (Deficits) - Ending	<u>\$ 4,764,414</u>	<u>\$ (4,395)</u>	<u>\$ 43,175</u>	<u>\$ (1,003,110)</u>

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

Other Governmental Funds	Totals
\$ 720,371	\$ 2,411,650
124,898	646,258
6,935	6,935
16,947	113,073
773,055	3,853,365
453,937	558,685
19,449	217,676
<u>2,115,592</u>	<u>7,807,642</u>
126,343	488,652
540,106	2,148,112
563,798	735,070
127,517	501,979
311,947	2,482,059
-	67,461
-	2,584
92,447	1,866,084
<u>1,762,158</u>	<u>8,292,001</u>
<u>353,434</u>	<u>(484,359)</u>
125,902	615,014
(492,000)	(615,014)
<u>(366,098)</u>	<u>-</u>
<u>(12,664)</u>	<u>(484,359)</u>
3,978,918	16,762,586
<u>-</u>	<u>(8,511,889)</u>
<u>3,978,918</u>	<u>8,250,697</u>
<u>\$ 3,966,254</u>	<u>\$ 7,766,338</u>

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, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ (484,359)
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	1,866,084
Less current year depreciation	(715,206)
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	67,461
Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.	
Change in deferred outflows of resources related to pensions	110,508
Change in deferred inflows of resources related to pensions	33,069
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	862,060
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 OPEB asset	(222)
Change in net pension liability	(107,123)
Change in compensated absences	(942)
Change in Net Position of Governmental Activities	\$ 1,631,330

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

CITY OF LIVE OAK
Statement of Net Position
Proprietary Funds
June 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Totals</u>
	<u>Water</u>	<u>Sewer</u>	<u>Other Enterprise Funds</u>	
ASSETS				
Current Assets:				
Cash and investments	\$ 385,492	\$ 3,608,997	\$ 1,391,970	\$ 5,386,459
Receivables:				
Accounts, net	79,085	208,201	-	287,286
Interest	484	4,501	1,669	6,654
Prepaid costs	4,636	4,779	-	9,415
Total Current Assets	<u>469,697</u>	<u>3,826,478</u>	<u>1,393,639</u>	<u>5,689,814</u>
Noncurrent Assets:				
Net OPEB asset	30,428	43,392	-	73,820
Capital assets:				
Non-depreciable	32,707	200,534	-	233,241
Depreciable, net	8,504,340	27,369,614	-	35,873,954
Total Noncurrent Assets	<u>8,567,475</u>	<u>27,613,540</u>	<u>-</u>	<u>36,181,015</u>
Total Assets	<u>9,037,172</u>	<u>31,440,018</u>	<u>1,393,639</u>	<u>41,870,829</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension adjustments	107,046	211,296	-	318,342
Total Deferred Outflows of Resources	<u>107,046</u>	<u>211,296</u>	<u>-</u>	<u>318,342</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	30,091	76,055	-	106,146
Salaries and benefits payable	6,820	15,034	-	21,854
Deposits payable	4,822	8,731	-	13,553
Compensated absences payable	11,429	31,618	-	43,047
Loans payable	-	180,638	-	180,638
Certificates of participation	40,000	30,000	-	70,000
Capital leases	-	67,888	-	67,888
Total Current Liabilities	<u>93,162</u>	<u>409,964</u>	<u>-</u>	<u>503,126</u>
Noncurrent Liabilities:				
Compensated absences payable	6,779	18,753	-	25,532
Loans payable	-	5,152,808	-	5,152,808
Certificates of participation	1,120,000	870,000	-	1,990,000
Capital leases	-	46,015	-	46,015
Net pension liability	271,482	535,872	-	807,354
Total Noncurrent Liabilities	<u>1,398,261</u>	<u>6,623,448</u>	<u>-</u>	<u>8,021,709</u>
Total Liabilities	<u>1,491,423</u>	<u>7,033,412</u>	<u>-</u>	<u>8,524,835</u>

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

Continued (Page 1 of 2)

CITY OF LIVE OAK
Statement of Net Position
Proprietary Funds
June 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Totals</u>
	<u>Water</u>	<u>Sewer</u>	<u>Other Enterprise Funds</u>	
DEFERRED INFLOWS OF RESOURCES				
Deferred pension adjustments	36,321	71,692	-	108,013
Total Deferred Inflows of Resources	<u>36,321</u>	<u>71,692</u>	<u>-</u>	<u>108,013</u>
NET POSITION				
Net investment in capital assets	7,377,047	21,222,799	-	28,599,846
Restricted for capital projects	-	-	1,393,639	1,393,639
Restricted for debt service	66,302	941,737	-	1,008,039
Unrestricted	173,125	2,381,674	-	2,554,799
Total Net Position	<u>\$ 7,616,474</u>	<u>\$ 24,546,210</u>	<u>\$ 1,393,639</u>	<u>\$ 33,556,323</u>

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

Continued (Page 2 of 2)

CITY OF LIVE OAK
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Totals</u>
	<u>Water</u>	<u>Sewer</u>	<u>Other Enterprise Funds</u>	
OPERATING REVENUES				
Charges for services	\$ 768,866	\$ 2,201,455	\$ 198,961	\$ 3,169,282
Other revenue	-	164	-	164
Total Operating Revenues	<u>768,866</u>	<u>2,201,619</u>	<u>198,961</u>	<u>3,169,446</u>
OPERATING EXPENSES				
Salaries and benefits	344,296	711,659	-	1,055,955
Administration	18,347	37,436	-	55,783
Power	125,838	165,614	-	291,452
Insurance	23,224	62,470	-	85,694
Supplies	33,487	24,385	-	57,872
Repair and extension	43,834	190,044	-	233,878
Professional services	100,381	250,487	-	350,868
Depreciation	491,709	1,102,093	-	1,593,802
Other expense	44,374	63,781	-	108,155
Total Operating Expenses	<u>1,225,490</u>	<u>2,607,969</u>	<u>-</u>	<u>3,833,459</u>
Operating Income (Loss)	<u>(456,624)</u>	<u>(406,350)</u>	<u>198,961</u>	<u>(664,013)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	1,597	14,392	5,320	21,309
Interest expense	(50,150)	(97,001)	-	(147,151)
Total Non-Operating Revenues (Expenses)	<u>(48,553)</u>	<u>(82,609)</u>	<u>5,320</u>	<u>(125,842)</u>
Income (Loss) before Capital Contributions	<u>(505,177)</u>	<u>(488,959)</u>	<u>204,281</u>	<u>(789,855)</u>
Capital contributions	-	23,000	-	23,000
Change in Net Position	<u>(505,177)</u>	<u>(465,959)</u>	<u>204,281</u>	<u>(766,855)</u>
Total Net Position - Beginning	<u>8,121,651</u>	<u>25,012,169</u>	<u>1,189,358</u>	<u>34,323,178</u>
Total Net Position - Ending	<u>\$ 7,616,474</u>	<u>\$ 24,546,210</u>	<u>\$ 1,393,639</u>	<u>\$ 33,556,323</u>

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

CITY OF LIVE OAK
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Totals</u>
	<u>Water</u>	<u>Sewer</u>	<u>Other Enterprise Funds</u>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 770,985	\$ 2,200,571	\$ 198,961	\$ 3,170,517
Payments to suppliers	(396,638)	(813,115)	-	(1,209,753)
Payments to employees	(405,193)	(787,148)	-	(1,192,341)
Net Cash Provided (Used) by Operating Activities	<u>(30,846)</u>	<u>600,308</u>	<u>198,961</u>	<u>768,423</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(23,725)	-	(23,725)
Principal paid on debt	(40,000)	(275,398)	-	(315,398)
Interest paid on debt	(50,150)	(97,001)	-	(147,151)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(90,150)</u>	<u>(396,124)</u>	<u>-</u>	<u>(486,274)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	1,448	12,146	4,403	17,997
Net Cash Provided (Used) by Investing Activities	<u>1,448</u>	<u>12,146</u>	<u>4,403</u>	<u>17,997</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(119,548)	216,330	203,364	300,146
Balances - Beginning	<u>505,040</u>	<u>3,392,667</u>	<u>1,188,606</u>	<u>5,086,313</u>
Balances - Ending	<u>\$ 385,492</u>	<u>\$ 3,608,997</u>	<u>\$ 1,391,970</u>	<u>\$ 5,386,459</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (456,624)	\$ (406,350)	\$ 198,961	\$ (664,013)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	491,709	1,102,093	-	1,593,802
Decrease (increase) in:				
Accounts receivable	2,589	(169)	-	2,420
Prepaid costs	(2,686)	(2,675)	-	(5,361)
Net OPEB asset	85	122	-	207
Pension adjustments - deferred outflows	(44,806)	(99,429)	-	(144,235)
Increase (decrease) in:				
Accounts payable	(4,467)	(16,223)	-	(20,690)
Salaries and benefits payable	(1,214)	(2,304)	-	(3,518)
Deposits payable	(470)	(879)	-	(1,349)
Compensated absences	2,162	2,566	-	4,728
Net pension liability	4,412	55,853	-	60,265
Pension adjustments - deferred inflows	(21,536)	(32,297)	-	(53,833)
Net Cash Provided (Used) by Operating Activities	<u>\$ (30,846)</u>	<u>\$ 600,308</u>	<u>\$ 198,961</u>	<u>\$ 768,423</u>

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

CITY OF LIVE OAK
Statement of Net Position
Private Purpose Trust Fund
Successor Agency to the Redevelopment Agency of the City of Live Oak
June 30, 2016

ASSETS		
Cash and investments	\$ 29,376	<u>29,376</u>
Total Assets		<u>29,376</u>
LIABILITIES		
Due to other funds	29,376	<u>29,376</u>
Total Liabilities		<u>29,376</u>
NET POSITION		
Net position held in trust	-	<u>-</u>
Total Net Position	\$ -	<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 Net Position
Private Purpose Trust Fund
Successor Agency to the Redevelopment Agency of the City of Live Oak
For the Year Ended June 30, 2016

ADDITIONS		
Taxes and assessments	\$	-
Total Additions		-
SPECIAL ITEM		
Reinstatement of loan payable		-
Change in Net Position		-
Net Position - Beginning		(418,454)
Prior period adjustment		418,454
Net Position - Beginning		-
Net Position (Deficit) - Ending	\$	-

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

Basic Financial Statements

- **Notes to Basic Financial Statements**

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CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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
Basic Financial Statements
For the Year Ended June 30, 2016

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 a 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 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
Basic Financial Statements
For the Year Ended June 30, 2016

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 14-HOME-9274 fund is a special revenue fund used to account for HOME grant revenues and expenditures. Funding comes from 14-HOME-9274 grant revenues.
- 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 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 City reports the following additional fund types:

- The Private Purpose Trust funds account for property held under other 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.

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.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

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 sixty 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 and agency funds. The City's private purpose trust fund is recorded 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 and Cash Equivalents

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

F. 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.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short term investments are reported at amortized cost, investments in Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments (Continued)

Income from pooled investments is allocated to the individual funds based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund.

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, 2016, the allowance for doubtful accounts was \$1,232.

H. Other Assets

Inventory

Governmental fund 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

Payments made for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items under both the accrual and modified accrual basis of accounting. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The City records both prepaid costs for expenditures/expenses paid for services that will benefit future periods and prepaid insurance for the net investment in a joint powers self insurance agency.

I. Loans Receivable

A total of \$9,944,693 was recorded as loans receivable at June 30, 2016. These represent low interest notes and related accrued interest to finance multi-family and single family construction and rehabilitation projects, home buyer assistance for low income families, as well as business start-up costs. Loan terms are 15 to 55 years with interest rates at 0.00 to 5.00 percent. The primary source of funding for these loans comes from grants from the federal Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs. The CDBG and HOME grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements. Due to the terms of the loans, offsetting deferred inflows of resources of \$9,944,693 have been established in the Governmental Funds Balance Sheet for the housing and business loan principal and interest payments.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 acquisition 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 60 days after year-end.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

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.

O. Due to Other Governments

Certain payments are due to other governments including \$4,633 from the General fund.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. 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. The government has one item which qualifies for reporting in this category. This item relates to outflows from changes in the net pension liability and is reportable on the Statement of Net Position.

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 three types of items which qualify for reporting in this category. One 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. The second item relates to inflows from changes in the net pension liability and is reportable on the Statement of Net Position. The third item relates to the total business and housing loan principal and interest receivable amount and is reportable on the statement of net position as well as the governmental funds balance sheet.

R. 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.

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

The following Governmental Accounting Standards Board (GASB) Statement has been implemented, if applicable, in the current financial statements.

Statement No. 72, Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for determining a fair value measurement and for applying fair value to certain investments and disclosures related to all fair value measurements.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement establishes requirements for defined benefit pensions and defined contribution pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions.

Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction is not specified within a source of authoritative GAAP.

Statement No. 79, Certain External Investment Pools and Pool Participants. This statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position

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. During the current year, a prior period adjustment was required to correct the receivable due from the Successor Agency. In addition, a prior period adjustment was made to reflect the prior period restatement of deferred housing and business loan principal and interest receivable. A restatement was also required to correct beginning net position for the City's portion of the animal control shelter agreement which was incorrectly capitalized as well as construction in progress written off. The impact of the restatements on the net position on the financial statements as previously reported is presented below:

	Governmental Activities
Net Position, June 30, 2015, as previously reported	\$ 43,075,514
Adjustment associated with:	
Restatement of Successor Agency receivable	(447,830)
Capital assets adjustment	(8,064,059)
Deferred housing and business loans receivable adjustment	(538,107)
Total Adjustments	(9,049,996)
Net Position, July 1, 2015, as restated	\$ 34,025,518

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

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

A. Restatement of Net Position (Continued)

	<u>General Fund</u>	<u>Program Income</u>
Net Position, June 30, 2015, as previously reported	\$ 5,197,561	\$ 7,942,396
Adjustment associated with:		
Restatement of Successor Agency receivable	(447,830)	
Deferred housing and business loans receivable adjustment	-	(8,064,059)
Total adjustments	(447,830)	(8,064,059)
Net Position, July 1, 2015, as restated	<u>\$ 4,749,731</u>	<u>(\$ 121,663)</u>

B. Deficit Fund Balance/Net Position

The following major governmental funds had a deficit fund balance:

The 14-HOME-9274 fund had a fund balance deficit of \$4,395, which is expected to be eliminated in the future through grant reimbursements.

The Capital Improvement Project fund had a fund balance deficit of \$1,003,110, which is expected to be eliminated in the future through reimbursements.

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

The State Grant fund had a fund balance deficit of \$205,674, which is expected to be eliminated in the future through intergovernmental revenues.

The 13-CDBG-8933 Skate Park fund had a fund balance deficit of \$56,759, which is expected to be eliminated in the future through intergovernmental revenues.

The 10-HOME-6349 Maple Park fund had a fund balance deficit of \$750, which is expected to be eliminated in the future through grant reimbursements.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2016, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 8,222,167
Business-Type activities	5,386,459
Private Purpose Trust	29,376
Total Cash and Investments	<u>\$ 13,638,002</u>

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

A. Financial Statement Presentation (Continued)

As of June 30, 2016, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 1,020
Deposits (less outstanding checks)	<u>1,631,456</u>
Total Cash	<u>1,632,476</u>
Investments:	
LAIF	<u>12,005,526</u>
Total Investments	<u>12,005,526</u>
Total Cash and Investments	<u>\$ 13,638,002</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 \$1,631,456 and the bank balance was \$1,671,490. 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.

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.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Under the provisions of the City's investment policy the City may invest or deposit in the following:

- U.S. Government Obligations
- U.S. Government Agencies & Instrumentalities
- Repurchase Agreements
- Banker's Acceptances
- Commercial Paper
- Medium Term Corporate Notes
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Local Agency Investment Fund (LAIF)
- California Pooled Investment Authority
- Money Market Mutual Funds

Fair Value Measurements - The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

The City's position in external investment pools is in its self regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the City's investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2016, the City had the following recurring fair value measurements.

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	\$ -	\$ -	\$ -
Investments in External Investment Pool				
Local Agency Investment Fund (LAIF)	12,005,526			
Total Investments	\$ 12,005,526			

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
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2016, 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	\$12,005,526	\$ -	\$ 12,005,526	-
Total Investments		<u>\$12,005,526</u>	<u>\$ -</u>	<u>\$ 12,005,526</u>	<u>-</u>

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, 2016, 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 - 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 of its managed investments 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, 2016, 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

The City of Live Oak maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2016, the City's investment in LAIF valued at amortized cost was \$12,005,526 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$75.4 billion. Of that amount, 97.19 percent is invested in non-derivative financial products and 2.81 percent in structured notes and asset-backed securities.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016, was as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Balance</u> <u>June 30, 2016</u>
Capital assets, not being depreciated:					
Land	\$ 6,564,957	\$ 20,039	\$ -	\$ -	\$ 6,584,996
Construction in progress	<u>3,562,689</u>	<u>1,773,637</u>	<u>-</u>	<u>(9,283)</u>	<u>5,327,043</u>
Total Capital Assets, Not Being Depreciated	<u>10,127,646</u>	<u>1,793,676</u>	<u>-</u>	<u>(9,283)</u>	<u>11,912,039</u>
Capital assets, being depreciated:					
Buildings and improvements	2,386,409	-	-	(528,824)	1,857,585
Equipment	3,733,885	72,408	-	-	3,806,293
Infrastructure	<u>20,167,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,167,265</u>
Total Capital Assets, Being Depreciated	<u>26,287,559</u>	<u>72,408</u>	<u>-</u>	<u>(528,824)</u>	<u>25,831,143</u>
Less accumulated depreciation for:					
Buildings and improvements	(934,751)	(78,682)	-	-	(1,013,433)
Equipment	(2,488,340)	(140,749)	-	-	(2,629,089)
Infrastructure	<u>(6,061,476)</u>	<u>(495,775)</u>	<u>-</u>	<u>-</u>	<u>(6,557,251)</u>
Total Accumulated Depreciation	<u>(9,484,567)</u>	<u>(715,206)</u>	<u>-</u>	<u>-</u>	<u>(10,199,773)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,802,992</u>	<u>(642,798)</u>	<u>-</u>	<u>(528,824)</u>	<u>15,631,370</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,930,638</u>	<u>\$ 1,150,878</u>	<u>\$ -</u>	<u>(\$ 538,107)</u>	<u>\$ 27,543,409</u>

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 4: CAPITAL ASSETS (CONTINUED)

Business-Type Activities

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2016</u>
Capital assets, not being depreciated:				
Land	\$ 210,241	\$ 23,000	\$ -	\$ 233,241
Total Capital Assets, Not Being Depreciated	<u>210,241</u>	<u>23,000</u>	<u>-</u>	<u>233,241</u>
Capital assets, being depreciated:				
Buildings and improvements	2,344,231	-	-	2,344,231
Equipment	693,118	23,725	-	716,843
Infrastructure	<u>46,257,676</u>	<u>-</u>	<u>-</u>	<u>46,257,676</u>
Total Capital Assets, Being Depreciated	<u>49,295,025</u>	<u>23,725</u>	<u>-</u>	<u>49,318,750</u>
Less accumulated depreciation for:				
Buildings and improvements	(704,701)	(76,853)	-	(781,554)
Equipment	(343,221)	(38,304)	-	(381,525)
Infrastructure	<u>(10,803,072)</u>	<u>(1,478,645)</u>	<u>-</u>	<u>(12,281,717)</u>
Total Accumulated Depreciation	<u>(11,850,994)</u>	<u>(1,593,802)</u>	<u>-</u>	<u>(13,444,796)</u>
Total Capital Assets, Being Depreciated, Net	<u>37,444,031</u>	<u>(1,570,077)</u>	<u>-</u>	<u>35,873,954</u>
Business-Type Activities Capital Assets, Net	<u>\$ 37,654,272</u>	<u>(\$ 1,547,077)</u>	<u>\$ -</u>	<u>\$ 36,107,195</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 49,695
Public safety	87,714
Public ways and facilities	462,591
Recreation and culture	<u>115,206</u>
Total Depreciation Expense – Governmental Functions	<u>\$ 715,206</u>

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

Water	\$ 491,709
Sewer	<u>1,102,093</u>
Total Depreciation Expense – Business-Type Functions	<u>\$ 1,593,802</u>

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on street reconstruction, recreation trail, Live Oak soccer park, Elm Street traffic signal, Pennington Road improvements, O Street, and railroad crossing.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

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, 2016:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,345,596	\$ 77,295
14-HOME-9274	-	49,423
Program Income	-	146,241
Capital Improvement Project	-	818,500
Nonmajor Governmental Funds	<u>-</u>	<u>254,137</u>
Total	<u>\$ 1,345,596</u>	<u>\$ 1,345,596</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2016:

	<u>Transfer In</u>	<u>Transfer Out</u>
Program Income	\$ -	\$ 24,129
Capital Improvement Project	489,112	98,885
Nonmajor Governmental Funds	<u>125,902</u>	<u>492,000</u>
Total	<u>\$ 615,014</u>	<u>\$ 615,014</u>

NOTE 6: UNEARNED REVENUE

At June 30, 2016, components of unearned revenue were as follows:

	<u>Unearned</u>
Nonmajor Governmental Funds	
11-HOME-7661 grant advance received	<u>\$ 7,576</u>
Total	<u>\$ 7,576</u>

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

Type of Indebtedness	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Amounts Due Within One Year
Governmental Activities					
Compensated Absences	\$ 48,367	\$ 24,890	(\$ 23,948)	\$ 49,309	\$ 15,612
Loans	<u>507,483</u>	-	(67,461)	<u>440,022</u>	<u>68,581</u>
Total Governmental Activities	<u>\$ 555,850</u>	<u>\$ 24,890</u>	<u>(\$ 91,409)</u>	<u>\$ 489,331</u>	<u>\$ 84,193</u>
Business-Type Activities					
Compensated Absences	\$ 63,851	\$ 39,397	(\$ 34,669)	\$ 68,579	\$ 43,047
Loans	5,512,295	-	(178,849)	5,333,446	180,638
Certificates of Participation	2,130,000	-	(70,000)	2,060,000	70,000
Capital Leases	<u>180,452</u>	-	(66,549)	<u>113,903</u>	<u>67,888</u>
Total Business-Type Activities	<u>\$ 7,886,598</u>	<u>\$ 39,397</u>	<u>(\$ 350,067)</u>	<u>\$ 7,575,928</u>	<u>\$ 361,573</u>

For governmental activities, the compensated absences are generally liquidated by the fund where the accrued liability occurred.

For business-type activities, all debt is accounted for in the proprietary fund where the liability occurred.

Individual issues of debt payable outstanding at June 30, 2016, 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. \$ 16,000

City of Yuba City loan dated, August 2012 in the amount of \$528,825, payable in semi-annual installments of \$26,156 to \$26,728 with an interest rate of 0.228% and a maturity of September 1, 2023. The loan was used to provide funding to the Sutter Animal Services Authority. 424,022

Total Loans 440,022

Total Governmental Activities \$ 440,022

Business-Type Activities

Loans:

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. \$ 5,333,446

Total Loans 5,333,446

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2016, are as follows (Continued):

Business-Type Activities (Continued)

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. 900,000

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. 1,160,000

Total Certificates of Participation 2,060,000

Total Business-Type Activities \$ 7,393,446

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>
2017	\$ 68,581	\$ 1,457	\$ 70,038
2018	52,701	817	53,518
2019	52,821	697	53,518
2020	52,942	576	53,518
2021	53,062	456	53,518
2022-2024	<u>159,915</u>	<u>638</u>	<u>160,553</u>
Total	<u>\$ 440,022</u>	<u>\$ 4,641</u>	<u>\$ 444,663</u>

Business-Type Activities

Year Ended <u>June 30</u>	<u>Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 180,638	\$ 53,334	\$ 233,972
2018	182,444	51,528	233,972
2019	184,269	49,703	233,972
2020	186,111	47,861	233,972
2021	187,972	46,000	233,972
2022-2026	968,437	201,424	1,169,861
2027-2031	1,017,837	152,024	1,169,861
2032-2036	1,069,757	100,104	1,169,861
2037-2041	1,124,325	45,536	1,169,861
2042	<u>231,656</u>	<u>2,316</u>	<u>233,972</u>
Total	<u>\$ 5,333,446</u>	<u>\$ 749,830</u>	<u>\$ 6,083,276</u>

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Year Ended June 30	Certificates of Participation		
	Principal	Interest	Total
2017	70,000	86,006	156,063
2018	70,000	83,088	153,088
2019	70,000	80,113	150,113
2020	70,000	77,138	147,138
2021	70,000	74,163	144,163
2022-2026	356,000	326,783	682,783
2027-2031	365,000	248,944	613,944
2032-2036	365,000	171,381	536,381
2037-2041	365,000	93,819	458,819
2042-2045	259,000	19,911	278,911
Total	<u>\$ 2,060,000</u>	<u>\$ 1,261,403</u>	<u>\$ 3,321,403</u>

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.

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2016
Business-Type activities	1.99%	\$ 113,903
Total		<u>\$ 113,903</u>

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

	Business-Type Activities
Cost of equipment	\$ 330,676
Less: accumulated depreciation	(77,158)
Net Value	<u>\$ 253,518</u>

As of June 30, 2016, capital lease annual amortization was as follows:

Year Ending June 30:	Business-Type Activities
2017	\$ 69,540
2018	<u>46,360</u>
Total Requirements	115,900
Less Interest	(1,997)
Present Value of Remaining Payments	<u>\$ 113,903</u>

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 9: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - 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.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$6,674,290 of restricted net position, of which \$2,480,286 is restricted by enabling legislation.

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 are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

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, 2016, fund balance for governmental funds is 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. Restrictions may effectively be changed or lifted only with the consent of resource providers.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 10: FUND BALANCES (CONTINUED)

- **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
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 10: FUND BALANCES (CONTINUED)

The fund balances for all major and non major governmental funds as of June 30, 2016, were distributed as follows:

	<u>General</u>	<u>14-HOME -9274</u>	<u>Program Income</u>	<u>Capital Improve- ment Project</u>	<u>Other Govern- mental Funds</u>	<u>Total</u>
Nonspendable:						
Prepaid costs	\$ 8,115	\$ -	\$ -	\$ -	\$ 330	\$ 8,445
Due from other government agencies	<u>447,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>447,830</u>
Subtotal	<u>455,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330</u>	<u>456,275</u>
Restricted For:						
Developer Deposits	-	-	-	-	96	96
Street maintenance and construction	-	-	-	-	1,265,204	1,265,204
Traffic Safety	-	-	-	-	5,923	5,923
Law enforcement services	-	-	-	-	279,193	279,193
Sidewalk improvement	-	-	-	-	17,209	17,209
Street lighting	-	-	-	-	106,888	106,888
Mello Roos	-	-	-	-	514,004	514,004
Fire protection services	-	-	-	-	36,525	36,525
Impact fees	-	-	-	-	1,474,949	1,474,949
Storm drain connection fees	-	-	-	-	359,607	359,607
Community development	<u>-</u>	<u>-</u>	<u>43,175</u>	<u>-</u>	<u>169,509</u>	<u>212,684</u>
Subtotal	<u>-</u>	<u>-</u>	<u>43,175</u>	<u>-</u>	<u>4,229,107</u>	<u>4,272,282</u>
Committed to:						
General reserve	866,300	-	-	-	-	866,300
City/County major fire	24,745	-	-	-	-	24,745
Equipment replacement	101,978	-	-	-	-	101,978
Info technology	101,977	-	-	-	-	101,977
PERS retirement	315,290	-	-	-	-	315,290
Health insurance	270,987	-	-	-	-	270,987
OPEB	180,347	-	-	-	-	180,347
Capital facilities	<u>664,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>664,028</u>
Subtotal	<u>2,525,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,525,652</u>
Unassigned	<u>2,230,647</u>	<u>(4,395)</u>	<u>-</u>	<u>(1,003,110)</u>	<u>(263,183)</u>	<u>959,959</u>
Total	<u>\$ 5,212,244</u>	<u>(\$ 4,395)</u>	<u>\$ 43,175</u>	<u>(\$1,003,110)</u>	<u>\$3,966,254</u>	<u>\$ 8,214,168</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 are 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
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 10: FUND BALANCES (CONTINUED)

Fund Balance Policy

The City Council adopted the City of Live Oak Fund Balance Policy in 2011. 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 percent of the General Fund's appropriations. This is considered Live Oak's "Healthy Cities Reserve".

NOTE 11: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), a 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 on the CalPERS website.

Effective January 1, 2013, the City added retirement tiers for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding.

Summary of Plans and Eligible Participants

Open for New Enrollment	
Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Closed to New Enrollment	
Miscellaneous	Miscellaneous members hired before January 1, 2013

Benefits Provided

CalPers provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Each Plans' specific provisions and benefits in effect at June 30, 2016, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.7% @ 55	50-60	2.0% to 1.7%
Miscellaneous PEPRA	2.0% @ 62	50-62	1.0% to 2.5%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	10.958%	8.000%	0.000%
Miscellaneous PEPRA	6.250%	6.250%	0.000%

For the year ended June 30, 2016. The contributions recognized as part of pension expense for each Plan were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 204,390	\$ -

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2014 and 2015 was as follows:

	<u>Proportion June 30, 2014</u>	<u>Proportion June 30, 2015</u>	<u>Change - Increase (Decrease)</u>
Miscellaneous	.04948%	.05069%	.00121%

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

As of June 30, 2016, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 1,390,791
Total Net Pension Liability	<u>\$ 1,390,791</u>

For the year ended June 30, 2016, the City recognized pension expense of \$45,094. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 219,352	\$ -
Difference between expected and actual experience	13,100	-
Change in assumptions	-	(123,938)
Differences between projected and actual earnings on pension plan investments	-	(62,132)
Difference between City contributions and proportionate share of contributions	218,572	-
Adjustment due to differences in proportions	<u>97,370</u>	<u>-</u>
Total	<u>\$ 548,394</u>	<u>(\$ 186,070)</u>

\$219,352 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2016	\$ 51,854
2017	45,867
2018	11,116
2019	34,135
Thereafter	<u>-</u>
Total	<u>\$ 142,972</u>

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	Varies by entry-age and service
Mortality	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Change of Assumptions

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

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

The following presents the City's proportionate share of the net pension liability for each Plan as of the measurement date, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Discount Rate	1% Increase
Miscellaneous	<u>\$ 2,139,092</u>	<u>\$ 1,390,791</u>	<u>\$ 772,981</u>

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The City contributes to California Public Employees Retirement System (CalPERS), an agent 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.

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	\$ 25,476
Interest on net OPEB obligation	(11,120)
Adjustment to annual required contribution	<u>10,927</u>
Annual OPEB cost	25,283
Contributions made:	
Contribution to CERBT	(2,310)
Pay as you go contribution	(8,892)
Implied Subsidy	<u>(13,652)</u>
Increase (Decrease) in net OPEB obligation	429
Net OPEB Obligation (Asset) Beginning	<u>(153,374)</u>
Net OPEB Obligation (Asset) Ending	<u><u>(\$ 152,945)</u></u>

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

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

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

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 Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2014	13,458	170.4%	(158,322)
June 30, 2015	23,781	79.2%	(153,374)
June 30, 2016	25,283	98.3%	(152,945)

D. Funded Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date, the plan was 119.7 percent funded. The actuarial accrued liability was \$274,834 and the actuarial value of assets was \$329,085, resulting in an unfunded actuarial accrued liability (UAAL) of (\$54,251). The covered payroll (annual payroll of employees covered by the plan) was \$922,413, and the ratio of the UAAL to the covered payroll was (5.9) percent.

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.

For the June 30, 2015 actuarial valuation, the Entry-Age Normal (“EAN”) cost method was used.

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, 2015.

The annual rate of return on assets used to pay for benefits is assumed to be 7.25 percent (assumed rate of return on general assets). The rate of return for assets in a trust is assumed to be 7.25 percent.

Healthcare cost trend rate - the actuarial valuation included healthcare inflation of 5.0 percent to 7.2 percent.

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

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

E. Actuarial Methods and Assumptions (Continued)

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 percent per year.

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

The unfunded actuarial accrued liability determined from this valuation is amortized at a level percentage of pay over a fixed, closed 22 year period.

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: REDEVELOPMENT SUCCESSOR AGENCY AND CITY NOTE RECEIVABLE

The City of Live Oak established the Live Oak Redevelopment Agency and its only project area in 2006. The City and Redevelopment Agency entered into a cooperation agreement whereas the Agency intends to reimburse the City for costs associated to the formation of the Agency and its project area. The City incurred \$356,849 of formation costs and the cooperation agreement called for the amount to be reimbursed over a 10 year term with a 3 percent simple interest rate. Repayment was to be made from future redevelopment tax increment revenues.

In 2008 the City and surrounding region experienced a significant downturn in property values and the project area did not produce any tax increment revenue for the next three years. Therefore no payments were made by the Redevelopment Agency to the City in that time frame. Due to the lack of tax increment, the Redevelopment Agency did not incur any further expenses on redevelopment functions other than meeting the ordinary compliance requirements.

In June 2011 the State of California passed legislation dissolving all redevelopment agencies including the Live Oak Redevelopment Agency. The State dissolution action was re-affirmed by the State Supreme Court in January 2012 resulting in the termination of all redevelopment activities and the dissolving of the Live Oak Redevelopment Agency. Upon its dissolution, the Redevelopment Agency had no assets and one liability (the City cooperation agreement).

CITY OF LIVE OAK
Basic Financial Statements
For the Year Ended June 30, 2016

**NOTE 14: REDEVELOPMENT SUCCESSOR AGENCY AND CITY NOTE RECEIVABLE
(CONTINUED)**

The State dissolution action created the Live Oak Successor Agency whose sole purpose was to manage and/or resolve all redevelopment related assets and debts until 2017, at which time a County-wide entity will inherit such duties from that time forward. Recent processing and approval of the Successor Agency's "Recognized Obligation Payment Schedule" ("ROPS") indicates an amount of \$440,330 (includes interest charges) for the outstanding amount for the City cooperation agreement and \$7,500 for administrative costs. The City accounts for the activities of the Successor Agency as a Private-Purpose Trust Fund. The Successor Agency fund recorded a liability due to other government agencies of \$447,830 as an amount due to the City of Live Oak as of June 30, 2015. The Successor Agency Trust also recorded a special item - reinstatement of loan payable in the same amount.

In fiscal year 2014-15, the City's General Fund recorded an asset for the receivable and related revenue in the amount of \$447,830 as an amount due from the Successor Agency Trust for the cooperation agreement associated with the formation costs. The General fund also recorded a special item - reinstatement of loan receivable in the same amount. This loan receivable is shown as a nonspendable in the fund balance of the General fund since the City expects the amount to be paid back over several years by the Successor Agency.

However, in November 2015, the State of California Department of Finance informed the City and its Redevelopment Successor Agency of its intention to dissolve the Successor Agency. Recently amended statutes indicate that any Successor Agency that has not been allocated property tax revenue prior to February 1, 2012, the Agency shall, no later than November 1, 2015 submit to the Oversight Board a request to formally dissolve the Agency.

The Agency received its first increment in August 2015, however, detail from the Sutter County Auditor-Controller indicates amounts provided to the Live Oak Redevelopment Successor Agency include apportionments of monies from prior years including money prior to February 1, 2012.

The action to dissolve the Successor Agency is still considered to be in dispute by the City. However, there is a significant probability that the City may not be able to reverse the State's action to dissolve the Successor Agency. Therefore, the City has chosen to restate the receivable to zero as of the balance sheet date.

NOTE 15: OTHER INFORMATION

A. Commitments and Contingencies

The City has signed agreements to construct various capital improvements subsequent to June 30, 2016. The balance owed on the commitments at June 30, 2016, was approximately \$1,242,933.

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. Subsequent Events

Management has evaluated events subsequent to June 30, 2016 through December 26, 2016, the date on which the financial statements were available for issuance. Management has determined no other 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
City Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2016
Last 10 Years*

	<u>2015</u>	<u>2016</u>
Miscellaneous Plan		
Proportion of the net pension liability	0.04948%	0.05069%
Proportionate share of the net pension liability	\$ 1,222,792	\$ 1,390,791
Covered employee payroll	1,031,080	1,091,598
Proportionate share of the net pension liability as a percentage of covered employee payroll	118.59%	127.41%
Plan fiduciary net position as a percentage of the total pension liability	75.93%	74.69%

* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only two years are shown.

CITY OF LIVE OAK
Required Supplementary Information
City Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2016
Last 10 Years*

	2015	2016
Miscellaneous Plan		
Contractually required contribution (actuarially determined)	\$ 212,735	\$ 204,390
Contributions in relation to the actuarially determined contributions	(212,735)	(204,390)
Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 1,031,080	\$ 1,091,598
Contributions as a percentage of covered employee payroll	20.63%	18.72%

* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only two years are shown.

CITY OF LIVE OAK
Required Supplementary Information
City Pension Plan
Notes to City Pension Plan
For the Year Ended June 30, 2016

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Change of assumptions: The discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2012
Actuarial cost method	Entry-Age Normal
Amortization method/period	For details, see June 30, 2012 Funding Valuation Report
Asset valuation method	Actuarial value of assets
Inflation	2.75%
Salary increases	Varies by entry-age and service
Payroll growth	3.00%
Investment rate of return	7.5%, net of pension plan investment and administrative expense, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS experience study for the period 1997 to 2007

CITY OF LIVE OAK
City OPEB Plan
Schedule of Funding Progress
For the Year Ended June 30, 2016

SCHEDULE OF FUNDING PROGRESS

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 percent 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 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
June 30, 2011	\$ 204,000	\$ 293,000	\$ 89,000	69.7%	\$ 980,000	9.1%
June 30, 2013	265,133	246,531	(18,602)	107.7%	948,322	(2.0%)
June 30, 2015	329,055	274,834	(54,257)	119.7%	922,413	(5.9%)

CITY OF LIVE OAK
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 1,814,500	\$ 1,814,500	\$ 1,691,279	\$ (123,221)
Licenses, permits and franchises	361,000	361,000	521,360	160,360
Use of money	34,000	34,000	85,370	51,370
Intergovernmental	26,200	26,200	46,416	20,216
Charges for services	79,600	79,600	104,748	25,148
Other revenues	141,100	141,100	198,227	57,127
Total Revenues	2,456,400	2,456,400	2,647,400	191,000
EXPENDITURES				
Current:				
General government:				
City council	105,532	105,532	99,705	5,827
City administrator	246,584	246,584	232,584	14,000
Finance	111,357	111,357	168,974	(57,617)
City attorney/legal	64,500	64,500	49,697	14,803
Nondepartmental	-	-	1,609	(1,609)
Total General Government	527,973	527,973	552,569	(24,596)
Public safety:				
Building inspection	177,220	177,220	147,113	30,107
Fire	614,676	614,676	615,863	(1,187)
Police	1,144,855	1,144,855	1,205,064	(60,209)
Animal control	86,000	86,000	94,068	(8,068)
Total Public Safety	2,022,751	2,022,751	2,062,108	(39,357)
Public ways and facilities:				
Engineer	50,803	50,803	81,129	(30,326)
Total Public Ways and Facilities	50,803	50,803	81,129	(30,326)
Culture and recreation:				
Parks operating	194,947	194,947	188,645	6,302
Recreation	144,351	144,351	12,244	132,107
Pool	108,301	108,301	174,534	(66,233)
Facility maintenance	30,100	30,100	70,202	(40,102)
Community center	23,000	23,000	48,998	(25,998)
Total Culture and Recreation	500,699	500,699	494,623	6,076
Community development:				
Community development	205,454	205,454	202,817	2,637
Economic development	10,000	10,000	31,636	(21,636)
Total Community Development	215,454	215,454	234,453	(18,999)

Continued (Page 1 of 2)

CITY OF LIVE OAK
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Debt service:				
Principal	44,000	44,000	67,461	(23,461)
Interest	25,360	25,360	2,584	22,776
Capital outlay	-	-	9,744	(9,744)
Total Expenditures	<u>3,387,040</u>	<u>3,387,040</u>	<u>3,504,671</u>	<u>(117,631)</u>
Excess of Revenues Over (Under) Expenditures	<u>(930,640)</u>	<u>(930,640)</u>	<u>(857,271)</u>	<u>73,369</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	912,334	912,334	871,954	(40,380)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>912,334</u>	<u>912,334</u>	<u>871,954</u>	<u>(40,380)</u>
Net Change in Fund Balance	<u>(18,306)</u>	<u>(18,306)</u>	<u>14,683</u>	<u>32,989</u>
Fund Balance - Beginning	5,197,561	5,197,561	5,197,561	-
Prior period adjustment	-	-	(447,830)	(447,830)
Fund Balance - Beginning, Restated	<u>5,197,561</u>	<u>5,197,561</u>	<u>4,749,731</u>	<u>(447,830)</u>
Fund Balance - Ending	<u>\$ 5,179,255</u>	<u>\$ 5,179,255</u>	<u>\$ 4,764,414</u>	<u>\$ (414,841)</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ 14,683

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

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

General government expenditures	(200,004)
Public safety expenditures	(454,102)
Public ways and facilities expenditures	(31,016)
Culture and recreation expenditures	(120,161)
Community development expenditures	(66,671)
Transfers in	871,954

Signage and beautification expenditures were recorded as capital outlay for budgetary purposes, but are a general government expenditure for financial reporting purposes.

General government expenditures	9,744
Capital outlay expenditures	(9,744)

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ 14,683

Continued (Page 2 of 2)

CITY OF LIVE OAK
Required Supplementary Information
Budgetary Comparison Schedule
14-HOME-9274 - Major Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 3,685,000	\$ 3,685,000	\$ 1,995,624	\$ (1,689,376)
Total Revenues	<u>3,685,000</u>	<u>3,685,000</u>	<u>1,995,624</u>	<u>(1,689,376)</u>
EXPENDITURES				
Current:				
Community development	3,685,000	3,685,000	1,984,772	1,700,228
Total Expenditures	<u>3,685,000</u>	<u>3,685,000</u>	<u>1,984,772</u>	<u>1,700,228</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>10,852</u>	<u>10,852</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 Balance	<u>-</u>	<u>-</u>	<u>10,852</u>	<u>10,852</u>
Fund Balance - Beginning	<u>(15,247)</u>	<u>(15,247)</u>	<u>(15,247)</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (15,247)</u>	<u>\$ (15,247)</u>	<u>\$ (4,395)</u>	<u>\$ 10,852</u>

CITY OF LIVE OAK
Required Supplementary Information
Budgetary Comparison Schedule
Program Income - Major Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 500	\$ 500	\$ 10,756	\$ 10,256
Intergovernmental	14,500	14,500	195,769	181,269
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>206,525</u>	<u>191,525</u>
EXPENDITURES				
Current:				
Community development	15,000	15,000	17,558	(2,558)
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>17,558</u>	<u>(2,558)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>188,967</u>	<u>188,967</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(107,000)	(107,000)	(24,129)	82,871
Total Other Financing Sources (Uses)	<u>(107,000)</u>	<u>(107,000)</u>	<u>(24,129)</u>	<u>82,871</u>
Net Change in Fund Balance	<u>(107,000)</u>	<u>(107,000)</u>	<u>164,838</u>	<u>271,838</u>
Fund Balance - Beginning	7,942,396	7,942,396	7,942,396	-
Prior period adjustment	(8,064,059)	(8,064,059)	(8,064,059)	-
Fund Balance - Beginning, Restated	<u>(121,663)</u>	<u>(121,663)</u>	<u>(121,663)</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (228,663)</u>	<u>\$ (228,663)</u>	<u>\$ 43,175</u>	<u>\$ 271,838</u>

CITY OF LIVE OAK
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2016

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The City presents a comparison of annual budgets to actual results for the City's General fund and Special Revenue funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

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.

Annual appropriated budgets are not adopted for certain funds established to meet or satisfy a specific purpose. For the fiscal year ended June 30, 2016, the following funds did not have annual appropriated budgets.

Developer Deposits
 10-HOME-6349 Maple Park
 11-HOME-7661

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.

NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following major funds had expenditures which exceeded appropriations on a functional basis as follows:

General Fund:	
General Government	\$ 24,596
Public Safety	39,357
Public Ways and Facilities	30,326
Community Development	18,999
Debt Service - Principal	23,461
Capital Outlay	9,744
Program Income:	
Community Development	2,558

CITY OF LIVE OAK
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2016

NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS (CONTINUED)

The following non major special revenue funds had expenditures which exceeded appropriations as follows:

Streets and Road	\$ 8,769
Traffic Safety	3,000
COPS	45,176
Fire Benefit Assessment	1,120
Mello Roos CFD 2004-1 Police	8,780
Mello Roos CFD 2004-1 Street Lighting	9,659
State Grant Fund	115,214
Transportation	29,232

**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 is used to account for gas tax revenue allocations received from the State. Funds received are restricted to expenditures for street maintenance, traffic safety, and construction.

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.

Mello Roos CFD 2004-1 Fire

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

CITY OF LIVE OAK
Nonmajor Special Revenue Funds

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.

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.

CITY OF LIVE OAK
Nonmajor Special Revenue Funds

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.

Signal Impact Fees

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

Flood Control Impact Fees

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

State Grant Fund

This fund is used to account for the receipt and expenditure of state grants.

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.

13-CDBG-8933 Skate Park

This fund is used to account for CDBG grant funds used for public improvements for the skate park.

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.

Transportation

This fund is used to account for monies received through the Transportation Development Act (TDA) tax and surface Transportation Development Program (STP).

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CITY OF LIVE OAK
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2016

	Developer Deposits	Streets and Roads	Traffic Safety	COPS
ASSETS				
Cash and investments	\$ 174,371	\$ 121,902	\$ 5,768	\$ 275,933
Receivables:				
Interest	209	516	11	327
Intergovernmental	-	18,602	144	2,933
Prepaid costs	-	330	-	-
Total Assets	\$ 174,580	\$ 141,350	\$ 5,923	\$ 279,193
LIABILITIES				
Accounts payable	\$ -	\$ 4,652	\$ -	\$ -
Retention payable	-	-	-	-
Salaries and benefits payable	-	1,359	-	-
Deposits payable	174,484	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	174,484	6,011	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	330	-	-
Restricted	96	135,009	5,923	279,193
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	96	135,339	5,923	279,193
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 174,580	\$ 141,350	\$ 5,923	\$ 279,193

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	Mello Roos CFD 2004-1 Street Lighting
\$ 17,188	\$ 110,939	\$ 157,151	\$ 36,739	\$ 29,874	\$ 110,228	\$ 4,321	\$ 45,939
21	121	259	106	88	269	16	52
-	148	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 17,209</u>	<u>\$ 111,208</u>	<u>\$ 157,410</u>	<u>\$ 36,845</u>	<u>\$ 29,962</u>	<u>\$ 110,497</u>	<u>\$ 4,337</u>	<u>\$ 45,991</u>
\$ -	\$ 4,320	\$ 280	\$ 320	\$ -	\$ 800	\$ -	\$ 7,434
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,320	280	320	-	800	-	7,434
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
17,209	106,888	157,130	36,525	29,962	109,697	4,337	38,557
-	-	-	-	-	-	-	-
<u>17,209</u>	<u>106,888</u>	<u>157,130</u>	<u>36,525</u>	<u>29,962</u>	<u>109,697</u>	<u>4,337</u>	<u>38,557</u>
<u>\$ 17,209</u>	<u>\$ 111,208</u>	<u>\$ 157,410</u>	<u>\$ 36,845</u>	<u>\$ 29,962</u>	<u>\$ 110,497</u>	<u>\$ 4,337</u>	<u>\$ 45,991</u>

CITY OF LIVE OAK
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2016

	Mello Roos CFD 2004-1 Parks/ Recreation/ Pool	Mello Roos CFD 2004-1 Storm Drain	Parks & Recreation Impact Fees	Community Center Impact Fees
ASSETS				
Cash and investments	\$ 50,812	\$ 123,977	\$ 37,837	\$ 199,224
Receivables:				
Interest	111	143	45	239
Intergovernmental	-	-	-	-
Prepaid costs	-	-	-	-
Total Assets	\$ 50,923	\$ 124,120	\$ 37,882	\$ 199,463
LIABILITIES				
Accounts payable	\$ 653	\$ 69	\$ -	\$ -
Retention payable	-	-	-	-
Salaries and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	653	69	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	50,270	124,051	37,882	199,463
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	50,270	124,051	37,882	199,463
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 50,923	\$ 124,120	\$ 37,882	\$ 199,463

Public Works Impact Fees	General Government Impact Fees	Police Impact Fees	Fire Impact Fees	Signal Impact Fees	Flood Control Impact Fees	State Grant Fund	Storm Drain Connection Fees
\$ 9,810	\$ 339,540	\$ 147,324	\$ 95,269	\$ 551,327	\$ 105,246	\$ -	\$ 359,177
12	407	177	114	661	126	-	430
-	-	-	-	-	-	59,452	-
-	-	-	-	-	-	-	-
<u>\$ 9,822</u>	<u>\$ 339,947</u>	<u>\$ 147,501</u>	<u>\$ 95,383</u>	<u>\$ 551,988</u>	<u>\$ 105,372</u>	<u>\$ 59,452</u>	<u>\$ 359,607</u>
\$ -	\$ 12,409	\$ -	\$ -	\$ -	\$ -	\$ 47,824	\$ -
-	-	-	-	-	-	5,428	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	211,874	-
-	-	-	-	-	-	-	-
-	12,409	-	-	-	-	265,126	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,822	327,538	147,501	95,383	551,988	105,372	-	359,607
-	-	-	-	-	-	(205,674)	-
<u>9,822</u>	<u>327,538</u>	<u>147,501</u>	<u>95,383</u>	<u>551,988</u>	<u>105,372</u>	<u>(205,674)</u>	<u>359,607</u>
<u>\$ 9,822</u>	<u>\$ 339,947</u>	<u>\$ 147,501</u>	<u>\$ 95,383</u>	<u>\$ 551,988</u>	<u>\$ 105,372</u>	<u>\$ 59,452</u>	<u>\$ 359,607</u>

CITY OF LIVE OAK
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2016

	13-CDBG- 8933 Skate Park	10-HOME- 6349 Maple Park	11-HOME- 7661	Trans- portation
ASSETS				
Cash and investments	\$ -	\$ -	\$ 177,085	\$ 1,119,543
Receivables:				
Interest	-	-	-	1,218
Intergovernmental	77,212	-	-	70,258
Prepaid costs	-	-	-	-
Total Assets	\$ 77,212	\$ -	\$ 177,085	\$ 1,191,019
LIABILITIES				
Accounts payable	\$ 15,246	\$ -	\$ -	\$ 698
Retention payable	-	-	-	-
Salaries and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	41,513	750	-	-
Unearned revenue	-	-	7,576	-
Total Liabilities	56,759	750	7,576	698
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	77,212	-	-	60,126
Total Deferred Inflows of Resources	77,212	-	-	60,126
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	169,509	1,130,195
Unassigned	(56,759)	(750)	-	-
Total Fund Balances (Deficits)	(56,759)	(750)	169,509	1,130,195
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 77,212	\$ -	\$ 177,085	\$ 1,191,019

Totals

\$ 4,406,524

5,678
228,749
330

\$ 4,641,281

\$ 94,705
5,428
1,359
174,484
254,137
7,576

537,689

137,338

137,338

330
4,229,107
(263,183)

3,966,254

\$ 4,641,281

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, 2016

	Developer Deposits	Streets and Roads	Traffic Safety	COPS
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	6,935	-
Use of money	37	1,449	34	1,088
Intergovernmental	-	205,009	-	104,235
Charges for services	-	-	-	-
Other revenue	-	17,674	-	-
Total Revenues	<u>37</u>	<u>224,132</u>	<u>6,969</u>	<u>105,323</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	7,000	72,767
Public ways and facilities	-	205,043	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	72,409
Total Expenditures	<u>-</u>	<u>205,043</u>	<u>7,000</u>	<u>145,176</u>
Excess of Revenues Over (Under) Expenditures	<u>37</u>	<u>19,089</u>	<u>(31)</u>	<u>(39,853)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	98,885	-	-
Transfers out	-	(392,376)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(293,491)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>37</u>	<u>(274,402)</u>	<u>(31)</u>	<u>(39,853)</u>
Fund Balances (Deficits) - Beginning	<u>59</u>	<u>409,741</u>	<u>5,954</u>	<u>319,046</u>
Fund Balances (Deficits) - Ending	<u>\$ 96</u>	<u>\$ 135,339</u>	<u>\$ 5,923</u>	<u>\$ 279,193</u>

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	Mello Roos CFD 2004-1 Street Lighting
\$ -	\$ 56,559	\$ -	\$ 120,680	\$ 99,936	\$ 271,023	\$ 15,751	\$ 16,294
-	-	124,898	-	-	-	-	-
-	-	-	-	-	-	-	-
68	381	823	312	267	830	50	176
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,775	-	-	-	-	-	-
68	58,715	125,721	120,992	100,203	271,853	15,801	16,470
-	-	-	-	112,824	-	-	-
-	-	-	129,226	-	310,601	20,512	-
-	52,365	-	-	-	-	-	27,598
-	-	-	-	-	-	-	-
-	-	157,706	-	-	-	-	-
-	-	-	-	-	-	-	-
-	52,365	157,706	129,226	112,824	310,601	20,512	27,598
68	6,350	(31,985)	(8,234)	(12,621)	(38,748)	(4,711)	(11,128)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
68	6,350	(31,985)	(8,234)	(12,621)	(38,748)	(4,711)	(11,128)
17,141	100,538	189,115	44,759	42,583	148,445	9,048	49,685
\$ 17,209	\$ 106,888	\$ 157,130	\$ 36,525	\$ 29,962	\$ 109,697	\$ 4,337	\$ 38,557

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, 2016

	Mello Roos CFD 2004-1 Parks/ Recreation/ Pool	Mello Roos CFD 2004-1 Storm Drain	Parks & Recreation Impact Fees	Community Center Impact Fees
REVENUES				
Taxes and assessments	\$ 123,834	\$ 16,294	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money	330	458	163	802
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	<u>124,164</u>	<u>16,752</u>	<u>163</u>	<u>802</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities	-	2,369	-	-
Culture and recreation	127,517	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>127,517</u>	<u>2,369</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,353)</u>	<u>14,383</u>	<u>163</u>	<u>802</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>(3,353)</u>	<u>14,383</u>	<u>163</u>	<u>802</u>
Fund Balances (Deficits) - Beginning	<u>53,623</u>	<u>109,668</u>	<u>37,719</u>	<u>198,661</u>
Fund Balances (Deficits) - Ending	<u>\$ 50,270</u>	<u>\$ 124,051</u>	<u>\$ 37,882</u>	<u>\$ 199,463</u>

Public Works Impact Fees	General Government Impact Fees	Police Impact Fees	Fire Impact Fees	Signal Impact Fees	Flood Control Impact Fees	State Grant Fund	Storm Drain Connection Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
41	1,348	586	383	1,696	416	-	1,421
-	-	-	-	-	-	74,525	-
-	-	-	-	453,937	-	-	-
-	-	-	-	-	-	-	-
<u>41</u>	<u>1,348</u>	<u>586</u>	<u>383</u>	<u>455,633</u>	<u>416</u>	<u>74,525</u>	<u>1,421</u>
-	13,519	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	235,214	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>13,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,214</u>	<u>-</u>
41	(12,171)	586	383	455,633	416	(160,689)	1,421
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(2,888)	-
-	-	-	-	-	-	(2,888)	-
41	(12,171)	586	383	455,633	416	(163,577)	1,421
9,781	339,709	146,915	95,000	96,355	104,956	(42,097)	358,186
<u>\$ 9,822</u>	<u>\$ 327,538</u>	<u>\$ 147,501</u>	<u>\$ 95,383</u>	<u>\$ 551,988</u>	<u>\$ 105,372</u>	<u>\$ (205,674)</u>	<u>\$ 359,607</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, 2016

	13-CDBG- 8933 Skate Park	10-HOME- 6349 Maple Park	11-HOME- 7661	Trans- portation
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money	-	-	-	3,788
Intergovernmental	82,296	-	120	306,870
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	<u>82,296</u>	<u>-</u>	<u>120</u>	<u>310,658</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities	-	-	-	41,209
Culture and recreation	-	-	-	-
Community development	154,121	-	120	-
Capital outlay	-	-	-	20,038
Total Expenditures	<u>154,121</u>	<u>-</u>	<u>120</u>	<u>61,247</u>
Excess of Revenues Over (Under) Expenditures	<u>(71,825)</u>	<u>-</u>	<u>-</u>	<u>249,411</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	27,017	-	-	-
Transfers out	-	-	-	(96,736)
Total Other Financing Sources (Uses)	<u>27,017</u>	<u>-</u>	<u>-</u>	<u>(96,736)</u>
Net Change in Fund Balances	(44,808)	-	-	152,675
Fund Balances (Deficits) - Beginning	<u>(11,951)</u>	<u>(750)</u>	<u>169,509</u>	<u>977,520</u>
Fund Balances (Deficits) - Ending	<u>\$ (56,759)</u>	<u>\$ (750)</u>	<u>\$ 169,509</u>	<u>\$ 1,130,195</u>

Totals

\$ 720,371
124,898
6,935
16,947
773,055
453,937
19,449

2,115,592

126,343
540,106
563,798
127,517
311,947
92,447

1,762,158

353,434

125,902
(492,000)

(366,098)

(12,664)

3,978,918

\$ 3,966,254

CITY OF LIVE OAK
Budgetary Comparison Schedule
Streets and Roads - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 800	\$ 800	\$ 1,449	\$ 649
Intergovernmental	191,405	191,405	205,009	13,604
Other revenues	17,700	17,700	17,674	(26)
Total Revenues	<u>209,905</u>	<u>209,905</u>	<u>224,132</u>	<u>14,227</u>
EXPENDITURES				
Current:				
Public ways and facilities	179,570	179,570	188,339	(8,769)
Total Expenditures	<u>179,570</u>	<u>179,570</u>	<u>188,339</u>	<u>(8,769)</u>
Excess of Revenues Over (Under) Expenditures	<u>30,335</u>	<u>30,335</u>	<u>35,793</u>	<u>5,458</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,000	4,000	98,885	94,885
Transfers out	(408,400)	(408,400)	(409,080)	(680)
Total Other Financing Sources (Uses)	<u>(404,400)</u>	<u>(404,400)</u>	<u>(310,195)</u>	<u>94,205</u>
Net Change in Fund Balance	<u>(374,065)</u>	<u>(374,065)</u>	<u>(274,402)</u>	<u>99,663</u>
Fund Balance - Beginning	<u>409,741</u>	<u>409,741</u>	<u>409,741</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ 35,676</u>	<u>\$ 35,676</u>	<u>\$ 135,339</u>	<u>\$ 99,663</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ (274,402)

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance 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	16,704
Transfers out	<u>(16,704)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ (274,402)

CITY OF LIVE OAK
Budgetary Comparison Schedule
Traffic Safety - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Fines and forfeitures	\$ 4,000	\$ 4,000	\$ 6,935	\$ 2,935
Use of money	-	-	34	34
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>6,969</u>	<u>2,969</u>
EXPENDITURES				
Current:				
Public safety	4,000	4,000	7,000	(3,000)
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>7,000</u>	<u>(3,000)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(31)</u>	<u>(31)</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 Balance	<u>-</u>	<u>-</u>	<u>(31)</u>	<u>(31)</u>
Fund Balance - Beginning	<u>5,954</u>	<u>5,954</u>	<u>5,954</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 5,954</u>	<u>\$ 5,954</u>	<u>\$ 5,923</u>	<u>\$ (31)</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
COPS - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 500	\$ 500	\$ 1,088	\$ 588
Intergovernmental	100,000	100,000	104,235	4,235
Total Revenues	<u>100,500</u>	<u>100,500</u>	<u>105,323</u>	<u>4,823</u>
EXPENDITURES				
Current:				
Public safety	100,000	100,000	72,767	27,233
Capital outlay	-	-	72,409	(72,409)
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>145,176</u>	<u>(45,176)</u>
Excess of Revenues Over (Under) Expenditures	<u>500</u>	<u>500</u>	<u>(39,853)</u>	<u>(40,353)</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 Balance	500	500	(39,853)	(40,353)
Fund Balance - Beginning	<u>319,046</u>	<u>319,046</u>	<u>319,046</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 319,546</u>	<u>\$ 319,546</u>	<u>\$ 279,193</u>	<u>\$ (40,353)</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
Sidewalk Improvement - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 45	\$ 45	\$ 68	\$ 23
Total Revenues	<u>45</u>	<u>45</u>	<u>68</u>	<u>23</u>
EXPENDITURES				
Capital outlay	17,100	17,100	-	17,100
Total Expenditures	<u>17,100</u>	<u>17,100</u>	<u>-</u>	<u>17,100</u>
Excess of Revenues Over (Under) Expenditures	<u>(17,055)</u>	<u>(17,055)</u>	<u>68</u>	<u>17,123</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 Balance	(17,055)	(17,055)	68	17,123
Fund Balance - Beginning	<u>17,141</u>	<u>17,141</u>	<u>17,141</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ 86</u>	<u>\$ 86</u>	<u>\$ 17,209</u>	<u>\$ 17,123</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
Street Lighting - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 53,000	\$ 53,000	\$ 56,559	\$ 3,559
Use of money	200	200	381	181
Other revenue	1,600	1,600	1,775	175
Total Revenues	<u>54,800</u>	<u>54,800</u>	<u>58,715</u>	<u>3,915</u>
EXPENDITURES				
Current:				
Public ways and facilities	53,000	53,000	51,045	1,955
Total Expenditures	<u>53,000</u>	<u>53,000</u>	<u>51,045</u>	<u>1,955</u>
Excess of Revenues Over (Under) Expenditures	<u>1,800</u>	<u>1,800</u>	<u>7,670</u>	<u>5,870</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,500)	(1,500)	(1,320)	180
Total Other Financing Sources (Uses)	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,320)</u>	<u>180</u>
Net Change in Fund Balance	300	300	6,350	6,050
Fund Balance - Beginning	<u>100,538</u>	<u>100,538</u>	<u>100,538</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 100,838</u>	<u>\$ 100,838</u>	<u>\$ 106,888</u>	<u>\$ 6,050</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ 6,350

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance 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	1,320
Transfers out	<u>(1,320)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ 6,350

CITY OF LIVE OAK
Budgetary Comparison Schedule
Mello Roos CFD 92-1 - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 131,000	\$ 131,000	\$ 124,898	\$ (6,102)
Use of money	500	500	823	323
Total Revenues	<u>131,500</u>	<u>131,500</u>	<u>125,721</u>	<u>(5,779)</u>
EXPENDITURES				
Current:				
Community development	95,500	95,500	91,035	4,465
Total Expenditures	<u>95,500</u>	<u>95,500</u>	<u>91,035</u>	<u>4,465</u>
Excess of Revenues Over (Under) Expenditures	<u>36,000</u>	<u>36,000</u>	<u>34,686</u>	<u>(1,314)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(56,100)	(56,100)	(66,671)	(10,571)
Total Other Financing Sources (Uses)	<u>(56,100)</u>	<u>(56,100)</u>	<u>(66,671)</u>	<u>(10,571)</u>
Net Change in Fund Balance	<u>(20,100)</u>	<u>(20,100)</u>	<u>(31,985)</u>	<u>(11,885)</u>
Fund Balance - Beginning	<u>189,115</u>	<u>189,115</u>	<u>189,115</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 169,015</u>	<u>\$ 169,015</u>	<u>\$ 157,130</u>	<u>\$ (11,885)</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ (31,985)

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

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

Community development expenditures	66,671
Transfers out	<u>(66,671)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ (31,985)

CITY OF LIVE OAK
Budgetary Comparison Schedule
Fire Benefit Assessment - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 124,000	\$ 124,000	\$ 120,680	\$ (3,320)
Use of money	100	100	312	212
Total Revenues	<u>124,100</u>	<u>124,100</u>	<u>120,992</u>	<u>(3,108)</u>
EXPENDITURES				
Current:				
Public safety	-	-	1,120	(1,120)
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,120</u>	<u>(1,120)</u>
Excess of Revenues Over (Under) Expenditures	<u>124,100</u>	<u>124,100</u>	<u>119,872</u>	<u>(4,228)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(128,200)	(128,200)	(128,106)	94
Total Other Financing Sources (Uses)	<u>(128,200)</u>	<u>(128,200)</u>	<u>(128,106)</u>	<u>94</u>
Net Change in Fund Balance	<u>(4,100)</u>	<u>(4,100)</u>	<u>(8,234)</u>	<u>(4,134)</u>
Fund Balance - Beginning	<u>44,759</u>	<u>44,759</u>	<u>44,759</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 40,659</u>	<u>\$ 40,659</u>	<u>\$ 36,525</u>	<u>\$ (4,134)</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ (8,234)

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

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

Public safety expenditures	128,106
Transfers out	<u>(128,106)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ (8,234)

CITY OF LIVE OAK
Budgetary Comparison Schedule
Mello Roos CFD 2004-1 Fire - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 99,000	\$ 99,000	\$ 99,936	\$ 936
Use of money	100	100	267	167
Total Revenues	<u>99,100</u>	<u>99,100</u>	<u>100,203</u>	<u>1,103</u>
EXPENDITURES				
Current:				
General government	3,500	3,500	-	3,500
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Excess of Revenues Over (Under) Expenditures	<u>95,600</u>	<u>95,600</u>	<u>100,203</u>	<u>4,603</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(113,100)	(113,100)	(112,824)	276
Total Other Financing Sources (Uses)	<u>(113,100)</u>	<u>(113,100)</u>	<u>(112,824)</u>	<u>276</u>
Net Change in Fund Balance	(17,500)	(17,500)	(12,621)	4,879
Fund Balance - Beginning	<u>42,583</u>	<u>42,583</u>	<u>42,583</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 25,083</u>	<u>\$ 25,083</u>	<u>\$ 29,962</u>	<u>\$ 4,879</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ (12,621)

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

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

General government expenditures	112,824
Transfers out	<u>(112,824)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ (12,621)

CITY OF LIVE OAK
Budgetary Comparison Schedule
Mello Roos CFD 2004-1 Police - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 282,000	\$ 282,000	\$ 271,023	\$ (10,977)
Use of money	400	400	830	430
Total Revenues	<u>282,400</u>	<u>282,400</u>	<u>271,853</u>	<u>(10,547)</u>
EXPENDITURES				
Current:				
Public safety	4,500	4,500	13,280	(8,780)
Total Expenditures	<u>4,500</u>	<u>4,500</u>	<u>13,280</u>	<u>(8,780)</u>
Excess of Revenues Over (Under) Expenditures	<u>277,900</u>	<u>277,900</u>	<u>258,573</u>	<u>(19,327)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(297,800)	(297,800)	(297,321)	479
Total Other Financing Sources (Uses)	<u>(297,800)</u>	<u>(297,800)</u>	<u>(297,321)</u>	<u>479</u>
Net Change in Fund Balance	(19,900)	(19,900)	(38,748)	(18,848)
Fund Balance - Beginning	<u>148,445</u>	<u>148,445</u>	<u>148,445</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 128,545</u>	<u>\$ 128,545</u>	<u>\$ 109,697</u>	<u>\$ (18,848)</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ (38,748)

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

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

Public safety expenditures	297,321
Transfers out	<u>(297,321)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ (38,748)

CITY OF LIVE OAK
Budgetary Comparison Schedule
Mello Roos CFD 2004-1 Animal Services - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 16,300	\$ 16,300	\$ 15,751	\$ (549)
Use of money	50	50	50	-
Total Revenues	<u>16,350</u>	<u>16,350</u>	<u>15,801</u>	<u>(549)</u>
EXPENDITURES				
Current:				
Public safety	500	500	-	500
Total Expenditures	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Excess of Revenues Over (Under) Expenditures	<u>15,850</u>	<u>15,850</u>	<u>15,801</u>	<u>(49)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(20,600)	(20,600)	(20,512)	88
Total Other Financing Sources (Uses)	<u>(20,600)</u>	<u>(20,600)</u>	<u>(20,512)</u>	<u>88</u>
Net Change in Fund Balance	<u>(4,750)</u>	<u>(4,750)</u>	<u>(4,711)</u>	<u>39</u>
Fund Balance - Beginning	<u>9,048</u>	<u>9,048</u>	<u>9,048</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,298</u>	<u>\$ 4,298</u>	<u>\$ 4,337</u>	<u>\$ 39</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ (4,711)

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

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

Public safety expenditures	20,512
Transfers out	<u>(20,512)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ (4,711)

CITY OF LIVE OAK
Budgetary Comparison Schedule
Mello Roos CFD 2004-1 Street Lighting - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 15,500	\$ 15,500	\$ 16,294	\$ 794
Use of money	100	100	176	76
Total Revenues	<u>15,600</u>	<u>15,600</u>	<u>16,470</u>	<u>870</u>
EXPENDITURES				
Current:				
Public ways and facilities	17,500	17,500	27,159	(9,659)
Total Expenditures	<u>17,500</u>	<u>17,500</u>	<u>27,159</u>	<u>(9,659)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,900)</u>	<u>(1,900)</u>	<u>(10,689)</u>	<u>(8,789)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(600)	(600)	(439)	161
Total Other Financing Sources (Uses)	<u>(600)</u>	<u>(600)</u>	<u>(439)</u>	<u>161</u>
Net Change in Fund Balance	<u>(2,500)</u>	<u>(2,500)</u>	<u>(11,128)</u>	<u>(8,628)</u>
Fund Balance - Beginning	<u>49,685</u>	<u>49,685</u>	<u>49,685</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 47,185</u>	<u>\$ 47,185</u>	<u>\$ 38,557</u>	<u>\$ (8,628)</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ (11,128)

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance 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	439
Transfers out	<u>(439)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ (11,128)

CITY OF LIVE OAK
Budgetary Comparison Schedule
Mello Roos CFD 2004-1 Parks/Recreation/Pool - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 129,000	\$ 129,000	\$ 123,834	\$ (5,166)
Use of money	100	100	330	230
Total Revenues	<u>129,100</u>	<u>129,100</u>	<u>124,164</u>	<u>(4,936)</u>
EXPENDITURES				
Current:				
Culture and recreation	10,000	10,000	7,356	2,644
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>7,356</u>	<u>2,644</u>
Excess of Revenues Over (Under) Expenditures	<u>119,100</u>	<u>119,100</u>	<u>116,808</u>	<u>(2,292)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(120,500)	(120,500)	(120,161)	339
Total Other Financing Sources (Uses)	<u>(120,500)</u>	<u>(120,500)</u>	<u>(120,161)</u>	<u>339</u>
Net Change in Fund Balance	(1,400)	(1,400)	(3,353)	(1,953)
Fund Balance - Beginning	<u>53,623</u>	<u>53,623</u>	<u>53,623</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 52,223</u>	<u>\$ 52,223</u>	<u>\$ 50,270</u>	<u>\$ (1,953)</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ (3,353)

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance 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	120,161
Transfers out	<u>(120,161)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ (3,353)

CITY OF LIVE OAK
Budgetary Comparison Schedule
Mello Roos CFD 2004-1 Storm Drain - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 17,000	\$ 17,000	\$ 16,294	\$ (706)
Use of money	200	200	458	258
Total Revenues	<u>17,200</u>	<u>17,200</u>	<u>16,752</u>	<u>(448)</u>
EXPENDITURES				
Current:				
Public ways and facilities	5,300	5,300	1,831	3,469
Capital outlay	15,000	15,000	-	15,000
Total Expenditures	<u>20,300</u>	<u>20,300</u>	<u>1,831</u>	<u>18,469</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,100)</u>	<u>(3,100)</u>	<u>14,921</u>	<u>18,021</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,900)	(1,900)	(538)	1,362
Total Other Financing Sources (Uses)	<u>(1,900)</u>	<u>(1,900)</u>	<u>(538)</u>	<u>1,362</u>
Net Change in Fund Balance	<u>(5,000)</u>	<u>(5,000)</u>	<u>14,383</u>	<u>19,383</u>
Fund Balance - Beginning	<u>109,668</u>	<u>109,668</u>	<u>109,668</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 104,668</u>	<u>\$ 104,668</u>	<u>\$ 124,051</u>	<u>\$ 19,383</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ 14,383

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance 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	538
Transfers out	<u>(538)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ 14,383

CITY OF LIVE OAK
Budgetary Comparison Schedule
Parks & Recreation Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 10,746	\$ 10,746	\$ -	\$ (10,746)
Total Revenues	<u>10,746</u>	<u>10,746</u>	<u>-</u>	<u>(10,746)</u>
EXPENDITURES				
Capital outlay	10,700	10,700	-	10,700
Total Expenditures	<u>10,700</u>	<u>10,700</u>	<u>-</u>	<u>10,700</u>
Excess of Revenues Over (Under) Expenditures	<u>46</u>	<u>46</u>	<u>-</u>	<u>(46)</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 Balance	46	46	-	(46)
Fund Balance - Beginning	<u>37,719</u>	<u>37,719</u>	<u>37,719</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ 37,765</u>	<u>\$ 37,765</u>	<u>\$ 37,719</u>	<u>\$ (46)</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
Community Center Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 300	\$ 300	\$ 802	\$ 502
Charges for services	2,600	2,600	-	(2,600)
Total Revenues	<u>2,900</u>	<u>2,900</u>	<u>802</u>	<u>(2,098)</u>
EXPENDITURES				
Capital outlay	158,000	158,000	-	158,000
Total Expenditures	<u>158,000</u>	<u>158,000</u>	<u>-</u>	<u>158,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(155,100)</u>	<u>(155,100)</u>	<u>802</u>	<u>155,902</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 Balance	(155,100)	(155,100)	802	155,902
Fund Balance - Beginning	<u>198,661</u>	<u>198,661</u>	<u>198,661</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ 43,561</u>	<u>\$ 43,561</u>	<u>\$ 199,463</u>	<u>\$ 155,902</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
Public Works Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ -	\$ -	\$ 41	\$ 41
Charges for services	1,959	1,959	-	(1,959)
Total Revenues	<u>1,959</u>	<u>1,959</u>	<u>41</u>	<u>(1,918)</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>1,959</u>	<u>1,959</u>	<u>41</u>	<u>(1,918)</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 Balance	1,959	1,959	41	(1,918)
Fund Balance - Beginning	<u>9,781</u>	<u>9,781</u>	<u>9,781</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ 11,740</u>	<u>\$ 11,740</u>	<u>\$ 9,822</u>	<u>\$ (1,918)</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
General Government Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money	\$ 800	\$ 800	\$ 1,348	\$ 548
Charges for services	3,429	3,429	-	(3,429)
Total Revenues	<u>4,229</u>	<u>4,229</u>	<u>1,348</u>	<u>(2,881)</u>
EXPENDITURES				
Current:				
General government	-	-	960	(960)
Capital outlay	248,000	248,000	12,559	235,441
Total Expenditures	<u>248,000</u>	<u>248,000</u>	<u>13,519</u>	<u>234,481</u>
Excess of Revenues Over (Under) Expenditures	<u>(243,771)</u>	<u>(243,771)</u>	<u>(12,171)</u>	<u>231,600</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 Balance	<u>(243,771)</u>	<u>(243,771)</u>	<u>(12,171)</u>	<u>231,600</u>
Fund Balance - Beginning	<u>339,709</u>	<u>339,709</u>	<u>339,709</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ 95,938</u>	<u>\$ 95,938</u>	<u>\$ 327,538</u>	<u>\$ 231,600</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ (12,171)

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

Expenditures were recorded as capital outlay for budgetary purposes, but are a general government expenditure for financial reporting purposes.

General government expenditures	12,559
Capital outlay expenditures	<u>(12,559)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ (12,171)

CITY OF LIVE OAK
Budgetary Comparison Schedule
Police Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ -		\$ 586	\$ 586
Charges for services	1,878	1,878	-	(1,878)
Total Revenues	<u>1,878</u>	<u>1,878</u>	<u>586</u>	<u>(1,292)</u>
EXPENDITURES				
Capital outlay	7,000	7,000	-	7,000
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,122)</u>	<u>(5,122)</u>	<u>586</u>	<u>5,708</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 Balance	(5,122)	(5,122)	586	5,708
Fund Balance - Beginning	<u>146,915</u>	<u>146,915</u>	<u>146,915</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ 141,793</u>	<u>\$ 141,793</u>	<u>\$ 147,501</u>	<u>\$ 5,708</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
Fire Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money	\$ -	\$ -	\$ 383	\$ 383
Charges for services	5,200	5,200	-	(5,200)
Total Revenues	<u>5,200</u>	<u>5,200</u>	<u>383</u>	<u>(4,817)</u>
EXPENDITURES				
Capital outlay	5,200	5,200	-	5,200
Total Expenditures	<u>5,200</u>	<u>5,200</u>	<u>-</u>	<u>5,200</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>383</u>	<u>383</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 Balance	<u>-</u>	<u>-</u>	<u>383</u>	<u>383</u>
Fund Balance - Beginning	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 95,383</u>	<u>\$ 383</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
Signal Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 100	\$ 100	\$ 1,696	\$ 1,596
Charges for services	9,276	9,276	453,937	444,661
Total Revenues	<u>9,376</u>	<u>9,376</u>	<u>455,633</u>	<u>446,257</u>
EXPENDITURES				
Capital outlay	9,300	9,300	-	9,300
Total Expenditures	<u>9,300</u>	<u>9,300</u>	<u>-</u>	<u>9,300</u>
Excess of Revenues Over (Under) Expenditures	<u>76</u>	<u>76</u>	<u>455,633</u>	<u>455,557</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 Balance	76	76	455,633	455,557
Fund Balance - Beginning	<u>96,355</u>	<u>96,355</u>	<u>96,355</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ 96,431</u>	<u>\$ 96,431</u>	<u>\$ 551,988</u>	<u>\$ 455,557</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
Flood Control Impact Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 300	\$ 300	\$ 416	\$ 116
Total Revenues	<u>300</u>	<u>300</u>	<u>416</u>	<u>116</u>
EXPENDITURES				
Capital outlay	104,978	104,978	-	104,978
Total Expenditures	<u>104,978</u>	<u>104,978</u>	<u>-</u>	<u>104,978</u>
Excess of Revenues Over (Under) Expenditures	<u>(104,678)</u>	<u>(104,678)</u>	<u>416</u>	<u>105,094</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 Balance	<u>(104,678)</u>	<u>(104,678)</u>	<u>416</u>	<u>105,094</u>
Fund Balance - Beginning	<u>104,956</u>	<u>104,956</u>	<u>104,956</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 278</u>	<u>\$ 278</u>	<u>\$ 105,372</u>	<u>\$ 105,094</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
State Grant Fund - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 74,525	\$ (45,475)
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>74,525</u>	<u>(45,475)</u>
EXPENDITURES				
Current:				
Public ways and facilities	120,000	120,000	235,214	(115,214)
Total Expenditures	<u>120,000</u>	<u>120,000</u>	<u>235,214</u>	<u>(115,214)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(160,689)</u>	<u>(160,689)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(2,888)	(2,888)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,888)</u>	<u>(2,888)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(163,577)</u>	<u>(163,577)</u>
Fund Balance (Deficits) - Beginning	<u>(42,097)</u>	<u>(42,097)</u>	<u>(42,097)</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ (42,097)</u>	<u>\$ (42,097)</u>	<u>\$ (205,674)</u>	<u>\$ (163,577)</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
Storm Drain Connection Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 1,000	\$ 1,000	\$ 1,421	\$ 421
Charges for services	11,535	11,535	-	(11,535)
Total Revenues	<u>12,535</u>	<u>12,535</u>	<u>1,421</u>	<u>(11,114)</u>
EXPENDITURES				
Capital outlay	357,000	357,000	-	357,000
Total Expenditures	<u>357,000</u>	<u>357,000</u>	<u>-</u>	<u>357,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(344,465)</u>	<u>(344,465)</u>	<u>1,421</u>	<u>345,886</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 Balance	<u>(344,465)</u>	<u>(344,465)</u>	<u>1,421</u>	<u>345,886</u>
Fund Balance - Beginning	<u>358,186</u>	<u>358,186</u>	<u>358,186</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ 13,721</u>	<u>\$ 13,721</u>	<u>\$ 359,607</u>	<u>\$ 345,886</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
13-CDBG-8933 Skate Park - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,882,310	\$ 1,882,310	\$ 82,296	\$ (1,800,014)
Total Revenues	<u>1,882,310</u>	<u>1,882,310</u>	<u>82,296</u>	<u>(1,800,014)</u>
EXPENDITURES				
Current:				
Community development	1,987,310	1,987,310	154,121	1,833,189
Total Expenditures	<u>1,987,310</u>	<u>1,987,310</u>	<u>154,121</u>	<u>1,833,189</u>
Excess of Revenues Over (Under) Expenditures	<u>(105,000)</u>	<u>(105,000)</u>	<u>(71,825)</u>	<u>33,175</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	105,000	105,000	27,017	(77,983)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>105,000</u>	<u>105,000</u>	<u>27,017</u>	<u>(77,983)</u>
Net Change in Fund Balance	-	-	(44,808)	(44,808)
Fund Balance (Deficits) - Beginning	<u>(11,951)</u>	<u>(11,951)</u>	<u>(11,951)</u>	<u>-</u>
Fund Balance (Deficits) - Ending	<u>\$ (11,951)</u>	<u>\$ (11,951)</u>	<u>\$ (56,759)</u>	<u>\$ (44,808)</u>

CITY OF LIVE OAK
Budgetary Comparison Schedule
Transportation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 1,500	\$ 1,500	\$ 3,788	\$ 2,288
Intergovernmental	395,000	395,000	306,870	(88,130)
Total Revenues	<u>396,500</u>	<u>396,500</u>	<u>310,658</u>	<u>(85,842)</u>
EXPENDITURES				
Current:				
Public ways and facilities	20,000	20,000	29,194	(9,194)
Capital outlay	-	-	20,038	(20,038)
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>49,232</u>	<u>(29,232)</u>
Excess of Revenues Over (Under) Expenditures	<u>376,500</u>	<u>376,500</u>	<u>261,426</u>	<u>(115,074)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(403,000)	(403,000)	(108,751)	294,249
Total Other Financing Sources (Uses)	<u>(403,000)</u>	<u>(403,000)</u>	<u>(108,751)</u>	<u>294,249</u>
Net Change in Fund Balance	(26,500)	(26,500)	152,675	179,175
Fund Balance - Beginning	<u>977,520</u>	<u>977,520</u>	<u>977,520</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 951,020</u>	<u>\$ 951,020</u>	<u>\$ 1,130,195</u>	<u>\$ 179,175</u>

Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ 152,675

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance 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	12,015
Transfers out	<u>(12,015)</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures, and Changes in Fund Balance \$ 152,675

Nonmajor Proprietary Funds

- **Enterprise Funds**

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City of Live Oak
Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the City has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Nonmajor enterprise funds of the City are listed below:

WATER CONNECTION

Fund accounts for the water connection fee revenue.

SEWER CONNECTION

Fund accounts for the sewer connection fee revenue.

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CITY OF LIVE OAK
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2016

	Water Connection	Sewer Connection	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ 997,635	\$ 394,335	\$ 1,391,970
Receivables:			
Interest	1,196	473	1,669
Total Current Assets	998,831	394,808	1,393,639
Total Assets	998,831	394,808	1,393,639
LIABILITIES			
Current Liabilities:			
Accounts payable	-	-	-
Total Current Liabilities	-	-	-
Total Liabilities	-	-	-
NET POSITION			
Restricted for capital projects	998,831	394,808	1,393,639
Total Net Position	\$ 998,831	\$ 394,808	\$ 1,393,639

CITY OF LIVE OAK
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2016

	<u>Water Connection</u>	<u>Sewer Connection</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 109,333	\$ 89,628	\$ 198,961
Total Operating Revenues	<u>109,333</u>	<u>89,628</u>	<u>198,961</u>
Operating Income (Loss)	<u>109,333</u>	<u>89,628</u>	<u>198,961</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	<u>3,843</u>	<u>1,477</u>	<u>5,320</u>
Total Non-Operating Revenues (Expenses)	<u>3,843</u>	<u>1,477</u>	<u>5,320</u>
Change in Net Position	113,176	91,105	204,281
Total Net Position - Beginning	<u>885,655</u>	<u>303,703</u>	<u>1,189,358</u>
Total Net Position - Ending	<u>\$ 998,831</u>	<u>\$ 394,808</u>	<u>\$ 1,393,639</u>

CITY OF LIVE OAK
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2016

	Water Connection	Sewer Connection	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 109,333	\$ 89,628	\$ 198,961
Net Cash Provided (Used) by Operating Activities	109,333	89,628	198,961
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	3,207	1,196	4,403
Net Cash Provided (Used) by Investing Activities	3,207	1,196	4,403
Net Increase (Decrease) in Cash and Cash Equivalents	112,540	90,824	203,364
Balances - Beginning	885,095	303,511	1,188,606
Balances - Ending	\$ 997,635	\$ 394,335	\$ 1,391,970
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 109,333	\$ 89,628	\$ 198,961
Net Cash Provided (Used) by Operating Activities	\$ 109,333	\$ 89,628	\$ 198,961

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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.

Source: 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			
	2006/2007	2007/2008	2008/2009	2009/2010
Governmental Activities				
Net investment in capital assets	\$ 19,340,451	\$ 22,369,965	\$ 23,825,627	\$ 25,091,826
Restricted	4,765,409	5,655,141	5,249,750	4,442,014
Unrestricted	5,180,509	5,543,662	4,625,325	4,242,057
Total governmental activities net position	\$ 29,286,369	\$ 33,568,768	\$ 33,700,702	\$ 33,775,897
Business-type Activities				
Net investment in capital assets	\$ 16,392,362	\$ 20,379,766	\$ 20,296,002	\$ 23,752,860
Restricted	98,297	118,297	118,297	149,094
Unrestricted	6,438,445	6,392,756	6,580,141	3,809,714
Total business-type activities net position	\$ 22,929,104	\$ 26,890,819	\$ 26,994,440	\$ 27,711,668
Primary Government				
Net investment in capital assets	\$ 35,732,813	\$ 42,749,731	\$ 44,121,629	\$ 48,844,686
Restricted	4,863,706	5,773,438	5,368,047	4,591,108
Unrestricted	11,618,954	11,936,418	11,205,466	8,051,771
Total primary government net position	\$ 52,215,473	\$ 60,459,587	\$ 60,695,142	\$ 61,487,565

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ 26,297,382	\$ 26,710,539	\$ 24,859,451	\$ 25,177,065	\$ 26,423,155	\$ 27,103,387
4,353,031	10,859,158	10,932,658	10,503,214	12,167,030	4,272,612
4,024,456	4,757,333	4,487,549	4,737,305	4,485,329	4,280,849
<u>\$ 34,674,869</u>	<u>\$ 42,327,030</u>	<u>\$ 40,279,658</u>	<u>\$ 40,417,584</u>	<u>\$ 43,075,514</u>	<u>\$ 35,656,848</u>
\$ 25,362,569	\$ 24,238,464	\$ 32,253,055	\$ 31,055,100	\$ 29,831,525	\$ 28,599,846
765,294	2,208,655	2,189,552	2,107,725	2,228,397	2,401,678
1,710,380	1,211,917	2,441,509	2,837,663	2,263,256	2,554,799
<u>\$ 27,838,243</u>	<u>\$ 27,659,036</u>	<u>\$ 36,884,116</u>	<u>\$ 36,000,488</u>	<u>\$ 34,323,178</u>	<u>\$ 33,556,323</u>
\$ 51,659,951	\$ 50,949,003	\$ 57,112,506	\$ 56,232,165	\$ 56,254,680	\$ 55,703,233
5,118,325	13,067,813	13,122,210	12,610,939	14,395,427	6,674,290
5,734,836	5,969,250	6,929,058	7,574,968	6,748,585	6,835,648
<u>\$ 62,513,112</u>	<u>\$ 69,986,066</u>	<u>\$ 77,163,774</u>	<u>\$ 76,418,072</u>	<u>\$ 77,398,692</u>	<u>\$ 69,213,171</u>

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

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Expenses				
Governmental Activities:				
General government	\$ 785,799	\$ 867,560	\$ 627,563	\$ 466,702
Public safety	1,397,495	163,248	1,806,590	1,698,799
Public ways and facilities	812,320	978,051	1,005,625	695,187
Culture and recreation	440,256	485,944	661,265	477,418
Community development	593,167	1,101,216	1,054,897	439,633
Interest on long-term debt	8,125	7,577	7,111	6,305
Total Governmental Activities Expenses	<u>4,037,162</u>	<u>3,603,596</u>	<u>5,163,051</u>	<u>3,784,044</u>
Business-type Activities				
Water	1,069,818	1,078,638	1,294,680	1,317,033
Sewer	1,074,688	1,121,766	1,269,658	1,323,859
Total Business-Type Activities Expenses	<u>2,144,506</u>	<u>2,200,404</u>	<u>2,564,338</u>	<u>2,640,892</u>
Total Primary Government Expenses	<u>\$ 6,181,668</u>	<u>\$ 5,804,000</u>	<u>\$ 7,727,389</u>	<u>\$ 6,424,936</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 174,663	\$ 73,919	\$ 62,823	\$ 63,838
Public safety	297,967	361,484	336,655	363,492
Public ways and facilities	852,999	806,589	332,088	474,204
Culture and recreation	201,576	235,096	132,423	139,756
Community development	769,633	340,850	82,243	184,538
Operating grants and contributions	883,991	1,484,052	980,955	744,348
Capital grants and contributions	17,281	2,809,465	759,589	152,576
Total Governmental Activities Program Revenues	<u>3,198,110</u>	<u>6,111,455</u>	<u>2,686,776</u>	<u>2,122,752</u>
Business-Type Activities:				
Charges for services:				
Water	1,245,061	1,260,977	921,547	1,040,934
Sewer	1,737,381	1,844,538	1,447,946	1,772,336
Operating grants and contributions	-	-	-	-
Capital grants and contributions	2,325,590	2,882,698	200,000	-
Total Business-Type Activities Program Revenues	<u>5,308,032</u>	<u>5,988,213</u>	<u>2,569,493</u>	<u>2,813,270</u>
Total Primary Government Program Revenues	<u>\$ 8,506,142</u>	<u>\$ 12,099,668</u>	<u>\$ 5,256,269</u>	<u>\$ 4,936,022</u>

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ 476,146	\$ 384,156	\$ 412,935	\$ 399,590	\$ 543,796	\$ 519,223
1,835,998	1,727,176	1,692,570	1,744,005	1,635,797	2,235,826
858,822	844,453	775,399	1,178,326	1,418,607	1,196,682
524,675	515,775	503,341	496,495	544,100	609,869
388,380	606,085	589,673	517,636	620,114	2,474,188
16,556	4,908	4,160	3,348	3,748	2,584
<u>4,100,577</u>	<u>4,082,553</u>	<u>3,978,078</u>	<u>4,339,400</u>	<u>4,766,162</u>	<u>7,038,372</u>
1,274,430	1,267,180	1,342,609	1,381,185	1,404,692	1,275,640
1,661,896	1,614,859	2,694,727	2,544,455	2,633,340	2,704,970
<u>2,936,326</u>	<u>2,882,039</u>	<u>4,037,336</u>	<u>3,925,640</u>	<u>4,038,032</u>	<u>3,980,610</u>
<u>\$ 7,036,903</u>	<u>\$ 6,964,592</u>	<u>\$ 8,015,414</u>	<u>\$ 8,265,040</u>	<u>\$ 8,804,194</u>	<u>\$ 11,018,982</u>
\$ 67,433	\$ 435,738	\$ 76,244	\$ 70,805	\$ 76,876	\$ 83,748
355,367	384,574	388,263	378,725	408,070	398,570
474,353	410,929	344,981	343,482	426,434	973,516
150,378	146,573	170,061	162,631	252,394	185,432
233,189	147,962	151,284	178,503	144,641	320,667
1,466,831	4,358,608	1,385,431	1,004,975	1,977,712	2,793,371
257,902	117,592	564,161	402,859	2,152,350	1,690,492
<u>3,005,453</u>	<u>6,001,976</u>	<u>3,080,425</u>	<u>2,541,980</u>	<u>5,438,477</u>	<u>6,445,796</u>
1,050,211	844,900	902,570	850,832	882,743	878,199
2,037,925	1,863,695	2,181,809	2,179,286	2,241,249	2,291,083
-	-	-	-	-	-
-	84,247	10,161,065	-	-	23,000
<u>3,088,136</u>	<u>2,792,842</u>	<u>13,245,444</u>	<u>3,030,118</u>	<u>3,123,992</u>	<u>3,192,282</u>
<u>\$ 6,093,589</u>	<u>\$ 8,794,818</u>	<u>\$ 16,325,869</u>	<u>\$ 5,572,098</u>	<u>\$ 8,562,469</u>	<u>\$ 9,638,078</u>

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

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Net (Expense)/Revenue (1)				
Governmental activities	\$ (839,052)	\$ 2,507,859	\$ (2,476,275)	\$ (1,661,292)
Business-type activities	3,163,526	3,787,809	5,155	172,378
Total Primary Government Net Expense	<u>\$ 2,324,474</u>	<u>\$ 6,295,668</u>	<u>\$ (2,471,120)</u>	<u>\$ (1,488,914)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 1,348,013	\$ 1,716,555	\$ 1,645,832	\$ 1,498,092
Sales and use taxes	174,001	184,036	186,347	176,158
Franchise taxes	142,467	137,139	138,523	136,247
Property transfer taxes	37,137	16,662	14,620	11,451
Grants and contributions - unrestricted	129,662	53,556	37,354	28,895
Interest and investment earnings	484,266	457,890	264,186	109,954
Miscellaneous	366,907	546,058	124,779	267,018
Transfers	(57,783)	102,644	101,412	(491,328)
Special item	-	-	-	-
Extraordinary gain	-	-	-	-
Total Governmental Activities	<u>2,624,670</u>	<u>3,214,540</u>	<u>2,513,053</u>	<u>1,736,487</u>
Business-type Activities				
Interest and investment earnings	372,307	276,550	135,642	39,313
Miscellaneous	15,404	-	-	14,209
Transfers	57,783	(102,644)	(101,412)	491,328
Total Business-Type Activities	<u>445,494</u>	<u>173,906</u>	<u>34,230</u>	<u>544,850</u>
Total Primary Government	<u>\$ 3,070,164</u>	<u>\$ 3,388,446</u>	<u>\$ 2,547,283</u>	<u>\$ 2,281,337</u>
Change in Net Position				
Governmental activities	\$ 1,785,618	\$ 5,722,399	\$ 36,778	\$ 75,195
Business-type activities	3,609,020	3,961,715	39,385	717,228
Total Primary Government	<u>\$ 5,394,638</u>	<u>\$ 9,684,114</u>	<u>\$ 76,163</u>	<u>\$ 792,423</u>

Note:

(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>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ (1,095,124)	\$ 1,919,423	\$ (897,653)	\$ (1,797,420)	\$ 672,315	\$ (592,576)
151,810	(89,197)	9,208,108	(895,522)	(914,040)	(788,328)
<u>\$ (943,314)</u>	<u>\$ 1,830,226</u>	<u>\$ 8,310,455</u>	<u>\$ (2,692,942)</u>	<u>\$ (241,725)</u>	<u>\$ (1,380,904)</u>
\$ 1,221,589	\$ 1,250,494	\$ 1,239,301	\$ 1,241,319	\$ 1,382,229	\$ 1,383,175
197,343	222,448	262,905	294,102	263,086	297,481
138,306	135,517	136,868	139,766	155,071	166,356
10,688	11,301	9,114	12,837	8,290	11,536
44,502	6,840	4,792	4,145	80,806	34,609
97,386	79,828	75,530	73,827	79,218	113,073
231,104	92,395	120,453	169,350	64,888	217,676
53,178	103,898	(378,280)	-	-	-
-	-	-	-	447,830	-
-	378,280	-	-	-	-
<u>1,994,096</u>	<u>2,281,001</u>	<u>1,470,683</u>	<u>1,935,346</u>	<u>2,481,418</u>	<u>2,223,906</u>
23,298	13,411	10,974	10,221	13,448	21,309
4,645	477	5,998	1,673	1,934	164
(53,178)	(103,898)	-	-	-	-
<u>(25,235)</u>	<u>(90,010)</u>	<u>16,972</u>	<u>11,894</u>	<u>15,382</u>	<u>21,473</u>
<u>\$ 1,968,861</u>	<u>\$ 2,190,991</u>	<u>\$ 1,487,655</u>	<u>\$ 1,947,240</u>	<u>\$ 2,496,800</u>	<u>\$ 2,245,379</u>
\$ 898,972	\$ 4,200,424	\$ 573,030	\$ 137,926	\$ 3,153,733	\$ 1,631,330
126,575	(179,207)	9,225,080	(883,628)	(898,658)	(766,855)
<u>\$ 1,025,547</u>	<u>\$ 4,021,217</u>	<u>\$ 9,798,110</u>	<u>\$ (745,702)</u>	<u>\$ 2,255,075</u>	<u>\$ 864,475</u>

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

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
General Fund				
Reserved	\$ 14,245	\$ 12,245	\$ 14,745	\$ 17,245
Unreserved	4,720,551	5,202,120	4,388,451	4,143,909
Nonspendable	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 4,734,796</u>	<u>\$ 5,214,365</u>	<u>\$ 4,403,196</u>	<u>\$ 4,161,154</u>
All Other Governmental Funds				
Unreserved, reported in:				
Special revenue funds	\$ 4,268,779	\$ 5,513,199	\$ 5,236,025	\$ 4,424,769
Capital projects funds	483,405	(35,615)	-	(209,921)
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 4,752,184</u>	<u>\$ 5,477,584</u>	<u>\$ 5,236,025</u>	<u>\$ 4,214,848</u>

Note:

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>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
379,300	-	-	-	451,274	8,115
2,481,928	2,487,180	2,510,279	2,514,883	2,519,197	2,525,652
1,526,655	1,918,069	1,985,378	2,037,092	2,227,090	2,230,647
<u>\$ 4,387,883</u>	<u>\$ 4,405,249</u>	<u>\$ 4,495,657</u>	<u>\$ 4,551,975</u>	<u>\$ 5,197,561</u>	<u>\$ 4,764,414</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
172,530	-	-	-	484	330
4,180,501	10,859,158	10,932,658	10,503,214	11,975,628	4,272,282
(386,273)	(4,439)	(346,316)	(49,787)	(411,087)	(1,270,688)
<u>\$ 3,966,758</u>	<u>\$ 10,854,719</u>	<u>\$ 10,586,342</u>	<u>\$ 10,453,427</u>	<u>\$ 11,565,025</u>	<u>\$ 3,001,924</u>

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

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Revenues				
Taxes and assessments	\$ 1,585,013	\$ 2,755,058	\$ 2,578,059	\$ 2,540,100
Licenses and permits	566,282	1,039,549	444,691	562,834
Fines and forfeitures	-	7,436	15,084	6,922
Use of money	242,907	457,890	264,186	109,954
Intergovernmental	167,750	1,588,190	1,131,234	704,323
Charges for services	50,752	97,797	52,807	79,370
Other revenues	246,850	546,058	124,779	276,604
Total Revenues	2,859,554	6,491,978	4,610,840	4,280,107
Expenditures				
Current:				
General government	755,521	880,572	587,672	411,815
Public safety	1,271,952	1,504,358	1,717,263	1,611,660
Public ways and facilities	251,943	544,653	289,885	256,301
Culture and recreation	314,127	417,575	584,686	383,213
Community development	192,342	1,101,216	852,952	439,633
Debt service				
Principal	8,000	9,000	10,000	10,000
Interest	8,125	7,577	7,111	6,305
Capital outlay	15,891	924,702	1,715,411	1,933,071
Total Expenditures	2,817,901	5,389,653	5,764,980	5,051,998
Excess of Revenues Over (Under) Expenditures	41,653	1,102,325	(1,154,140)	(771,891)
Other Financial Sources (Uses)				
Issuance of debt	-	-	-	-
Transfers in	3,088,066	3,123,756	2,154,907	2,110,306
Transfers out	(2,949,179)	(3,021,112)	(2,053,495)	(2,601,634)
Total Other Financial Sources (Uses)	138,887	102,644	101,412	(491,328)
Special Item - Reinstatement of loan receivable	-	-	-	-
Extraordinary gain	-	-	-	-
Net Change in Fund Balances	\$ 180,540	\$ 1,204,969	\$ (1,052,728)	\$ (1,263,219)
 Debt Service as a Percentage of Noncapital Expenditures	 0.58%	 0.37%	 0.42%	 0.52%

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ 2,613,913	\$ 2,485,312	\$ 2,863,851	\$ 2,220,317	\$ 2,352,464	\$ 2,411,650
549,275	522,378	394,624	451,881	482,426	646,258
5,751	9,870	6,721	6,867	3,594	6,935
97,386	76,999	78,359	73,827	79,218	113,073
1,449,768	4,217,447	1,141,556	1,575,066	4,115,325	3,853,365
105,240	60,727	133,467	80,882	258,513	558,685
231,104	92,395	120,453	169,350	64,888	217,676
<u>5,052,437</u>	<u>7,465,128</u>	<u>4,739,031</u>	<u>4,578,190</u>	<u>7,356,428</u>	<u>7,807,642</u>
412,141	327,197	367,720	347,258	514,871	488,652
1,725,374	1,641,963	1,602,027	1,670,167	1,585,506	2,148,112
414,164	372,854	275,526	678,801	923,626	735,070
423,889	409,879	397,262	386,469	432,264	501,979
388,380	606,085	589,673	517,636	627,037	2,482,059
11,000	11,000	12,000	13,000	66,342	67,461
16,556	4,908	4,160	3,348	3,748	2,584
<u>1,908,002</u>	<u>1,119,830</u>	<u>1,167,335</u>	<u>1,038,108</u>	<u>2,422,505</u>	<u>1,866,084</u>
<u>5,299,506</u>	<u>4,493,716</u>	<u>4,415,703</u>	<u>4,654,787</u>	<u>6,575,899</u>	<u>8,292,001</u>
<u>(247,069)</u>	<u>2,971,412</u>	<u>323,328</u>	<u>(76,597)</u>	<u>780,529</u>	<u>(484,359)</u>
-	-	-	-	528,825	-
1,918,195	4,664,414	1,123,115	993,112	5,033,468	615,014
<u>(1,865,017)</u>	<u>(4,560,516)</u>	<u>(1,501,395)</u>	<u>(993,112)</u>	<u>(5,033,468)</u>	<u>(615,014)</u>
<u>53,178</u>	<u>103,898</u>	<u>(378,280)</u>	<u>-</u>	<u>528,825</u>	<u>-</u>
-	-	-	-	447,830	-
-	378,280	-	-	-	-
<u>\$ (193,891)</u>	<u>\$ 3,453,590</u>	<u>\$ (54,952)</u>	<u>\$ (76,597)</u>	<u>\$ 1,757,184</u>	<u>\$ (484,359)</u>

0.81%

0.47%

0.50%

0.45%

1.69%

1.09%

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
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	-0.930%	1.000%
2013/2014	279,374,003	4,610,118	2,004	283,986,125	2.330%	1.000%
2014/2015	315,429,043	5,473,874	2,004	320,904,921	13.000%	1.000%
2015/2016	330,917,725	5,238,525	2,004	336,158,254	4.750%	1.000%

Note:

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.

Sources:

Assessor'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			
	2006/2007	2007/2008	2008/2009	2009/2010
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	0.052	0.023	0.060	0.059
Yuba Community College District	-	0.014	0.016	0.018
	<u>1.052</u>	<u>1.037</u>	<u>1.076</u>	<u>1.077</u>

Notes:

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

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.

Sources:

Assessor's Office, County of Sutter
HDL Coren & Cone

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</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
0.073	0.076	0.081	0.082	0.074	0.073
<u>0.015</u>	<u>0.025</u>	<u>0.025</u>	<u>0.027</u>	<u>0.025</u>	<u>0.025</u>
<u>1.088</u>	<u>1.101</u>	<u>1.106</u>	<u>1.109</u>	<u>1.099</u>	<u>1.098</u>

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

<u>Taxpayer</u>	<u>Fiscal Year 2015/2016</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
CCA Properties of America	\$ 6,872,628	2.04%
9000 Larkin Road	4,077,844	1.21%
Tower Energy Group Corporation	3,459,330	1.03%
Millenium Farms LLC	3,267,368	0.97%
Rilco-Edwards LLC	3,059,940	0.91%
Jaswant S. Saprai	2,416,558	0.72%
Sunsweet Dryers	2,349,477	0.70%
KB Home Sacramento Inc.	2,134,000	0.63%
Iagle Rev 88 Trust	2,120,500	0.63%
Kashmir K. Gill	1,816,092	0.54%
	<u>\$ 31,573,737</u>	<u>9.39%</u>
Total City of Live Oak assessed property valuation Fiscal Year 2015/16		<u>\$ 336,158,254</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 R 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 2006/2007 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>
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%
2013/2014	446,754	446,754	100.00%	446,754	100.00%
2014/2015	519,978	519,978	100.00%	519,978	100.00%
2015/2016	526,346	526,346	100.00%	526,346	100.00%

Sources:

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				
	Loans	Total	Loans	Bonds	Certificates of Participation	Capital Leases	Total
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
2013/2014	45,000	45,000	5,689,374	27,000	2,190,000	245,689	8,152,063
2014/2015	507,483	507,483	5,512,295	-	2,130,000	180,453	7,822,748
2015/2016	440,022	440,022	5,333,446	-	2,060,000	113,903	7,507,349

Notes:

(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

Sources:

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)
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	5.81%	3.08%	1,025
8,197,063	5.30%	2.89%	969
8,330,231	5.71%	2.60%	981
7,947,371	n/a	2.36%	935

CITY OF LIVE OAK
Direct and Overlapping Bonded Debt
As of June 30, 2016

City Assessed Valuation		\$ 320,904,921	
	Percent Applicable	Outstanding Debt June 30, 2016	Estimated Share of Overlapping Debt
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Live Oak Unified School District	43.493%	\$ 7,925,446	\$ 3,447,014
Yuba Community College District	3.925%	38,081,207	1,494,863
Sutter Butte Flood Control Agency Obligations	3.160%	88,104,805	2,784,112
Total Overlapping Tax and Assessment Debt		<u>134,111,458</u>	<u>7,725,989</u>
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Sutter County Office of Education Certificates of Participation	0.000%	5,025,000	-
Total Overlapping General Fund Obligation Debt		<u>5,025,000</u>	<u>-</u>
Total Overlapping Debt		<u>139,136,458</u>	<u>7,725,989</u>
DIRECT GENERAL FUND OBLIGATION DEBT:			
City of Live Oak loan	100.000%	16,000	16,000
Animal shelter loan	100.000%	424,022	424,022
Total Direct General Fund Obligation Debt		<u>440,022</u>	<u>440,022</u>
Total Combined Debt		<u>\$ 139,576,480</u>	<u>\$ 8,166,011</u>
RATIOS TO 2015/2016 ASSESSED VALUATION:			
Ratio of overlapping debt to assessed value		43.49%	2.54%

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.

Sources:

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, 2016

Secured Property Assessed Value, Net of Exempt Real Property	\$ 336,158,254
Bonded debt limit (3.75% of assessed value) (1)	\$ 12,605,935
Less debt subject to limit:	
Total water certificates of participation at 06/30/16	(1,160,000)
Total sewer certificates of participation at 06/30/16	(900,000)
Legal debt margin	\$ 10,545,935

Note:

(1) 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.

Sources:

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 Calendar Years

Calendar Year	Population	Personal Income		Taxable Assessed Valuation	Per Capita Taxable Property Values	Average Unemployment Rate
		Total (in thousands)	Per Capita			
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	147,192	17,647	277,525,560	33,272	25.9%
2014	8,461	154,611	18,273	283,986,125	33,564	24.5%
2015	8,488	145,773	17,174	320,904,921	37,807	14.3%
2016	8,500	n/a	n/a	336,158,254	39,548	6.9%

Note:

n/a - information is not available

Sources:

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

CITY OF LIVE OAK
Principal Employers
Current Year and Four Years Ago

<u>Employer</u>	<u>Fiscal Year 2015/2016</u>			<u>Fiscal Year 2011/2012</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percent of Total Employment</u>
Live Oak Unified School District	189	1	5.25%	192	1	6.62%
River Valley Care Center	160	2	4.44%	-		-
City of Live Oak	29	3	0.81%	29	3	1.00%
Gold County Bank	29	4	0.81%	4	10	0.14%
E-Center Head Start	23	5	0.64%	25	4	0.86%
Tower Supermarket	11	6	0.31%	25	6	0.86%
United States Post Office	10	7	0.28%	12	7	0.41%
Live Oak Pharmacy	8	8	0.22%	7	9	0.24%
Live Oak Medical Clinic	5	9	0.14%	9	8	0.31%
Sunsweet Dryers	2	10	0.06%	25	5	0.86%
Live Oak Manor	-		-	85	2	2.93%
Total	466		12.96%	413		14.23%

Note:

Data pertaining to fiscal year 2006/2007 is not available, the latest prior year available is fiscal year 2011/2012.

Sources:

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,			
	2007	2008	2009	2010
City Council	5	5	5	5
City Manager	1	1	1	1
City Clerk's Office	1	1	1	1
Administration	1	1	1	1
Finance/Administrative Services	4	4	4	4
Community Development	3	1	1	1
Public Works	13	9	7	8
Parks and Recreation	6	6	7	7
Building	3	2	2	2
Total Full-Time Equivalent Employees	<u>37</u>	<u>30</u>	<u>29</u>	<u>30</u>

Source:
 Finance Department, City of Live Oak

2011	2012	2013	2014	2015	2016
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	-	-
9	8	9	9	5	7
7	7	7	7	10	8
1	1	1	1	2	2
30	29	30	30	29	29

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

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Business Licenses				
Annual business license	163	166	133	147
One time license	-	-	-	-
Environment and Utilities				
Gallons of wastewater treated per year (in millions)	161	144	236	235
Fire				
Fires per year	25	26	20	18
Emergency medical calls per year	495	523	542	559
Hazardous materials incidents per year	10	4	9	4
Non-emergency service calls per year	187	190	114	125
Police				
911 calls per year	n/a	1,106	1,574	1,528
Cases investigated per year	702	739	669	685
Arrests per year	276	273	174	244
Building Permits				
Building permits issued per year	257	281	146	174
New building and alteration valuation	\$ 12,488,247	\$ 9,788,024	\$ 1,906,625	\$ 5,644,595

Notes:

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

n/a - information is not available

Sources:

City of Live Oak
Sutter County Sheriff
Sutter County Fire

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
156	148	140	286	135	129
-	-	18	18	11	10
282	210	258	223	225	218
20	26	41	47	22	21
544	530	603	509	236	738
4	6	12	5	4	7
124	137	136	192	275	78
1,363	1,485	845	1,401	1,432	1,965
867	709	826	930	563	616
175	193	186	202	92	123
141	155	110	147	200	279
\$ 6,157,812	\$ 7,621,784	\$ 1,892,973	\$ 2,188,866	\$ 6,525,489	\$ 9,442,021

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

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
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	4	4
Water storage tanks	1	1	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	9	9	10	10
Community Development				
Miles of municipal roadways	20.31	20.31	25.61	25.61
Park sites	4	5	6	7

Source:
City of Live Oak

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
24.9	24.9	24.9	24.9	24.9	25.6
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	31.5
4	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
10	10	10	10	10	10
25.61	26.84	28.44	28.44	28.44	29.50
8	8	8	8	8	8

CITY OF LIVE OAK
Sales Value History
Last Ten Years

<u>Calendar Year</u>	<u>Full Value Sales</u>	<u>Average Price</u>	<u>Median Price</u>	<u>Median % Change</u>
2007	66	243,676	225,750	-16.85%
2008	110	162,936	167,050	-26.00%
2009	136	135,757	133,000	-20.38%
2010	115	131,004	135,000	1.50%
2011	118	121,386	120,000	-11.11%
2012	115	121,774	129,000	7.50%
2013	90	133,756	138,500	7.36%
2014	100	155,177	159,000	14.80%
2015	98	183,620	189,500	19.18%
2016	62	189,363	199,250	5.15%

Note:

2016 figures only reflect the first two quarters of the calendar year.

Sources:

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