

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

Fiscal Year Ended June 30, 2017



PREPARED BY THE FINANCE DEPARTMENT

CITY OF LIVE OAK, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017

PREPARED BY THE FINANCE DEPARTMENT

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LIVE OAK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION (Unaudited)	
Transmittal Letter	i
Government Finance Officers Association Certificate of Achievement	iv
Organization Chart	v
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Statement of Net Position – Proprietary Funds	25
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27
Statement of Fiduciary Net Position – Private Purpose Trust Fund	28
Notes to Basic Financial Statements.....	29

CITY OF LIVE OAK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page Number</u>
FINANCIAL SECTION (CONTINUED)	
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Budgetary Comparison Schedule by Department - General Fund.....	62
Budgetary Comparison Schedule - 14-HOME-9274	63
Budgetary Comparison Schedule - Program Income	64
Schedule of Proportionate Share of Net Pension Liability	65
Schedule of Plan Contributions	66
Schedule of Funding Progress	67
Notes to Required Supplementary Information	68
SUPPLEMENTARY INFORMATION	
Nonmajor Governmental Funds:	
Special Revenue Funds Narrative Summary	71
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	82
Budgetary Comparison Schedules	
Streets and Roads	89
Traffic Safety	90
COPS	91
Sidewalk Improvement.....	92
Street Lighting	93
Mello Roos CFD 92-1.....	94
Fire Benefit Assessment	95
Mello Roos CFD 2004-1 Fire	96
Mello Roos CFD 2004-1 Police.....	97
Mello Roos CFD 2004-1 Animal Services.....	98
Mello Roos CFD 2004-1 Street Lighting	99
Mello Roos CFD 2004-1 Parks/Recreation/Pool	100
Mello Roos CFD 2004-1 Storm Drain	101
Parks and Recreation Impact Fees.....	102
Community Center Impact Fees	103
Public Works Impact Fees	104

CITY OF LIVE OAK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page Number</u>
FINANCIAL SECTION (CONTINUED)	
General Government Impact Fees.....	105
Police Impact Fees.....	106
Fire Impact Fees	107
Signal Impact Fees	108
Flood Control Impact Fees.....	109
Storm Drain Connection Fees.....	110
13-CDBG-8933 Skate Park.....	111
Transportation	112
Capital Improvement Projects.....	113
 Nonmajor Proprietary Funds:	
Combining Statement of Net Position.....	114
Combining Statement of Revenues, Expenditures and Changes in Net Position.....	115
Combining Statement of Cash Flows	116
 STATISTICAL SECTION (UNAUDITED)	
Narrative Summary	117
 Financial Trend Information:	
Net Position by Component – Last Ten Fiscal Years.....	119
Changes in Net Position – Last Ten Fiscal years.....	120
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	122
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	123
 Revenue Capacity Information:	
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years.....	124
Property Tax Rates – All Overlapping Governments - Last Ten Fiscal Years	125
Principal Property Tax Payers – Current Year and Four Years Ago.....	126
Property Tax Levies and Collections – Last Ten Fiscal Years	129
 Debt Capacity Information:	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	130
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	131
Direct and Overlapping Bonded Debt.....	132
Computation of Legal Bonded Debt Margin	133

CITY OF LIVE OAK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page Number</u>
STATISTICAL SECTION (UNAUDITED) (CONTINUED)	
Demographic and Economic Information:	
Demographic and Economic Statistics – Last Ten Calendar Years.....	134
Principal Employers – Current Year and Four Years Ago.....	135
Operating Information:	
Full-Time and Part-Time City Government Employees – Last Ten Fiscal Years.....	136
Operating Indicators – Last Ten Fiscal Years	137
Capital Asset Statistics – Last Ten Fiscal Years	138
Sales Value History – Last Ten Years.....	139



December 1, 2017

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, 2016 through June 30, 2017. 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 Lance, Soll & Lunghard, 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 2016-17 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 "unmodified" 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, 2017 include the following:

- Began construction of the O Street and Kola Street project
- Began construction of the skate park project
- Continued planning and design for the infrastructure improvements at Highway 99 and major crossroads
- Began construction of the new municipal water well
- Began construction of the Pennington Road reconstruction project
- Began construction of the Pennington Road water main project
- Completed the construction of the 2015 street rehab project
- Completed construction of the Sutter County and Live Oak library
- Completed the installation of the Live Oak digital information sign
- 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, 2016. 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.

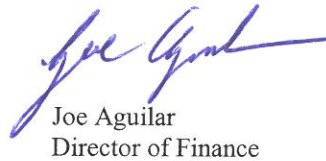
The preparation of this CAFR represents the culmination of a concerted team effort by the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In addition, staff in all City departments should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



Government Finance Officers Association

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

Presented to

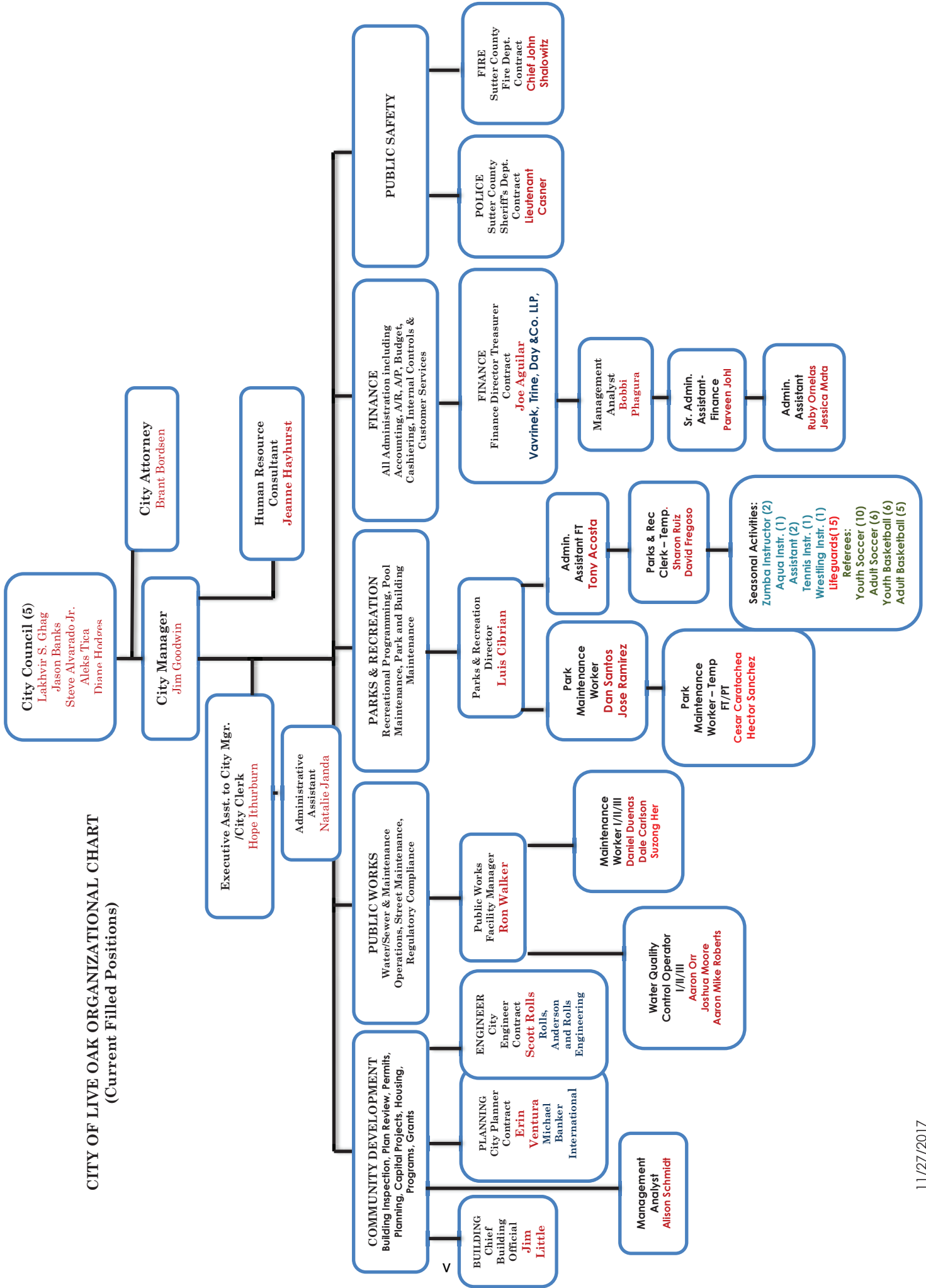
**City of Live Oak
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

CITY OF LIVE OAK ORGANIZATIONAL CHART
(Current Filled Positions)



THIS PAGE INTENTIONALLY LEFT BLANK



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of 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 City of Live Oak, California, (the City) as of and for the year ended June 30, 2017, 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, 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 of Live Oak, California, as of June 30, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, the 14-HOME-9274 fund, the program income fund and the state grant fund, the schedule of plan contributions, the schedule of proportionate share of the net pension liability and the schedule of funding progress 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, schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual 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.



CPAs AND ADVISORS

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2017, 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Solt & Lughard, LLP

Brea, California
December 1, 2017

THIS PAGE INTENTIONALLY LEFT BLANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal year 2016-17 is the thirteenth 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 \$70,887,534 as of June 30, 2017. Of this total, \$37,056,656 were governmental net position and \$33,830,878 were business-type net position.
- Entity-wide Governmental revenues include program revenues of \$4,877,840 and general revenues of \$3,172,564 for a total of \$8,050,404.
- Entity-wide Governmental expenses were \$7,658,403.
- Entity-wide Business-type program revenues were \$4,104,910 and general revenues of \$4,127, for a total of \$4,109,037; while Business-type expenses were \$4,031,145.

Fund Level:

- Governmental Fund balance decreased to \$6,130,543 in fiscal year 2017, down \$1,635,795 from the prior year due to increases in unavailable revenues related to grant reimbursements.
- Governmental Fund revenues decreased to \$7,165,415 in fiscal year 2017 down \$642,227 from the prior year. This decrease stemmed from less than expected intergovernmental revenues.
- Governmental Fund expenditures increased to \$8,821,361 in fiscal year 2017, up \$529,360 from the prior year.

General Fund:

- General Fund revenues of \$2,839,462 were \$192,062 higher than the prior year.
- General Fund expenditures of \$2,978,422 represented an increase of \$345,705 over the prior year.
- General Fund balance of \$4,620,605 as of June 30, 2017 compared almost equally with fiscal year 2016 restated fund balance of \$4,759,565.

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 Revenues, Expenses and Changes in Net Position 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 21 and 24 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. The City uses three types 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 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, 2017			As of June 30, 2016		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Current assets and outflows	\$ 21,983,953	\$ 6,425,853	\$ 28,409,806	\$ 20,052,188	\$ 6,081,976	\$ 26,134,164
Capital assets	28,637,181	35,915,914	64,553,095	27,543,409	36,107,195	63,650,604
Total assets and outflows	50,621,134	42,341,767	92,962,901	47,595,597	42,189,171	89,784,768
Long term liabilities	1,066,245	8,259,159	9,325,404	489,331	7,575,928	8,065,259
Other liabilities and inflows	12,498,233	251,730	12,749,963	11,449,418	1,056,920	12,506,338
Total liabilities and inflows	13,564,478	8,510,889	22,075,367	11,938,749	8,632,848	20,571,597
Net position:						
Net investment in capital assets	28,265,740	28,727,091	56,992,831	27,103,387	28,599,846	55,703,233
Restricted	3,345,863	1,343,421	4,689,284	4,272,612	2,401,678	6,674,290
Unrestricted	5,445,053	3,760,366	9,205,419	4,280,849	2,554,799	6,835,648
Total Net Position	\$ 37,056,656	\$ 33,830,878	\$ 70,887,534	\$ 35,656,848	\$ 33,556,323	\$ 69,213,171

Net position represents the difference between the City’s resources and its obligations. At June 30, 2017, 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 \$56.9 million at June 30, 2017. 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. The net position of the business-type activities increased from the prior year due to operating results and decreased liabilities.

Restricted net position of \$4.7 million represents resources subject to external restrictions as to how they may be used. Unrestricted net position of \$9.2 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, 2017			As of June 30, 2016		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Revenues:						
Program revenues:						
Charges for services	\$ 1,723,935	\$ 3,077,397	\$ 4,801,332	\$ 1,961,933	\$ 3,169,282	\$ 5,131,215
Operating grants and contributions	1,857,982		1,857,982	2,793,371	-	2,793,371
Capital grants and contributions	1,295,923	1,027,513	2,323,436	1,690,492	23,000	1,713,492
General revenues:						
Property taxes	1,476,356	-	1,476,356	1,383,175	-	1,383,175
Sales taxes	325,380	-	325,380	297,481	-	297,481
Other taxes*	716,398		716,398	166,356	-	166,356
Property transfer taxes*			-	11,536	-	11,536
Use of money and property*	87,766	28,460	116,226	113,073	21,309	134,382
Other miscellaneous*	541,664	667	542,331	217,676	164	217,840
Transfers*	25,000	(25,000)	-	34,609		34,609
Total revenues	8,050,404	4,109,037	12,159,441	8,669,702	3,213,755	11,883,457
Expenses:						
General government	699,781		699,781	519,223	-	519,223
Public safety	2,033,209		2,033,209	2,235,826	-	2,235,826
Community Development	2,031,089		2,031,089	1,196,682	-	1,196,682
Culture and recreation	833,110		833,110	609,869	-	609,869
Public ways and facilities	2,060,694		2,060,694	2,474,188	-	2,474,188
Interest on long term debt	520		520	2,584	-	2,584
Water		1,306,471	1,306,471	-	1,275,640	1,275,640
Sewer		2,724,674	2,724,674	-	2,704,970	2,704,970
Total expenses	7,658,403	4,031,145	11,689,548	7,038,372	3,980,610	11,018,982
Excess - before transfers	392,001	77,892	469,893	1,631,330	(766,855)	864,475
Transfers	-	-	-	-	-	-
Extraordinary gain	-	-	-	-	-	-
Change in net position	392,001	77,892	469,893	1,631,330	(766,855)	864,475
Net Position - Beginning	35,656,848	33,556,323	69,213,171	43,075,514	34,323,178	77,398,692
Prior Period adjustment	1,007,807	196,663	1,204,470	(9,049,996)	-	(9,049,996)
Net Position - Ending	\$ 37,056,656	\$ 33,830,878	\$ 70,887,534	\$ 35,656,848	\$ 33,556,323	\$ 69,213,171

*Current year groupings updated for consistency with financial statement presentation

Governmental Activities:

The City's governmental activities increased the City's net position by \$1.4 million. Revenues were \$8.1 million which represented a decrease of \$619,298 or 7 percent, and expenditures were \$7.7 million which represented an increase of \$620,031 or 8 percent. Governmental activities highlights include the following:

Taxes provided \$2.5 million or 31 percent of the total governmental activities revenue of the City. This amount is an increase of \$659,586 from the prior year.

Charges for services, operating grants and capital grants provided \$4.8 million or 61 percent of the total governmental activities revenue of the City. This amount is a decrease of \$1,567,956 from the prior year.

The following table summarizes the budget to actual results for the City's General Fund. Overall the actual expenses for the year were slightly more than budgeted. However, the more detailed information shows unexpected budgeted expenditures that resulted from the accounting treatment of the City participating in a joint facility agreement for a shared animal shelter with the neighboring city of Yuba City and the County of Sutter.

	Original Budget	Final Budget	Actual Amounts
General Government	\$ 562,779	\$ 562,779	\$ 573,334
Public safety	1,548,914	1,548,914	1,394,091
Public ways and facilities	255,179	255,179	101,542
Culture and recreation	411,298	411,298	597,496
Community development	56,000	56,000	242,858
Debt Service	46,520	46,520	69,101
	<u>\$ 2,880,690</u>	<u>\$ 2,880,690</u>	<u>\$ 2,978,422</u>

Business Type Activities

Business-type activities increased the City's net position by \$274,555. Revenues were \$4.1 million which represented an increase of \$912,928 due to greater capital grants and contributions. Business type activities highlights include the following:

Charges for services provided \$3.1 million or 75 percent of the total business type activities revenue of the City.

Service revenues are not keeping up with 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, 2017 of \$6,130,543. The General Fund decreased by \$143,809 and other Governmental Funds decreased by \$2.8 million. The General Fund decrease was due an increase of expenditures. 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 \$2,839,462 in fiscal year 2016-17, an increase of \$192,062 over last year. The increase was primarily caused by an increase in taxes and assessments that was \$117,043 over the prior year. General Fund expenditures totaled \$2,978,422 in fiscal year 2016-17, an increase of \$345,705 over last year.

At the end of fiscal year 2017, the fund balance for the City's General Fund was \$4,620,605 a change of \$143,809 under last year. This decrease includes a one-time prior period adjustment balance amount of \$4,849. The fund balance in General Fund was comprised of \$2,534,045 which is committed and \$2,075,899 which is unassigned. The committed fund balance increased from last year by \$8,393, while the unassigned fund balance decreased \$154,748.

Home Grant 14-9274

This governmental fund provided the funding for the second phase of the completed Maple Park housing project.

Program Income

Program Income fund revenues totaled \$324,337 in fiscal year 2016-17, an increase of \$117,812 due to more program activity. Program Income expenditures totaled \$98,473, an increase of \$80,915 due to more program activity. At the end of fiscal year 2017 the Program Income fund balance was \$197,469 a change of \$154,294.

State Grant Fund

In fiscal year 2016-17 the State Grant fund is included as a major fund. The increase in expenditures for grant related capital improvement projects is the reason for its presentation as a major fund. Revenues were \$449,247 this year, up \$374,722 from the prior year. Expenditures were \$1,021,747, an increase of \$786,533. Fund balance saw a decrease of \$572,500 due to the increase in expenditures for capital improvement activity.

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 2017 of \$1,812,081 included funding for the Skate Park, Well #7, O St. and Kola St., and other miscellaneous parks and recreation, streets and roads, and water enterprise projects. Expenditures totaled \$1,258,988 in fiscal year 2017.

Other Governmental Funds

These funds are presented in aggregate on the face of the fund financial statements and individually in the Supplementary 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 fund decreased \$413,362 in fiscal year 2017. Overall, operating revenues increased \$40,964 (5%) due to a slow recovery from the statewide drought from prior years. In addition, operating expenses increased to \$1,257,417 annually, up \$31,927 representing (3%) over the prior year. As of June 30, 2017, the Fund's net position went from \$7,616,474 in 2016 to \$7,203,112 in 2017 representing a reduction of \$413,362. 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 \$7,377,047 in 2016 to \$7,036,723 in 2017. Only \$166,389 of the Fund's net position was unrestricted at the close of fiscal year 2017. 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. Operating revenues of the Sewer fund increased 2% to \$2,243,911 in fiscal year 2017. As of June 30, 2017, the Fund's net position totaled \$25,284,345 of which \$21,690,368 remains net investment in capital assets. The Fund's unrestricted net position was \$3,593,977 at the close of fiscal year 2017. Overall, operating revenues remained fairly constant at \$2,243,911 with an increase of \$42,292 over the prior year. Operating expenses totaled \$2,631,469 for the year, only a 1% increase of \$23,500 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 of its capital assets including infrastructure, which was not recorded prior to GASB 34. 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 2017, the City had invested \$60 million in a broad range of capital assets, including park facilities, streets and roads improvements, and water well construction. Additional detailed information on the City's capital assets is presented in Note 4 to the financial statements on pages 40 through 42.

The financial statements summarize the City's accounting policies regarding capital assets in Note 1 Section J of the note disclosures.

Following is a summary of capital assets:

	<u>Balance at June 30, 2017</u>	<u>Balance at June 30, 2016</u>
Governmental Activities		
Land	\$ 6,584,996	\$ 6,584,996
Construction in progress	1,971,041	5,327,043
Buildings and improvements	5,143,650	1,857,585
Equipment	3,865,606	3,806,293
Infrastructure	22,058,947	20,167,265
Less: Accumulated depreciation	<u>(10,987,059)</u>	<u>(10,199,773)</u>
Governmental Activities Capital Assets (net)	<u>\$ 28,637,181</u>	<u>\$ 27,543,409</u>
Business-type Activities		
Land	\$ 233,241	\$ 233,241
Construction in progress	1,270,937	
Buildings and improvements	38,641	2,344,231
Equipment	1,585,929	716,843
Infrastructure	47,731,996	46,257,676
Less: Accumulated depreciation	<u>(14,944,830)</u>	<u>(13,444,796)</u>
Business-type Activities Capital Assets (net)	<u>\$ 35,915,914</u>	<u>\$ 36,107,195</u>

At June 30, 2017, major construction in progress included:

Governmental Activities:

Completed projects:

- Sutter County Live Oak Library
- Digital Information Sign
- O Street Recreation Trail Segment 3
- Soccer Park
- Elm Street Traffic Signal
- Alleyway Rehabilitation

New and ongoing projects this fiscal year:

- City Signage
- Skate Park
- Pennington West Road Improvements
- O St. and Kola St. Improvements
- Pennington East Rehabilitation

Business-type Activities:

New projects this fiscal year:

- Dewatering Press
- Pennington Water Main
- Well #7

Long-term Debt:

At June 30, 2016 and 2017 the City had \$8.1 million and \$7.7 million respectively 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, 2017, the City's debt consisted of:

Governmental Activities Debt:

2012 City of Yuba City/County of Sutter joint facility animal shelter loan due 2023	\$ 371,441
2017 Compensated Absences	<u>55,377</u>
 Total Governmental Activities Debt	 <u>\$ 426,818</u>

Business-type Activities Debt:

2003 USDA COP's for Wastewater Treatment Plant Expansion – 4.25% due 7/2043	\$ 870,000
2006 USDA COP's for Water Meter Project – 4.25% due 7/2044	1,120,000
2009 SWRCB State Revolving Fund Wastewater Plant – 1% 30Year Term	5,152,808
2013 Capital Lease for Sewer Vactor Truck – 1.99% 5 Year Term	46,015
2016 Compensated Absences	<u>75,333</u>
 Total Business-type Activities Debt	 <u>\$ 7,264,156</u>
 Total Outstanding Debt	 <u>\$ 7,690,974</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 \$336 million in 2016 to \$357 million in 2017.

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 opened 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. The General Fund operating budget for 2016-17 appropriates \$2.7 million. The City will have to balance increasing needs and costs for staffing with revenue as the demand for City services continues to grow.

The City continued to review and update various fees in fiscal year 2016-17. 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.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LIVE OAK

STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments	\$ 6,889,493	\$ 5,510,681	\$ 12,400,174
Receivables:			
Accounts, net	28,594	293,884	322,478
Notes and loans	12,793,481	-	12,793,481
Accrued interest	13,147	11,429	24,576
Prepaid costs	15,373	10,862	26,235
Due from other governments	1,823,066	667	1,823,733
Net OPEB asset	81,477	70,317	151,794
Capital assets not being depreciated	8,556,037	1,504,178	10,060,215
Capital assets, net of depreciation	20,081,144	34,411,736	54,492,880
Total Assets	50,281,812	41,813,754	92,095,566
Deferred Outflows of Resources:			
Deferred pension adjustments	339,322	528,013	867,335
Total Deferred Outflows of Resources	339,322	528,013	867,335
Liabilities:			
Accounts payable	831,536	137,027	968,563
Retention payable	107,981	-	107,981
Due to other governments	137,050	-	137,050
Salaries and benefits payable	28,917	28,025	56,942
Deposits payable	180,161	12,245	192,406
Noncurrent liabilities:			
Due within one year	70,237	345,746	415,983
Due in more than one year	356,581	6,918,410	7,274,991
Net pension liability	639,427	995,003	1,634,430
Total Liabilities	2,351,890	8,436,456	10,788,346
Deferred Inflows of Resources:			
Deferred pension adjustments	47,834	74,433	122,267
Deferred business loan payments	42,981	-	42,981
Deferred housing loan payments	11,121,773	-	11,121,773
Total Deferred Inflows of Resources	11,212,588	74,433	11,287,021
Net Position:			
Net investment in capital assets	28,265,740	28,727,091	56,992,831
Restricted for:			
Public safety	576,680	-	576,680
Public ways and facilities	2,024,479	-	2,024,479
Community development	500,838	1,343,421	1,844,259
Culture and recreation	243,866	-	243,866
Unrestricted	5,445,053	3,760,366	9,205,419
Total Net Position	\$ 37,056,656	\$ 33,830,878	\$ 70,887,534

CITY OF LIVE OAK

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 699,781	\$ 366,660	\$ -	\$ -
Public safety	2,033,209	4,057	49,671	129,447
Community development	2,031,089	233,355	1,808,311	530,550
Culture and recreation	833,110	64,221	-	-
Public ways and facilities	2,060,694	1,055,642	-	635,926
Interest on long-term debt	520	-	-	-
Total Governmental Activities	7,658,403	1,723,935	1,857,982	1,295,923
Business-Type Activities:				
Water	1,306,471	809,830	-	-
Sewer	2,724,674	2,243,244	-	1,027,513
Water Connection	-	15,270	-	-
Sewer Connection	-	9,053	-	-
Total Business-Type Activities	4,031,145	3,077,397	-	1,027,513
Total Primary Government	\$ 11,689,548	\$ 4,801,332	\$ 1,857,982	\$ 2,323,436

General Revenues:

Taxes:

Property taxes, levied for general purpose

Sales taxes

Other taxes

Use of money and property

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at Beginning of Year, as restated

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (333,121)	\$ -	\$ (333,121)
(1,850,034)	-	(1,850,034)
541,127	-	541,127
(768,889)	-	(768,889)
(369,126)	-	(369,126)
(520)	-	(520)
(2,780,563)	-	(2,780,563)
-	(496,641)	(496,641)
-	546,083	546,083
-	15,270	15,270
-	9,053	9,053
-	73,765	73,765
(2,780,563)	73,765	(2,706,798)
1,476,356	-	1,476,356
325,380	-	325,380
716,398	-	716,398
87,766	28,460	116,226
541,664	667	542,331
25,000	(25,000)	-
3,172,564	4,127	3,176,691
392,001	77,892	469,893
35,656,848	33,556,323	69,213,171
1,007,807	196,663	1,204,470
36,664,655	33,752,986	70,417,641
\$ 37,056,656	\$ 33,830,878	\$ 70,887,534

CITY OF LIVE OAK

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			
	General	14-HOME-9274	Program Income	State Grant Fund
Assets:				
Cash and investments	\$ 3,163,111	\$ -	\$ 277,488	\$ -
Receivables:				
Accounts	20,401	-	-	-
Accrued interest	6,125	-	-	-
Notes and loans	142,500	-	12,650,981	-
Due from other funds	1,849,705	-	-	-
Prepaid costs	10,661	-	-	-
Due from other governments	95,278	-	-	627,762
Total Assets	\$ 5,287,781	\$ -	\$ 12,928,469	\$ 627,762
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 436,934	\$ -	\$ 144	\$ 138,113
Retention payable	-	-	-	32,500
Due to other governments	57,175	-	79,875	-
Salaries and benefits payable	27,187	-	-	-
Deposits payable	3,380	-	-	-
Due to other funds	-	3,945	-	607,561
Total Liabilities	524,676	3,945	80,019	778,174
Deferred Inflows of Resources:				
Unavailable revenues	142,500	-	1,486,227	627,762
Deferred business loan payments	-	-	42,981	-
Deferred housing loan payments	-	-	11,121,773	-
Total Deferred Inflows of Resources	142,500	-	12,650,981	627,762
Fund Balances:				
Nonspendable	10,661	-	-	-
Restricted	-	-	197,469	-
Committed	2,534,045	-	-	-
Unassigned	2,075,899	(3,945)	-	(778,174)
Total Fund Balances	4,620,605	(3,945)	197,469	(778,174)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,287,781	\$ -	\$ 12,928,469	\$ 627,762

CITY OF LIVE OAK

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>Capital Projects Funds</u>		
	<u>Capital Improvement Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 371,100	\$ 3,077,794	\$ 6,889,493
Receivables:			
Accounts	-	8,193	28,594
Accrued interest	-	7,022	13,147
Notes and loans	-	-	12,793,481
Due from other funds	45,000	-	1,894,705
Prepaid costs	-	4,712	15,373
Due from other governments	4,543	1,095,483	1,823,066
Total Assets	\$ 420,643	\$ 4,193,204	\$ 23,457,859
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 95,767	\$ 160,578	\$ 831,536
Retention payable	47,534	27,947	107,981
Due to other governments	-	-	137,050
Salaries and benefits payable	-	1,730	28,917
Deposits payable	-	176,781	180,161
Due to other funds	736,784	546,415	1,894,705
Total Liabilities	880,085	913,451	3,180,350
Deferred Inflows of Resources:			
Unavailable revenues	4,543	721,180	2,982,212
Deferred business loan payments	-	-	42,981
Deferred housing loan payments	-	-	11,121,773
Total Deferred Inflows of Resources	4,543	721,180	14,146,966
Fund Balances:			
Nonspendable	-	4,712	15,373
Restricted	-	3,148,394	3,345,863
Committed	-	-	2,534,045
Unassigned	(463,985)	(594,533)	235,262
Total Fund Balances	(463,985)	2,558,573	6,130,543
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 420,643	\$ 4,193,204	\$ 23,457,859

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LIVE OAK

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Fund balances of governmental funds		\$	6,130,543
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.			28,637,181
Long-term debt and compensated absences that have not been included in the governmental fund activity:			
Bonds payable	\$	(371,441)	
Compensated Absences		(55,377)	
Net pension liability		<u>(639,427)</u>	(1,066,245)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability.			81,477
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.			2,982,212
Deferred inflows related to pension related items are not included in the governmental fund activity			(47,834)
Deferred outflows related to pension related items are not included in the governmental fund activity			<u>339,322</u>
Net Position of Governmental Activities		\$	<u><u>37,056,656</u></u>

CITY OF LIVE OAK

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			
	General	14-HOME-9274	Program Income	State Grant Fund
Revenues:				
Taxes and assessments	\$ 1,808,322	\$ -	\$ -	\$ -
Licenses and permits	321,075	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	68,908	-	435	-
Intergovernmental	17,710	1,484,409	323,902	449,247
Charges for services	92,096	-	-	-
Other revenue	531,351	-	-	-
Total Revenues	2,839,462	1,484,409	324,337	449,247
Expenditures:				
Current:				
General government	573,334	-	-	-
Public safety	1,394,091	-	-	-
Public ways and facilities	101,542	-	-	1,021,747
Culture and recreation	597,496	-	-	-
Community development	242,858	1,483,959	98,473	-
Capital outlay	-	-	-	-
Debt service:				
Principal	68,581	-	-	-
Interest	520	-	-	-
Total Expenditures	2,978,422	1,483,959	98,473	1,021,747
Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,960)	450	225,864	(572,500)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(71,570)	-
Total Other Financing Sources (Uses)	-	-	(71,570)	-
Net Change in Fund Balances	(138,960)	450	154,294	(572,500)
Fund Balances, Beginning of Year, as previously reported	4,764,414	(4,395)	43,175	(205,674)
Restatements	(4,849)	-	-	-
Fund Balances, Beginning of Year, as restated	4,759,565	(4,395)	43,175	(205,674)
Fund Balances, End of Year	\$ 4,620,605	\$ (3,945)	\$ 197,469	\$ (778,174)

CITY OF LIVE OAK

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Capital Projects Funds		
	Capital Improvement Project	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes and assessments	\$ -	\$ 709,812	\$ 2,518,134
Licenses and permits	-	129,045	450,120
Fines and forfeitures	-	4,057	4,057
Use of money and property	-	18,423	87,766
Intergovernmental	426,670	741,382	3,443,320
Charges for services	-	11,190	103,286
Other revenue	-	27,381	558,732
Total Revenues	426,670	1,641,290	7,165,415
Expenditures:			
Current:			
General government	-	115,572	688,906
Public safety	-	520,033	1,914,124
Public ways and facilities	60,589	288,958	1,472,836
Culture and recreation	-	128,069	725,565
Community development	-	216,425	2,041,715
Capital outlay	1,198,399	710,715	1,909,114
Debt service:			
Principal	-	-	68,581
Interest	-	-	520
Total Expenditures	1,258,988	1,979,772	8,821,361
Excess (Deficiency) of Revenues Over (Under) Expenditures	(832,318)	(338,482)	(1,655,946)
Other Financing Sources (Uses):			
Transfers in	1,385,411	85,538	1,470,949
Transfers out	(13,968)	(1,360,411)	(1,445,949)
Total Other Financing Sources (Uses)	1,371,443	(1,274,873)	25,000
Net Change in Fund Balances	539,125	(1,613,355)	(1,630,946)
Fund Balances, Beginning of Year, as previously reported	(1,003,110)	4,171,928	7,766,338
Restatements	-	-	(4,849)
Fund Balances, Beginning of Year, as restated	(1,003,110)	4,171,928	7,761,489
Fund Balances, End of Year	\$ (463,985)	\$ 2,558,573	\$ 6,130,543

CITY OF LIVE OAK

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total governmental funds \$ (1,630,946)

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 costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 1,910,217	
Depreciation	<u>(895,627)</u>	1,014,590

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments		68,581
----------------------	--	--------

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

(6,068)

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense.

2,352

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

859,989

Pension obligation expenses is an expenditure in the governmental funds, but reduce the net pension liability in the statement of net position.

83,503

Change in Net Position of Governmental Activities

\$ 392,001

CITY OF LIVE OAK

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Other Enterprise Funds	Totals
Assets:				
Current:				
Cash and investments	\$ 326,651	\$ 3,843,492	\$ 1,340,538	\$ 5,510,681
Receivables:				
Accounts, net	84,450	209,434	-	293,884
Accrued interest	531	8,015	2,883	11,429
Prepaid costs	5,585	5,277	-	10,862
Due from other governments	-	667	-	667
Total Current Assets	417,217	4,066,885	1,343,421	5,827,523
Noncurrent:				
Net OPEB asset	22,547	47,770	-	70,317
Capital assets - net of accumulated depreciation	8,156,723	27,759,191	-	35,915,914
Total Noncurrent Assets	8,179,270	27,806,961	-	35,986,231
Total Assets	\$ 8,596,487	\$ 31,873,846	\$ 1,343,421	\$ 41,813,754
Deferred Outflows of Resources:				
Deferred pension adjustments	\$ 191,471	\$ 336,542	\$ -	\$ 528,013
Total Deferred Outflows of Resources	\$ 191,471	\$ 336,542	\$ -	\$ 528,013
Liabilities, Deferred Inflows of Resources, and Net Position:				
Liabilities:				
Current:				
Accounts payable	\$ 42,853	\$ 94,174	\$ -	\$ 137,027
Salaries and benefits payable	9,026	18,999	-	28,025
Deposits payable	4,319	7,926	-	12,245
Accrued compensated absences	13,084	34,203	-	47,287
Bonds, notes, and capital leases	40,000	258,459	-	298,459
Total Current Liabilities	109,282	413,761	-	523,043
Noncurrent:				
Accrued compensated absences	7,760	20,286	-	28,046
Bonds, notes, and capital leases	1,080,000	5,810,364	-	6,890,364
Net pension liability	360,813	634,190	-	995,003
Total Noncurrent Liabilities	1,448,573	6,464,840	-	7,913,413
Total Liabilities	1,557,855	6,878,601	-	8,436,456
Deferred Inflows of Resources:				
Deferred pension adjustments	26,991	47,442	-	74,433
Total Deferred Inflows of Resources	26,991	47,442	-	74,433
Net Position:				
Net investment in capital assets	7,036,723	21,690,368	-	28,727,091
Restricted for capital projects	-	-	1,343,421	1,343,421
Unrestricted	166,389	3,593,977	-	3,760,366
Total Net Position	7,203,112	25,284,345	1,343,421	33,830,878
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 8,787,958	\$ 32,210,388	\$ 1,343,421	\$ 42,341,767

CITY OF LIVE OAK

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			Totals
	Water	Sewer	Other Enterprise Funds	
Operating Revenues:				
Sales and service charges	\$ 809,830	\$ 2,243,244	\$ 24,323	\$ 3,077,397
Miscellaneous	-	667	-	667
Total Operating Revenues	809,830	2,243,911	24,323	3,078,064
Operating Expenses:				
Salaries and benefits	396,853	727,956	-	1,124,809
Administration	21,091	52,403	-	73,494
Power	141,547	192,819	-	334,366
Insurance	25,451	83,391	-	108,842
Supplies	32,210	-	-	32,210
Repair and extension	49,785	116,040	-	165,825
Professional services	147,569	292,510	-	440,079
Depreciation expense	393,196	1,106,838	-	1,500,034
Other expense	49,715	59,512	-	109,227
Total Operating Expenses	1,257,417	2,631,469	-	3,888,886
Operating Income (Loss)	(447,587)	(387,558)	24,323	(810,822)
Nonoperating Revenues (Expenses):				
Interest revenue	1,479	19,722	7,259	28,460
Interest expense	(49,054)	(93,205)	-	(142,259)
Contributions	-	1,027,513	-	1,027,513
Total Nonoperating Revenues (Expenses)	(47,575)	954,030	7,259	913,714
Income (Loss) Before Transfers	(495,162)	566,472	31,582	102,892
Transfers in	81,800	-	-	81,800
Transfers out	-	(25,000)	(81,800)	(106,800)
Changes in Net Position	(413,362)	541,472	(50,218)	77,892
Net Position:				
Beginning of Fiscal Year, as previously reported	7,616,474	24,546,210	1,393,639	33,556,323
Restatements	-	196,663	-	196,663
Beginning of Fiscal Year, as restated	7,616,474	24,742,873	1,393,639	33,752,986
End of Fiscal Year	\$ 7,203,112	\$ 25,284,345	\$ 1,343,421	\$ 33,830,878

CITY OF LIVE OAK

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			Totals
	Water	Sewer	Other Enterprise Funds	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 803,962	\$ 2,241,873	\$ 24,323	\$ 3,070,158
Cash paid to suppliers for goods and services	(434,464)	(726,651)	-	(1,161,115)
Cash paid to employees for services	(409,645)	(827,832)	-	(1,237,477)
Net Cash Provided (Used) by Operating Activities	(40,147)	687,390	24,323	671,566
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	-	(25,000)	(81,800)	(106,800)
Cash transfers in	81,800	-	-	81,800
Contributions	-	1,027,513	-	1,027,513
Net Cash Provided (Used) by Non-Capital Financing Activities	81,800	1,002,513	(81,800)	1,002,513
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(12,872)	(1,099,885)	-	(1,112,757)
Principal paid on capital debt	(40,000)	(278,526)	-	(318,526)
Interest paid on capital debt	(49,054)	(93,205)	-	(142,259)
Net Cash Provided (Used) by Capital and Related Financing Activities	(101,926)	(1,471,616)	-	(1,573,542)
Cash Flows from Investing Activities:				
Interest received	1,432	16,208	6,045	23,685
Net Cash Provided (Used) by Investing Activities	1,432	16,208	6,045	23,685
Net Increase (Decrease) in Cash and Cash Equivalents	(58,841)	234,495	(51,432)	124,222
Cash and Cash Equivalents at Beginning of Year	385,492	3,608,997	1,391,970	5,386,459
Cash and Cash Equivalents at End of Year	\$ 326,651	\$ 3,843,492	\$ 1,340,538	\$ 5,510,681
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (447,587)	\$ (387,558)	\$ 24,323	\$ (810,822)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	393,196	1,106,838	-	1,500,034
(Increase) decrease in accounts receivable	(5,365)	(1,233)	-	(6,598)
(Increase) decrease in prepaid costs	(949)	(498)	-	(1,447)
(Increase) decrease in net OPEB asset	7,881	(4,378)	-	3,503
(Increase) decrease in deferred pension adjustments - deferred outflows	(84,425)	(125,246)	-	(209,671)
Increase (decrease) in accounts payable	12,762	18,119	-	30,881
Increase (decrease) in salaries and benefits payable	2,206	3,965	-	6,171
Increase (decrease) in deposits payable	(503)	(805)	-	(1,308)
Increase (decrease) in compensated absences	2,636	4,118	-	6,754
Increase (decrease) in deferred pension adjustments - deferred inflows	(9,330)	(24,250)	-	(33,580)
Increase (decrease) in net pension liability	89,331	98,318	-	187,649
Total Adjustments	407,440	1,074,948	-	1,482,388
Net Cash Provided (Used) by Operating Activities	\$ (40,147)	\$ 687,390	\$ 24,323	\$ 671,566

CITY OF LIVE OAK

STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LIVE OAK
JUNE 30, 2017

	<u>Private- Purpose Trust Fund</u>
Assets:	
Pooled cash and investments	\$ 29,376
Total Assets	<u>\$ 29,376</u>
Liabilities:	
Due to other governments	\$ 29,376
Total Liabilities	<u>\$ 29,376</u>

Note 1: Summary of Significant Accounting Policies

a. Financial 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.

Note 1: Summary of Significant Accounting Policies (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

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.

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.

Note 1: Summary of Significant Accounting Policies (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 State Grant fund is a special revenue fund used to account for revenues and expenditures related to state 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 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.

Note 1: Summary of Significant Accounting Policies (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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 1: Summary of Significant Accounting Policies (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, 2017, the allowance for doubtful accounts was \$805.

h. Other Assets

1. 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.

2. Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2017, 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. 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>Years</u>
Equipment	3-25
Structures and improvements	5-50
Infrastructure	20-75

Note 1: Summary of Significant Accounting Policies (Continued)

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.

j. 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.

k. 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.

Note 1: Summary of Significant Accounting Policies (Continued)

I. 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.

m. 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.

n. Due to Other Governments

Certain payments are due to other governments including \$57,175 from the General fund and \$79,875 from the Program Income fund.

o. 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.

p. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 1: Summary of Significant Accounting Policies (Continued)**q. 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.

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 a double posting of a deposit. In addition, a prior period adjustment was required to properly capitalize and depreciate costs that were incorrectly recorded in prior years. A restatement was also required to reverse revenue that was improperly recognized in governmental activities, as well as to recognize revenue relating to accrued interest on outstanding loans that was not previously recorded. The impact of the restatements on the net position on the financial statements as previously reported is presented below:

	Governmental Activities	Business-Type Activities
Net Position, June 30, 2016, as previously reported	\$ 35,656,848	\$ 33,556,323
Restatements associated with:		
Erroneous double posting	(4,849)	-
Capital assets adjustments	79,182	196,663
Accrued interest on loans	1,553,727	-
Improper recognition of revenue	(620,253)	-
	<hr/>	<hr/>
Total Adjustments	1,007,807	196,663
	<hr/>	<hr/>
Net Position, July 1, 2016, as restated	\$ 36,664,655	\$ 33,752,986

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 2: Stewardship, Compliance and Accountability (Continued)**b. Deficit Fund Balance/Net Position**

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

The 13-CDBG-8933 Skate Park fund had a fund balance deficit of \$592,950, 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.

The Mello Roos CFD 2004-1 Animal Services fund had a fund balance deficit of \$833, which is expected to be eliminated in the future through special assessment revenues.

Note 3: Cash and Investments**a. Financial Statement Presentation**

As of June 30, 2017, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 6,889,493
Business-Type activities	5,510,681
Private Purpose Trust	<u>29,376</u>
Total Cash and Investments	<u>\$ 12,429,550</u>

As of June 30, 2017, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 1,020
Deposits (less outstanding checks)	<u>1,861,216</u>
Total Cash	<u>1,862,236</u>
Investments:	
Certificate of Deposit	31,000
LAIF	9,961,353
Money Market Funds	<u>574,961</u>
Total Investments	<u>10,567,314</u>
Total Cash and Investments	<u>\$ 12,429,550</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 3: Cash and Investments (Continued)

b. Cash

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was \$1,861,216 and the bank balance was \$2,112,737. 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.

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 and Instrumentalities Securities
- 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.

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 3: Cash and Investments (Continued)

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, 2017, the City had the following recurring fair value measurements.

Investment Type	Fair Value	Level		
		1	2	3
Certificate of Deposit	\$ 31,000	\$ -	\$ 31,000	\$ -
Total Investments Measured at Fair Value	\$ 31,000	\$ -	\$ 31,000	\$ -
<u>Investments Measured at Amortized Cost</u>				
Local Agency Investment Funds (LAIF)	\$ 9,961,353			
Money Market Funds	574,961			
Total Investments Measured at Amortized Cost	10,536,314			
Total Investments	\$ 10,567,314			

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.

At June 30, 2017, the City had the following investments all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities	
		0-1 Year	Fair Value
Certificate of Deposit	Variable	\$ 31,000	\$ 31,000
Local Agency Investment Fund (LAIF)	Variable	9,961,353	9,961,353
Money Market Funds	Variable	574,961	574,961
Total Investments		\$ 10,567,314	\$ 10,567,314

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, 2017, 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 3: Cash and Investments (Continued)

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, 2017, 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, 2017, the City's investment in LAIF valued at amortized cost was \$9,961,353 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.

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

Governmental Activities

	Balance July 1, 2016 as restated	Additions	Retirements	CIP Transfers	Balance June 30, 2017
Capital assets, not being depreciated:					
Land	\$ 6,584,996	\$ -	\$ -	\$ -	\$ 6,584,996
Construction in progress	5,391,477	1,757,311	-	(5,177,747)	1,971,041
Total capital assets, not being depreciated	11,976,473	1,757,311	-	(5,177,747)	8,556,037
Capital assets, being depreciated:					
Buildings and improvements	1,857,585	-	-	3,286,065	5,143,650
Equipment	3,806,293	152,906	(93,593)	-	3,865,606
Infrastructure	20,167,265	-	-	1,891,682	22,058,947
Total capital assets, being depreciated	25,831,143	152,906	(93,593)	5,177,747	31,068,203
Less accumulated depreciation for:					
Buildings and improvements	(1,025,906)	(206,478)	-	-	(1,232,384)
Equipment	(2,601,868)	(216,299)	93,593	-	(2,724,574)
Infrastructure	(6,557,251)	(472,850)	-	-	(7,030,101)
Total accumulated depreciation	(10,185,025)	(895,627)	93,593	-	(10,987,059)
Total capital assets being depreciated, net	15,646,118	(742,721)	-	5,177,747	20,081,144
Governmental activities capital assets, net	<u>\$ 27,622,591</u>	<u>\$ 1,014,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,637,181</u>

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 4: Capital Assets (Continued)

Business-Type Activities

	Balance July 1, 2016 as restated	Transfers	Additions	Retirements	Balance June 30, 2017
Capital assets, not being depreciated:					
Land	\$ 233,241	\$ -	\$ -	\$ -	\$ 233,241
Construction in progress	196,663	-	1,074,274	-	1,270,937
Total capital assets, not being depreciated	429,904	-	1,074,274	-	1,504,178
Capital assets, being depreciated:					
Buildings and improvements	2,344,231	(2,305,590)	-	-	38,641
Equipment	716,843	831,270	37,816	-	1,585,929
Infrastructure	46,257,676	1,474,320	-	-	47,731,996
Total capital assets, being depreciated	49,318,750	-	37,816	-	49,356,566
Less accumulated depreciation for:					
Buildings and improvements	(781,554)	742,913	-	-	(38,641)
Equipment	(381,525)	(808,766)	(49,530)	-	(1,239,821)
Infrastructure	(12,281,717)	65,853	(1,450,504)	-	(13,666,368)
Total accumulated depreciation	(13,444,796)	-	(1,500,034)	-	(14,944,830)
Total capital assets being depreciated, net	35,873,954	-	(1,462,218)	-	34,411,736
Business-Type activities capital assets, net	\$ 36,303,858	\$ -	\$ (387,944)	\$ -	\$ 35,915,914

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 62,694
Public safety	116,432
Community development	8,956
Culture and recreation	116,432
Public ways and facilities	591,113
Total Depreciation Expense - Governmental Functions	<u>\$ 895,627</u>

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

Water	\$ 393,196
Sewer	1,106,838
Total Depreciation Expense - Business-Type Functions	<u>\$ 1,500,034</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 4: Capital Assets (Continued)

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on the skate park, O Street/Kola, and other miscellaneous Parks and Recreation and Streets & Roads projects. Construction in progress for business-type activities relates to work performed on Well #7 and other miscellaneous projects.

	Balance
Governmental Activities	
Parks and Recreation	
Skate Park	\$ 578,299
Other miscellaneous	134,454
Total Parks and Recreation	712,753
Streets & Roads	
O Street/Kola	1,126,976
Other miscellaneous	131,312
Total Parks and Recreation	1,258,288
Total Governmental	1,971,041
Business-type Activities	
Water Enterprise	
Well #7	1,177,381
Other miscellaneous	93,556
Total Parks and Recreation	1,270,937
Total Business-type	1,270,937
Total Construction In Progress	\$ 3,241,978

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, 2017:

Due from other funds	Due to other funds	Amount
General Fund	14-HOME-9274	\$ 3,945
General Fund	Capital Improvement Project	736,784
General Fund	State Grant Fund	607,561
General Fund	Other Governmental Funds	501,415
Capital Improvement Project	Other Governmental Funds	45,000
		\$ 1,894,705

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 5: Interfund Transactions (Continued)

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, 2017:

Transfers In	Transfer Out	Amount
Capital Improvement Project	Other Governmental Funds	\$ 1,360,411
Capital Improvement Project	Sewer	25,000
Other Governmental Funds	Capital Improvement Project	13,968
Other Governmental Funds	Program Income	71,570
Water	Other Enterprise Funds	81,800
		<u>\$ 1,552,749</u>

Note 6: Loans Receivable

At June 30, 2017, the City had the following loans receivable, including principal and accrued interest:

Loan Type	Governmental Activities Principal
CDBG Housing Rehab	\$ 538,170
CDBG First Time Home Buyer	467,911
CDBG Public Improvements	680,800
EDBG Business Assistance	42,981
HOME Owner Occupied Rehab	1,323,764
HOME First Time Home Buyer	230,147
HOME Housing New Construction	7,500,000
HOME Program Income First Time Home Buyer	283,378
HOME Program Income Owner Occupied Rehab	97,603
City Loan First Time Home Buyer	75,000
Total	<u>\$ 11,239,754</u>

A total of \$11,239,754 was recorded as loans receivable at June 30, 2017. These represent low interest notes principal portion 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 \$11,164,754 have been established in the Governmental Funds Balance Sheet for the housing and business loan principal and interest payments.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 6: Loans Receivable (Continued)**City of Live Oak CDBG Home Loan Program**

The City of Live Oak was notified by the California State Department of Housing that one of the City's CDBG Home Loan Program homebuyer loans from 2008 did not meet compliance requirements of the federally funded grant program. The City received written documentation from the State Housing Department indicating that the City must return \$79,875 to the State. For this reason, the City recorded this amount as a liability in the CDBG Special Revenue Fund as a "Due to Other Governments" as of June 30, 2017.

In 2008, the City outsourced the qualifying of participants to a nonprofit agency specializing in assisting low income households. This agency took responsibility for mistakenly qualifying the household who received the \$79,875 first time homebuyer loan. The household participant still lives in the home acquired through the homebuyer assistance program and continues to provide program documentation for maintaining the deferred loan for the duration of 30 year loan maturing in 2038. The nonprofit agency provided \$79,875 to the City in June 2017 that will be used to pay the State Department of Housing. In August 2017, the City remitted that amount to the State. The City intends to continue to be a note holder to the household participant for the duration of the loan agreement. This loan will now be shown as a note receivable in the General Fund since it was determined not to be a qualifying loan under the grant arrangements in the restricted federal grant fund.

Note 7: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

Type of Indebtedness	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Amounts Due Within One Year
Governmental Activities					
Compensated absences	\$ 49,309	\$ 32,400	\$ (26,332)	\$ 55,377	\$ 17,536
Loans	440,022	-	(68,581)	371,441	52,701
Total Governmental Activities	\$ 489,331	\$ 32,400	\$ (94,913)	\$ 426,818	\$ 70,237
Business-Type Activities					
Compensated absences	\$ 68,579	\$ 37,768	\$ (31,014)	\$ 75,333	\$ 47,287
Loans	5,333,446	-	(180,638)	5,152,808	182,444
Certificates of Participation	2,060,000	-	(70,000)	1,990,000	70,000
Capital Leases	113,903	-	(67,888)	46,015	46,015
Total Business-Type Activities	\$ 7,575,928	\$ 37,768	\$ (349,540)	\$ 7,264,156	\$ 345,746

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.

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 7: Long-Term Liabilities (Continued)

Individual issues of debt payable outstanding at June 30, 2017, are as follows:

Governmental Activities

Loans:

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 as used to provide funding to the Sutter Animal Services Authority. \$ 371,441

Total Loans 371,441

Total Governmental Activities \$ 371,441

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. \$ 5,152,808

Total Loans 5,152,808

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. 870,000

2005 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. 1,120,000

Total Certificates of Participation 1,990,000

Total Business-Type Activities \$ 7,142,808

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 7: Long-Term Liabilities (Continued)

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 June 30,	Loans		
	Principal	Interest	Total
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	53,184	334	53,518
2023-2024	106,731	304	107,035
Total	<u>\$ 371,441</u>	<u>\$ 3,184</u>	<u>\$ 374,625</u>

Business-Type Activities

Year Ended June 30,	Loans		
	Principal	Interest	Total
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	189,852	44,120	233,972
2023-2027	978,121	191,740	1,169,861
2028-2032	1,028,015	141,846	1,169,861
2033-2037	1,080,456	89,407	1,169,863
2038-2042	1,135,568	34,293	1,169,861
Total	<u>\$ 5,152,808</u>	<u>\$ 696,498</u>	<u>\$ 5,849,306</u>

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: Long-Term Liabilities (Continued)

Business-Type Activities

Year Ended June 30,	Certificates of Participation		
	Principal	Interest	Total
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	70,000	71,188	141,188
2023-2027	350,000	311,313	661,313
2028-2032	350,000	236,938	586,938
2033-2037	350,000	162,563	512,563
2038-2042	350,000	88,188	438,188
2043-2045	240,000	17,850	257,850
Total	<u>\$ 1,990,000</u>	<u>\$ 1,202,542</u>	<u>\$ 2,934,692</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, 2017
Business-Type activities	1.99%	\$ 46,015
Total		<u>\$ 46,015</u>

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

	Business-Type Activities
Cost of equipment	\$ 330,676
Less: accumulated depreciation	<u>(99,203)</u>
Net Value	<u>\$ 231,473</u>

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 8: Leases (Continued)

As of June 30, 2017, capital lease annual amortization was as follows:

Year Ending June 30:	Business-Type
2018	Activities
	<u>\$ 46,360</u>
Total Requirements	46,360
Less Interest	<u>(345)</u>
Total Value of Remaining Payments	<u><u>\$ 46,015</u></u>

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 \$4,689,284 of restricted net position, of which \$2,252,186 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, 2017, 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.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the City’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 10: Fund Balances (Continued)

The fund balances for all major and non major governmental funds as of June 30, 2017, were distributed as follows:

	General	14-HOME-9274	Program	State Grant	Capital	Other	Total
Nonspendable:							
Prepaid costs	\$ 10,661	\$ -	\$ -	\$ -	\$ -	\$ 4,712	\$ 15,373
Subtotal	10,661	-	-	-	-	4,712	15,373
Restricted For:							
Developer Deposits	-	-	-	-	-	896	896
Street maintenance and Traffic Safety	-	-	-	-	-	147,166	147,166
Law enforcement services	-	-	-	-	-	6,006	6,006
Sidewalk improvement	-	-	-	-	-	231,074	231,074
Street lighting	-	-	-	-	-	17,445	17,445
Mello Roos	-	-	-	-	-	110,175	110,175
Fire protection services	-	-	-	-	-	390,906	390,906
Impact fees	-	-	-	-	-	28,620	28,620
Storm drain connection fees	-	-	-	-	-	1,380,569	1,380,569
Community development	-	-	197,469	-	-	86,886	86,886
Transportation	-	-	-	-	-	177,085	374,554
Subtotal	-	-	197,469	-	-	571,566	571,566
						3,148,394	3,345,863
Committed to:							
General reserve	866,300	-	-	-	-	-	866,300
City/County major fire	24,745	-	-	-	-	-	24,745
Equipment replacement	102,501	-	-	-	-	-	102,501
Info technology	102,500	-	-	-	-	-	102,500
PERS retirement	316,910	-	-	-	-	-	316,910
Health insurance	272,379	-	-	-	-	-	272,379
OPEB	181,272	-	-	-	-	-	181,272
Capital facilities	667,438	-	-	-	-	-	667,438
Subtotal	2,534,045	-	-	-	-	-	2,534,045
Unassigned	2,075,899	(3,945)	-	(778,174)	(463,985)	(594,533)	235,262
Totals	\$ 4,620,605	\$ (3,945)	\$ 197,469	\$ (778,174)	\$ (463,985)	\$ 2,558,573	\$ 6,130,543

Note 10: Fund Balances (Continued)

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.

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

All qualified permanent and probationary employees are eligible to participate in the City of Live Oak Miscellaneous cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

At June 30, 2017, the City had 14 employees participating in the Miscellaneous "Classic" Plan and 11 employees participating in the Miscellaneous PEPRA Plan.

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. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 11: Pension Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous Rate Plan	PEPRA Miscellaneous Rate Plan
	Prior to January 1, 2013*	On or after January 1, 2013
Hire date	2.7% @ 55	2% @ 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50 - 67	52 - 67
Retirement age	2.000% - 2.700%	1.000% - 2.500%
Monthly benefits, as a % of eligible compensation	8.000%	6.250%
Required employee contribution rates	23.119%	6.555%
Required employer contribution rates		

*Closed to new member entrants

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

In regards to the "Classic" Plan employees, 12 of them were employed by the City prior to 2014 and the City pays the employee portion of the contributions for these individuals.

For the year ended June 30, 2017, the contributions recognized as a reduction to the net pension liability for each plan were as follows:

	Miscellaneous Plan
Contributions - employer	\$ 219,352

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 11: Pension Plan (Continued)

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

As of June 30, 2017, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 1,634,430
Total Net Pension Liability	<u>\$ 1,634,430</u>

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, 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, 2015 rolled forward to June 30, 2016 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 the Plan as of June 30, 2015 and 2016 was as follows:

Proportions as a percentage of the CalPERS Miscellaneous risk pool:

	Miscellaneous Plan
Proportion - June 30, 2015	0.05069%
Proportion - June 30, 2016	0.04705%
Change - Increase (Decrease)	<u>-0.00364%</u>

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 11: Pension Plan (Continued)

For the year ended June 30, 2017, the City recognized pension expense of \$95,548. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ (74,107)
Pension contributions subsequent to measurement date	234,653	-
Difference between expected and actual experiences	7,833	(1,795)
Differences between actual contributions and the proportionate share of contributions	99,137	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	385,700	-
Adjustment due to Difference in Proportions	140,012	(46,365)
Total	<u>\$ 867,335</u>	<u>\$ (122,267)</u>

\$234,653 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:

Measurement Period Ended	
June 30	
2017	\$ 136,208
2018	100,906
2019	173,400
2020	99,901

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2016, (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015, total pension liability. The June 30, 2015 and the June 30, 2016, total pension liabilities were based on the following actuarial methods and assumptions:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 11: Pension Plan (Continued)

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	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

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

There were no changes of assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of the 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. The tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at 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 expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 11: Pension Plan (Continued)

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) 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 PERF 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 equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects 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. The target allocation shown was adopted by the Board effective on July 1, 2015.

The table below reflects 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 geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0	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	1.0	(0.55)	(1.05)

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

(2) 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 net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 11: Pension Plan (Continued)

Plan's Net Pension Liability/(Asset)	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Miscellaneous Plan	\$ 2,415,965	\$ 1,634,430	\$ 988,529

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. The retiree receives a benefit of \$128 per month from the City.

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).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 12: Other Postemployment Benefits (OPEB) (Continued)

Annual required contribution	\$ 32,072
Interest on net OPEB obligation	(11,134)
Adjustment to annual required contribution	10,840
Annual OPEB cost	<u>31,778</u>
Contributions made:	
Contribution to CERBT	(16,199)
Pay as you go contribution	(9,108)
Implied Subsidy	<u>(5,320)</u>
Increase in net OPEB obligation	1,151
Net OPEB obligation - beginning of year	<u>(152,945)</u>
Net OPEB obligation - end of year	<u>\$ (151,794)</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2015	\$ 23,781	79.2%	\$ (153,374)
June 30, 2016	25,283	98.3%	(152,945)
June 30, 2017	31,778	100.0%	(151,794)

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 12: Other Postemployment Benefits (OPEB) (Continued)

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.

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).

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 15: Other Information

a. Commitments and Contingencies

The following material construction commitments existed at June 30, 2017:

Project Name	Contract Amount	Expenditures to date as of June 30, 2017	Remaining Commitments
Prop 84 Well #7	\$ 2,253,559	\$ 744,444	\$ 1,509,115
Skate Park	929,741	648,104	281,637
Penning Rd East Rehab, 13-CDBG	151,361	13,968	137,393

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, 2017 through December 1, 2017, the date on which the financial statements were available for issuance. Management has determined no other subsequent events requiring disclosure have occurred.

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 4,759,565	\$ 4,759,565	\$ 4,759,565	\$ -
Resources (Inflows):				
Taxes	1,834,500	1,834,500	1,808,322	(26,178)
Licenses and permits	398,700	398,700	321,075	(77,625)
Intergovernmental	29,600	29,600	17,710	(11,890)
Charges for services	102,600	102,600	92,096	(10,504)
Use of money and property	46,000	46,000	68,908	22,908
Miscellaneous	363,000	363,000	531,351	168,351
Proceeds from sale of capital asset	500	500	-	(500)
Amounts Available for Appropriations	7,534,465	7,534,465	7,599,027	64,562
Charges to Appropriation (Outflow):				
General government				
City Council	136,877	136,877	130,220	6,657
Administrative Services	209,170	209,170	196,582	12,588
Finance Services	165,232	165,232	184,891	(19,659)
City Attorney	51,500	51,500	61,641	(10,141)
Public safety				
Building Inspection	195,968	195,968	177,410	18,558
Police Services	872,055	872,055	754,428	117,627
Animal Control Services	41,900	41,900	22,688	19,212
Fire Services	438,991	438,991	439,565	(574)
Community development				
Community Development	230,179	230,179	211,780	18,399
Economic Development	25,000	25,000	31,078	(6,078)
Culture and recreation				
Park Operations	134,102	134,102	106,456	27,646
Recreation Services	157,774	157,774	217,433	(59,659)
Pool Operations	80,322	80,322	70,679	9,643
Facility Maintenance	39,100	39,100	196,421	(157,321)
Community Center	-	-	6,507	(6,507)
Public ways and facilities				
Engineering	56,000	56,000	101,542	(45,542)
Debt service:				
Principal retirement	46,000	46,000	68,581	(22,581)
Interest and fiscal charges	520	520	520	-
Total Charges to Appropriations	2,880,690	2,880,690	2,978,422	(97,732)
Budgetary Fund Balance, June 30	\$ 4,653,775	\$ 4,653,775	\$ 4,620,605	\$ (33,170)

CITY OF LIVE OAK

BUDGETARY COMPARISON SCHEDULE
14-HOME-9274
YEAR ENDED JUNE 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (4,395)	\$ (4,395)	\$ (4,395)	\$ -
Resources (Inflows):				
Intergovernmental	1,593,462	1,593,462	1,484,409	(109,053)
Amounts Available for Appropriations	1,589,067	1,589,067	1,480,014	(109,053)
Charges to Appropriation (Outflow):				
Community development	1,593,462	1,593,462	1,483,959	109,503
Total Charges to Appropriations	1,593,462	1,593,462	1,483,959	109,503
Budgetary Fund Balance, June 30	\$ (4,395)	\$ (4,395)	\$ (3,945)	\$ 450

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
PROGRAM INCOME
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 43,175	\$ 43,175	\$ 43,175	\$ -
Resources (Inflows):				
Intergovernmental	87,000	87,000	323,902	236,902
Use of money and property	300	300	435	135
Amounts Available for Appropriations	130,475	130,475	367,512	237,037
Charges to Appropriation (Outflow):				
Community development	10,000	10,000	98,473	(88,473)
Transfers out	107,000	107,000	71,570	35,430
Total Charges to Appropriations	117,000	117,000	170,043	(53,043)
Budgetary Fund Balance, June 30	\$ 13,475	\$ 13,475	\$ 197,469	\$ 183,994

**CITY OF LIVE OAK
 COST SHARING MULTIPLE EMPLOYER BENEFIT PLAN
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 AS OF JUNE 30, 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Miscellaneous Plan			
Plan's Proportion of the Net Pension Liability	0.01965%	0.02026%	0.01889%
Plan's Proportionate Share of the Net Pension Liability	\$ 1,222,792	\$ 1,390,791	\$ 1,634,430
Plan's Covered Payroll	\$ 1,126,901	\$ 961,817	\$ 1,091,598
Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	108.51%	144.60%	149.73%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only three years are shown.

**CITY OF LIVE OAK
 COST SHARING MULTIPLE EMPLOYER BENEFIT PLAN
 SCHEDULE OF PLAN CONTRIBUTIONS
 AS OF JUNE 30, 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Miscellaneous Plan			
Actuarially Determined Contribution	\$ 212,735	\$ 219,352	\$ 234,653
Contribution in Relation to the Actuarially Determined Contribution	(212,735)	(219,352)	(234,653)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 961,817	\$ 1,091,598	\$ 1,108,151
Contributions as a Percentage of Covered-Employee Payroll	22.12%	20.09%	21.18%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only three years are shown.

Note to Schedule:

Valuation Date:	June 30, 2014
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method/period	Level percent payroll/closed
Asset valuation method	Market value
Inflation	2.75%
Salary increases	3.30% to 14.20%
Payroll growth	3.00%
Investment rate of return	7.65% net of pension plan investment and administrative expenses; includes inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007
Mortality	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF LIVE OAK

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED JUNE 30, 2017**

SCHEUDLE 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 shows a three year anaysis 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 Assets Value	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
June 30, 2011	\$ 204,000	\$ 293,000	\$ (89,000)	69.6%	\$ 980,000	-9.1%
June 30, 2013	265,133	246,531	18,602	107.5%	948,322	2.0%
June 30, 2015	329,085	274,834	54,251	119.7%	922,413	5.9%

**CITY OF LIVE OAK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017**

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, 2017, the following funds did not have annual appropriated budgets.

State Grant Fund
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.

**CITY OF LIVE OAK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Note 2: Expenditures in Excess of Appropriations

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

Fund	Expenditures	Appropriations	Excess
General Fund:			
General Government			
Finance Services	\$ 184,891	\$ 165,232	\$ (19,659)
City Attorney	61,641	51,500	(10,141)
Public Safety			
Fire Services	439,565	438,991	(574)
Community Development			
Economic Development	31,078	25,000	(6,078)
Culture and Recreation			
Recreation Services	217,433	157,774	(59,659)
Facility Maintenance	196,421	39,100	(157,321)
Community Center	6,507	-	(6,507)
Public Ways and Facilities			
Engineering	101,542	56,000	(45,542)
Program Income:			
Community Development	98,473	10,000	(88,473)

THIS PAGE INTENTIONALLY LEFT BLANK

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.

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).

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			
	Developer Deposits	Streets and Roads	Traffic Safety	COPS
Assets:				
Cash and investments	\$ 177,322	\$ 133,306	\$ 5,779	\$ 300,578
Receivables:				
Accounts	-	8,193	-	-
Interest	355	262	13	611
Prepaid costs	-	972	-	-
Due from other governments	-	14,803	214	53,448
Total Assets	\$ 177,677	\$ 157,536	\$ 6,006	\$ 354,637
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 7,668	\$ -	\$ 73,892
Retention payable	-	-	-	-
Salaries and benefits payable	-	1,730	-	-
Deposits payable	176,781	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	176,781	9,398	-	73,892
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	49,671
Total Deferred Inflows of Resources	-	-	-	49,671
Fund Balances:				
Nonspendable:				
Prepaid costs	-	972	-	-
Restricted for:				
Restricted	896	147,166	6,006	231,074
Unassigned	-	-	-	-
Total Fund Balances	896	148,138	6,006	231,074
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 177,677	\$ 157,536	\$ 6,006	\$ 354,637

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	Sidewalk Improvement	Street Lighting	Mello Roos CFD 92-1	Fire Benefit Assessment
Assets:				
Cash and investments	\$ 17,262	\$ 112,599	\$ 168,849	\$ 24,990
Receivables:				
Accounts	-	-	-	-
Interest	35	209	321	53
Prepaid costs	-	-	1,421	-
Due from other governments	148	1,944	1,378	3,577
Total Assets	\$ 17,445	\$ 114,752	\$ 171,969	\$ 28,620
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 4,577	\$ 160	\$ -
Retention payable	-	-	-	-
Salaries and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	45,000	-
Total Liabilities	-	4,577	45,160	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	1,421	-
Restricted for:				
Restricted	17,445	110,175	125,388	28,620
Unassigned	-	-	-	-
Total Fund Balances	17,445	110,175	126,809	28,620
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,445	\$ 114,752	\$ 171,969	\$ 28,620

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			
	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
Assets:				
Cash and investments	\$ 12,431	\$ 48,877	\$ 34	\$ 24,265
Receivables:				
Accounts	-	-	-	-
Interest	22	93	-	45
Prepaid costs	-	2,319	-	-
Due from other governments	1,958	5,310	307	319
Total Assets	\$ 14,411	\$ 56,599	\$ 341	\$ 24,629
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 2,080	\$ -	\$ 2,724
Retention payable	-	-	-	-
Salaries and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	1,174	-
Total Liabilities	-	2,080	1,174	2,724
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	2,319	-	-
Restricted for:				
Restricted	14,411	52,200	-	21,905
Unassigned	-	-	(833)	-
Total Fund Balances	14,411	54,519	(833)	21,905
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,411	\$ 56,599	\$ 341	\$ 24,629

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	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	\$ 41,571	\$ 133,124	\$ 38,090	\$ 200,081
Receivables:				
Accounts	-	-	-	-
Interest	71	261	77	406
Prepaid costs	-	-	-	-
Due from other governments	2,426	319	-	-
Total Assets	\$ 44,068	\$ 133,704	\$ 38,167	\$ 200,487
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 689	\$ 81	\$ -	\$ -
Retention payable	-	-	-	-
Salaries and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	689	81	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Restricted	43,379	133,623	38,167	200,487
Unassigned	-	-	-	-
Total Fund Balances	43,379	133,623	38,167	200,487
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 44,068	\$ 133,704	\$ 38,167	\$ 200,487

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			
	Public Works Impact Fees	General Government Impact Fees	Police Impact Fees	Fire Impact Fees
Assets:				
Cash and investments	\$ 9,919	\$ 326,343	\$ 148,021	\$ 95,854
Receivables:				
Accounts	-	-	-	-
Interest	20	661	300	194
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 9,939	\$ 327,004	\$ 148,321	\$ 96,048
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Retention payable	-	-	-	-
Salaries and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Restricted	9,939	327,004	148,321	96,048
Unassigned	-	-	-	-
Total Fund Balances	9,939	327,004	148,321	96,048
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,939	\$ 327,004	\$ 148,321	\$ 96,048

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	Signal Impact Fees	Flood Control Impact Fees	Storm Drain Connection Fees	13-CDBG- 8933 Skate Park
Assets:				
Cash and investments	\$ 557,559	\$ 1,699	\$ 86,124	\$ -
Receivables:				
Accounts	-	-	-	-
Interest	1,131	214	762	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	607,762
Total Assets	\$ 558,690	\$ 1,913	\$ 86,886	\$ 607,762
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 64,762
Retention payable	-	-	-	27,947
Salaries and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	500,241
Total Liabilities	-	-	-	592,950
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	607,762
Total Deferred Inflows of Resources	-	-	-	607,762
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted for:				
Restricted	558,690	1,913	86,886	-
Unassigned	-	-	-	(592,950)
Total Fund Balances	558,690	1,913	86,886	(592,950)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 558,690	\$ 1,913	\$ 86,886	\$ 607,762

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			Total Governmental Funds
	10-HOME- 6349 Maple Park	11-HOME- 7661	Transportation	
Assets:				
Cash and investments	\$ (750)	\$ 177,085	\$ 236,782	\$ 3,077,794
Receivables:				
Accounts	-	-	-	8,193
Interest	-	-	906	7,022
Prepaid costs	-	-	-	4,712
Due from other governments	-	-	401,570	1,095,483
Total Assets	\$ (750)	\$ 177,085	\$ 639,258	\$ 4,193,204
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 3,945	\$ 160,578
Retention payable	-	-	-	27,947
Salaries and benefits payable	-	-	-	1,730
Deposits payable	-	-	-	176,781
Due to other funds	-	-	-	546,415
Total Liabilities	-	-	3,945	913,451
Deferred Inflows of Resources:				
Unavailable revenues	-	-	63,747	721,180
Total Deferred Inflows of Resources	-	-	63,747	721,180
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	4,712
Restricted for:				
Restricted	-	177,085	571,566	3,148,394
Unassigned	(750)	-	-	(594,533)
Total Fund Balances	(750)	177,085	571,566	2,558,573
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ (750)	\$ 177,085	\$ 639,258	\$ 4,193,204

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			
	Developer Deposits	Streets and Roads	Traffic Safety	COPS
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	4,057	-
Use of money and property	800	-	26	1,552
Intergovernmental	-	180,188	-	129,447
Charges for services	-	7,341	-	-
Other revenue	-	10,313	-	-
Total Revenues	800	197,842	4,083	130,999
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	4,000	46,012
Public ways and facilities	-	163,110	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	133,106
Total Expenditures	-	163,110	4,000	179,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	800	34,732	83	(48,119)
Other Financing Sources (Uses):				
Transfers in	-	13,968	-	-
Transfers out	-	(35,901)	-	-
Total Other Financing Sources (Uses)	-	(21,933)	-	-
Net Change in Fund Balances	800	12,799	83	(48,119)
Fund Balances, Beginning of Year	96	135,339	5,923	279,193
Fund Balances, End of Year	\$ 896	\$ 148,138	\$ 6,006	\$ 231,074

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	Sidewalk Improvement	Street Lighting	Mello Roos CFD 92-1	Fire Benefit Assessment
Revenues:				
Taxes and assessments	\$ -	\$ 56,855	\$ -	\$ 121,483
Licenses and permits	-	-	129,045	-
Fines and forfeitures	-	-	-	-
Use of money and property	88	505	685	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenue	148	1,627	-	-
Total Revenues	236	58,987	129,730	121,483
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	129,388
Public ways and facilities	-	55,700	-	-
Culture and recreation	-	-	-	-
Community development	-	-	160,051	-
Capital outlay	-	-	-	-
Total Expenditures	-	55,700	160,051	129,388
Excess (Deficiency) of Revenues Over (Under) Expenditures	236	3,287	(30,321)	(7,905)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	236	3,287	(30,321)	(7,905)
Fund Balances, Beginning of Year	17,209	106,888	157,130	36,525
Fund Balances, End of Year	\$ 17,445	\$ 110,175	\$ 126,809	\$ 28,620

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			
	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
Revenues:				
Taxes and assessments	\$ 97,701	\$ 264,898	\$ 15,387	\$ 15,942
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	134
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	97,701	264,898	15,387	16,076
Expenditures:				
Current:				
General government	113,252	-	-	-
Public safety	-	320,076	20,557	-
Public ways and facilities	-	-	-	32,728
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	113,252	320,076	20,557	32,728
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,551)	(55,178)	(5,170)	(16,652)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(15,551)	(55,178)	(5,170)	(16,652)
Fund Balances, Beginning of Year	29,962	109,697	4,337	38,557
Fund Balances, End of Year	\$ 14,411	\$ 54,519	\$ (833)	\$ 21,905

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	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	\$ 121,159	\$ 15,942	\$ 91	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	19	644	194	1,024
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	121,178	16,586	285	1,024
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities	-	7,014	-	-
Culture and recreation	128,069	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	128,069	7,014	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,891)	9,572	285	1,024
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(6,891)	9,572	285	1,024
Fund Balances, Beginning of Year	50,270	124,051	37,882	199,463
Fund Balances, End of Year	\$ 43,379	\$ 133,623	\$ 38,167	\$ 200,487

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			
	Public Works Impact Fees	General Government Impact Fees	Police Impact Fees	Fire Impact Fees
Revenues:				
Taxes and assessments	\$ -	\$ 116	\$ 63	\$ 175
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	51	1,670	757	490
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	51	1,786	820	665
Expenditures:				
Current:				
General government	-	2,320	-	-
Public safety	-	-	-	-
Public ways and facilities	(66)	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	(66)	2,320	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	117	(534)	820	665
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	117	(534)	820	665
Fund Balances, Beginning of Year	9,822	327,538	147,501	95,383
Fund Balances, End of Year	\$ 9,939	\$ 327,004	\$ 148,321	\$ 96,048

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	Signal Impact Fees	Flood Control Impact Fees	Storm Drain Connection Fees	13-CDBG-8933 Skate Park
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	2,853	541	1,915	-
Intergovernmental	-	-	-	26,222
Charges for services	3,849	-	-	-
Other revenue	-	-	15,293	-
Total Revenues	6,702	541	17,208	26,222
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities	-	-	2,829	-
Culture and recreation	-	-	-	-
Community development	-	-	-	56,374
Capital outlay	-	-	-	577,609
Total Expenditures	-	-	2,829	633,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,702	541	14,379	(607,761)
Other Financing Sources (Uses):				
Transfers in	-	-	-	71,570
Transfers out	-	(104,000)	(287,100)	-
Total Other Financing Sources (Uses)	-	(104,000)	(287,100)	71,570
Net Change in Fund Balances	6,702	(103,459)	(272,721)	(536,191)
Fund Balances, Beginning of Year	551,988	105,372	359,607	(56,759)
Fund Balances, End of Year	\$ 558,690	\$ 1,913	\$ 86,886	\$ (592,950)

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			Total Governmental Funds
	10-HOME- 6349 Maple Park	11-HOME- 7661	Transportation	
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 709,812
Licenses and permits	-	-	-	129,045
Fines and forfeitures	-	-	-	4,057
Use of money and property	-	-	4,475	18,423
Intergovernmental	-	7,576	397,949	741,382
Charges for services	-	-	-	11,190
Other revenue	-	-	-	27,381
Total Revenues	-	7,576	402,424	1,641,290
Expenditures:				
Current:				
General government	-	-	-	115,572
Public safety	-	-	-	520,033
Public ways and facilities	-	-	27,643	288,958
Culture and recreation	-	-	-	128,069
Community development	-	-	-	216,425
Capital outlay	-	-	-	710,715
Total Expenditures	-	-	27,643	1,979,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	7,576	374,781	(338,482)
Other Financing Sources (Uses):				
Transfers in	-	-	-	85,538
Transfers out	-	-	(933,410)	(1,360,411)
Total Other Financing Sources (Uses)	-	-	(933,410)	(1,274,873)
Net Change in Fund Balances	-	7,576	(558,629)	(1,613,355)
Fund Balances, Beginning of Year	(750)	169,509	1,130,195	4,171,928
Fund Balances, End of Year	\$ (750)	\$ 177,085	\$ 571,566	\$ 2,558,573

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
STREETS AND ROADS
YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 135,339	\$ 135,339	\$ 135,339	\$ -
Resources (Inflows):				
Intergovernmental	180,300	180,300	180,188	(112)
Charges for services	8,200	8,200	7,341	(859)
Use of money and property	800	800	-	(800)
Miscellaneous	9,500	9,500	10,313	813
Transfers in	4,000	4,000	13,968	9,968
Amounts Available for Appropriations	338,139	338,139	347,149	9,010
Charges to Appropriation (Outflow):				
Public works	205,731	205,731	163,110	42,621
Transfers out	35,000	35,000	35,901	(901)
Total Charges to Appropriations	240,731	240,731	199,011	41,720
Budgetary Fund Balance, June 30	\$ 97,408	\$ 97,408	\$ 148,138	\$ 50,730

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,923	\$ 5,923	\$ 5,923	\$ -
Resources (Inflows):				
Use of money and property	-	-	26	26
Fines and forfeitures	5,000	5,000	4,057	(943)
Amounts Available for Appropriations	10,923	10,923	10,006	(917)
Charges to Appropriation (Outflow):				
Public safety	4,000	4,000	4,000	-
Total Charges to Appropriations	4,000	4,000	4,000	-
Budgetary Fund Balance, June 30	\$ 6,923	\$ 6,923	\$ 6,006	\$ (917)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
COPS
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 279,193	\$ 279,193	\$ 279,193	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	129,447	29,447
Use of money and property	500	500	1,552	1,052
Amounts Available for Appropriations	379,693	379,693	410,192	30,499
Charges to Appropriation (Outflow):				
Public safety	29,500	29,500	46,012	(16,512)
Capital outlay	97,000	97,000	133,106	(36,106)
Total Charges to Appropriations	126,500	126,500	179,118	(52,618)
Budgetary Fund Balance, June 30	\$ 253,193	\$ 253,193	\$ 231,074	\$ (22,119)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
SIDEWALK IMPROVEMENT
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 17,209	\$ 17,209	\$ 17,209	\$ -
Resources (Inflows):				
Use of money and property	50	50	88	38
Miscellaneous	-	-	148	148
Amounts Available for Appropriations	17,259	17,259	17,445	186
Charges to Appropriation (Outflow):				
Capital outlay	17,200	17,200	-	17,200
Total Charges to Appropriations	17,200	17,200	-	17,200
Budgetary Fund Balance, June 30	\$ 59	\$ 59	\$ 17,445	\$ 17,386

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 106,888	\$ 106,888	\$ 106,888	\$ -
Resources (Inflows):				
Taxes	49,800	49,800	56,855	7,055
Use of money and property	200	200	505	305
Miscellaneous	1,500	1,500	1,627	127
Amounts Available for Appropriations	158,388	158,388	165,875	7,487
Charges to Appropriation (Outflow):				
Public works	51,500	51,500	55,700	(4,200)
Total Charges to Appropriations	51,500	51,500	55,700	(4,200)
Budgetary Fund Balance, June 30	\$ 106,888	\$ 106,888	\$ 110,175	\$ 3,287

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 92-1
YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 157,130	\$ 157,130	\$ 157,130	\$ -
Resources (Inflows):				
Licenses and permits	131,000	131,000	129,045	(1,955)
Use of money and property	600	600	685	85
Amounts Available for Appropriations	288,730	288,730	286,860	(1,870)
Charges to Appropriation (Outflow):				
Community development	164,500	164,500	160,051	4,449
Total Charges to Appropriations	164,500	164,500	160,051	4,449
Budgetary Fund Balance, June 30	\$ 124,230	\$ 124,230	\$ 126,809	\$ 2,579

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
FIRE BENEFIT ASSESSMENT
YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 36,525	\$ 36,525	\$ 36,525	\$ -
Resources (Inflows):				
Taxes	124,000	124,000	121,483	(2,517)
Use of money and property	100	100	-	(100)
Amounts Available for Appropriations	160,625	160,625	158,008	(2,617)
Charges to Appropriation (Outflow):				
Public safety	129,200	129,200	129,388	(188)
Total Charges to Appropriations	129,200	129,200	129,388	(188)
Budgetary Fund Balance, June 30	\$ 31,425	\$ 31,425	\$ 28,620	\$ (2,805)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
 MELLO ROOS CFD 2004-1 FIRE
 YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 29,962	\$ 29,962	\$ 29,962	\$ -
Resources (Inflows):				
Taxes	99,000	99,000	97,701	(1,299)
Use of money and property	200	200	-	(200)
Amounts Available for Appropriations	129,162	129,162	127,663	(1,499)
Charges to Appropriation (Outflow):				
General government	117,200	117,200	113,252	3,948
Total Charges to Appropriations	117,200	117,200	113,252	3,948
Budgetary Fund Balance, June 30	\$ 11,962	\$ 11,962	\$ 14,411	\$ 2,449

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 2004-1 POLICE
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 109,697	\$ 109,697	\$ 109,697	\$ -
Resources (Inflows):				
Taxes	265,000	265,000	264,898	(102)
Use of money and property	500	500	-	(500)
Amounts Available for Appropriations	375,197	375,197	374,595	(602)
Charges to Appropriation (Outflow):				
Public safety	305,200	305,200	320,076	(14,876)
Total Charges to Appropriations	305,200	305,200	320,076	(14,876)
Budgetary Fund Balance, June 30	\$ 69,997	\$ 69,997	\$ 54,519	\$ (15,478)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 2004-1 ANIMAL SERVICES
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,337	\$ 4,337	\$ 4,337	\$ -
Resources (Inflows):				
Taxes	15,500	15,500	15,387	(113)
Use of money and property	50	50	-	(50)
Amounts Available for Appropriations	19,887	19,887	19,724	(163)
Charges to Appropriation (Outflow):				
Public safety	20,000	20,000	20,557	(557)
Total Charges to Appropriations	20,000	20,000	20,557	(557)
Budgetary Fund Balance, June 30	\$ (113)	\$ (113)	\$ (833)	\$ (720)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 2004-1 STREET LIGHTING
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 38,557	\$ 38,557	\$ 38,557	\$ -
Resources (Inflows):				
Taxes	15,900	15,900	15,942	42
Use of money and property	200	200	134	(66)
Amounts Available for Appropriations	54,657	54,657	54,633	(24)
Charges to Appropriation (Outflow):				
Public works	22,600	22,600	32,728	(10,128)
Total Charges to Appropriations	22,600	22,600	32,728	(10,128)
Budgetary Fund Balance, June 30	\$ 32,057	\$ 32,057	\$ 21,905	\$ (10,152)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 2004-1 PARKS/RECREATION/POOLS
YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 50,270	\$ 50,270	\$ 50,270	\$ -
Resources (Inflows):				
Taxes	(121,000)	(121,000)	121,159	242,159
Use of money and property	200	200	19	(181)
Amounts Available for Appropriations	<u>(70,530)</u>	<u>(70,530)</u>	<u>171,448</u>	<u>241,978</u>
Charges to Appropriation (Outflow):				
Parks and recreation	131,000	131,000	128,069	2,931
Total Charges to Appropriations	<u>131,000</u>	<u>131,000</u>	<u>128,069</u>	<u>2,931</u>
Budgetary Fund Balance, June 30	<u>\$ (201,530)</u>	<u>\$ (201,530)</u>	<u>\$ 43,379</u>	<u>\$ 244,909</u>

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 2004-1 STORM DRAIN
YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 124,051	\$ 124,051	\$ 124,051	\$ -
Resources (Inflows):				
Taxes	16,000	16,000	15,942	(58)
Use of money and property	200	200	644	444
Amounts Available for Appropriations	140,251	140,251	140,637	386
Charges to Appropriation (Outflow):				
Public works	4,300	4,300	7,014	(2,714)
Total Charges to Appropriations	4,300	4,300	7,014	(2,714)
Budgetary Fund Balance, June 30	\$ 135,951	\$ 135,951	\$ 133,623	\$ (2,328)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
PARKS & RECREATION IMPACT FEES
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 37,882	\$ 37,882	\$ 37,882	\$ -
Resources (Inflows):				
Taxes	7,200	7,200	91	(7,109)
Use of money and property	150	150	194	44
Amounts Available for Appropriations	45,232	45,232	38,167	(7,065)
Charges to Appropriation (Outflow):				
Parks and recreation	37,000	37,000	-	37,000
Total Charges to Appropriations	37,000	37,000	-	37,000
Budgetary Fund Balance, June 30	\$ 8,232	\$ 8,232	\$ 38,167	\$ 29,935

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY CENTER IMPACT FEES
YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 199,463	\$ 199,463	\$ 199,463	\$ -
Resources (Inflows):				
Taxes	1,700	1,700	-	(1,700)
Use of money and property	600	600	1,024	424
Amounts Available for Appropriations	201,763	201,763	200,487	(1,276)
Charges to Appropriation (Outflow):				
Parks and recreation	195,000	195,000	-	195,000
Total Charges to Appropriations	195,000	195,000	-	195,000
Budgetary Fund Balance, June 30	\$ 6,763	\$ 6,763	\$ 200,487	\$ 193,724

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
PUBLIC WORKS IMPACT FEES
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,822	\$ 9,822	\$ 9,822	\$ -
Resources (Inflows):				
Use of money and property	50	50	51	1
Amounts Available for Appropriations	9,872	9,872	9,873	1
Charges to Appropriation (Outflow):				
Public works	(1,300)	(1,300)	(66)	(1,234)
Total Charges to Appropriations	(1,300)	(1,300)	(66)	(1,234)
Budgetary Fund Balance, June 30	\$ 11,172	\$ 11,172	\$ 9,939	\$ (1,233)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
GENERAL GOVERNMENT IMPACT FEES
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 327,538	\$ 327,538	\$ 327,538	\$ -
Resources (Inflows):				
Taxes	2,200	2,200	116	(2,084)
Use of money and property	1,100	1,100	1,670	570
Amounts Available for Appropriations	330,838	330,838	329,324	(1,514)
Charges to Appropriation (Outflow):				
General government	330,000	330,000	2,320	327,680
Total Charges to Appropriations	330,000	330,000	2,320	327,680
Budgetary Fund Balance, June 30	\$ 838	\$ 838	\$ 327,004	\$ 326,166

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
POLICE IMPACT FEES
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 147,501	\$ 147,501	\$ 147,501	\$ -
Resources (Inflows):				
Taxes	1,200	1,200	63	(1,137)
Use of money and property	400	400	757	357
Amounts Available for Appropriations	149,101	149,101	148,321	(780)
Charges to Appropriation (Outflow):				
Public safety	146,000	146,000	-	146,000
Total Charges to Appropriations	146,000	146,000	-	146,000
Budgetary Fund Balance, June 30	\$ 3,101	\$ 3,101	\$ 148,321	\$ 145,220

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
FIRE IMPACT FEES
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 95,383	\$ 95,383	\$ 95,383	\$ -
Resources (Inflows):				
Taxes	3,400	3,400	175	(3,225)
Use of money and property	300	300	490	190
Amounts Available for Appropriations	99,083	99,083	96,048	(3,035)
Charges to Appropriation (Outflow):				
Public safety	90,000	90,000	-	90,000
Total Charges to Appropriations	90,000	90,000	-	90,000
Budgetary Fund Balance, June 30	\$ 9,083	\$ 9,083	\$ 96,048	\$ 86,965

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
SIGNAL IMPACT FEES
YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 551,988	\$ 551,988	\$ 551,988	\$ -
Resources (Inflows):				
Charges for services	6,100	6,100	3,849	(2,251)
Use of money and property	1,000	1,000	2,853	1,853
Amounts Available for Appropriations	559,088	559,088	558,690	(398)
Charges to Appropriation (Outflow):				
Public safety	240,000	240,000	-	240,000
Total Charges to Appropriations	240,000	240,000	-	240,000
Budgetary Fund Balance, June 30	\$ 319,088	\$ 319,088	\$ 558,690	\$ 239,602

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
FLOOD CONTROL IMPACT FEES
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 105,372	\$ 105,372	\$ 105,372	\$ -
Resources (Inflows):				
Use of money and property	300	300	541	241
Amounts Available for Appropriations	105,672	105,672	105,913	241
Charges to Appropriation (Outflow):				
Public safety	104,000	104,000	-	104,000
Transfers out	-	-	104,000	(104,000)
Total Charges to Appropriations	104,000	104,000	104,000	-
Budgetary Fund Balance, June 30	\$ 1,672	\$ 1,672	\$ 1,913	\$ 241

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
STORM DRAIN CONNECTION FEES
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 359,607	\$ 359,607	\$ 359,607	\$ -
Resources (Inflows):				
Use of money and property	1,000	1,000	1,915	915
Miscellaneous	7,900	7,900	15,293	7,393
Amounts Available for Appropriations	368,507	368,507	376,815	8,308
Charges to Appropriation (Outflow):				
Public works	358,000	358,000	2,829	355,171
Transfers out	-	-	287,100	(287,100)
Total Charges to Appropriations	358,000	358,000	289,929	68,071
Budgetary Fund Balance, June 30	\$ 10,507	\$ 10,507	\$ 86,886	\$ 76,379

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
13 CDBG-8933 SKATE PARK
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (56,759)	\$ (56,759)	\$ (56,759)	\$ -
Resources (Inflows):				
Intergovernmental	1,847,840	1,847,840	26,222	(1,821,618)
Transfers in	105,000	105,000	71,570	(33,430)
Amounts Available for Appropriations	1,896,081	1,896,081	41,033	(1,855,048)
Charges to Appropriation (Outflow):				
Community development	1,300,843	1,300,843	56,374	1,244,469
Capital outlay	651,997	651,997	577,609	74,388
Total Charges to Appropriations	1,952,840	1,952,840	633,983	1,318,857
Budgetary Fund Balance, June 30	\$ (56,759)	\$ (56,759)	\$ (592,950)	\$ (536,191)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION
YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,130,195	\$ 1,130,195	\$ 1,130,195	\$ -
Resources (Inflows):				
Intergovernmental	370,000	370,000	397,949	27,949
Use of money and property	1,200	1,200	4,475	3,275
Amounts Available for Appropriation	1,501,395	1,501,395	1,532,619	31,224
Charges to Appropriation (Outflow):				
Public works	38,000	38,000	27,643	10,357
Transfers out	350,000	350,000	933,410	(583,410)
Total Charges to Appropriations	388,000	388,000	961,053	(573,053)
Budgetary Fund Balance, June 30	\$ 1,113,395	\$ 1,113,395	\$ 571,566	\$ (541,829)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT PROJECT
YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (1,003,110)	\$ (1,003,110)	\$ (1,003,110)	\$ -
Resources (Inflows):				
Intergovernmental	6,122,624	6,122,624	426,670	(5,695,954)
Transfers in	1,329,369	1,329,369	1,385,411	56,042
Amounts Available for Appropriations	6,448,883	6,448,883	808,971	(5,639,912)
Charges to Appropriation (Outflow):				
Public works	1,325,624	1,325,624	60,589	1,265,035
Capital outlay	6,126,369	6,126,369	1,198,399	4,927,970
Transfers out	-	-	13,968	(13,968)
Total Charges to Appropriations	7,451,993	7,451,993	1,272,956	6,179,037
Budgetary Fund Balance, June 30	\$ (1,003,110)	\$ (1,003,110)	\$ (463,985)	\$ 539,125

CITY OF LIVE OAK

COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 JUNE 30, 2017

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Connection</u>	<u>Sewer Connection</u>	<u>Totals</u>
Assets:			
Current:			
Cash and investments	\$ 935,433	\$ 405,105	\$ 1,340,538
Receivables:			
Accrued interest	2,062	821	2,883
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 937,495</u>	<u>\$ 405,926</u>	<u>\$ 1,343,421</u>
Net Position:			
Restricted for capital projects	\$ 937,495	\$ 405,926	\$ 1,343,421
	<u> </u>	<u> </u>	<u> </u>
Total Net Position	<u>\$ 937,495</u>	<u>\$ 405,926</u>	<u>\$ 1,343,421</u>

CITY OF LIVE OAK

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017**

	Business-Type Activities - Enterprise Funds		
	Water Connection	Sewer Connection	Totals
Operating Revenues:			
Sales and service charges	\$ 15,270	\$ 9,053	\$ 24,323
Total Operating Revenues	15,270	9,053	24,323
Operating Income	15,270	9,053	24,323
Nonoperating Revenues:			
Interest revenue	5,194	2,065	7,259
Total Nonoperating Revenues	5,194	2,065	7,259
Income Before Transfers	20,464	11,118	31,582
Transfers out	(81,800)	-	(81,800)
Changes in Net Position	(61,336)	11,118	(50,218)
Net Position:			
Beginning of Fiscal Year	998,831	394,808	1,393,639
End of Fiscal Year	\$ 937,495	\$ 405,926	\$ 1,343,421

CITY OF LIVE OAK

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2017

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Connection</u>	<u>Sewer Connection</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 15,270	\$ 9,053	\$ 24,323
Net Cash Provided (Used) by Operating Activities	15,270	9,053	24,323
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	(81,800)	-	(81,800)
Net Cash Provided (Used) by Non-Capital Financing Activities	(81,800)	-	(81,800)
Cash Flows from Investing Activities:			
Interest received	4,328	1,717	6,045
Net Cash Provided by Investing Activities	4,328	1,717	6,045
Net Increase (Decrease) in Cash and Cash Equivalents	(62,202)	10,770	(51,432)
Cash and Cash Equivalents at Beginning of Year	997,635	394,335	1,391,970
Cash and Cash Equivalents at End of Year	\$ 935,433	\$ 405,105	\$ 1,340,538
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 15,270	\$ 9,053	\$ 24,323
Net Cash Provided by Operating Activities	\$ 15,270	\$ 9,053	\$ 24,323

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.

THIS PAGE INTENTIONALLY LEFT BLANK

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

	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Governmental Activities										
Net investment in capital assets	\$ 22,369,965	\$ 23,825,627	\$ 25,091,826	\$ 26,297,382	\$ 26,710,539	\$ 24,859,451	\$ 25,177,065	\$ 26,423,155	\$ 27,103,387	\$ 28,265,740
Restricted	5,655,141	5,249,750	4,442,014	4,353,031	10,859,158	10,932,658	10,503,214	12,167,030	4,272,612	3,345,863
Unrestricted	5,543,662	4,625,325	4,242,057	4,024,456	4,757,333	4,487,549	4,737,305	4,485,329	4,280,849	5,445,053
Total governmental activities net position	33,568,768	33,700,702	33,775,897	34,674,869	42,327,030	40,279,658	40,417,584	43,075,514	35,656,848	37,056,656
Business-type Activities										
Net investment in capital assets	20,379,766	20,296,002	23,752,860	25,362,569	24,238,464	32,253,055	31,055,100	29,831,525	28,599,846	28,727,091
Restricted	118,297	118,297	149,094	765,294	2,208,655	2,189,552	2,107,725	2,228,397	2,401,678	1,343,421
Unrestricted	6,392,756	680,141	3,809,714	1,710,380	1,211,917	2,441,509	2,837,663	2,263,256	2,554,799	3,760,366
Total business-type activities net position	26,890,819	21,094,440	27,711,668	27,838,243	27,659,036	36,884,116	36,000,488	34,323,178	33,556,323	33,830,878
Primary Government										
Net investment in capital assets	42,749,731	44,121,629	48,844,686	51,659,951	50,949,003	57,112,506	56,232,165	56,254,680	55,703,233	56,992,831
Restricted	5,773,438	5,368,047	4,591,108	5,118,325	13,067,813	13,122,210	12,610,939	14,395,427	6,674,290	4,689,284
Unrestricted	11,936,418	5,305,466	8,051,771	5,734,836	5,969,250	6,929,058	7,574,968	6,748,585	6,835,648	9,205,419
Total primary government net position	\$ 60,459,587	\$ 54,795,142	\$ 61,487,565	\$ 62,513,112	\$ 69,986,066	\$ 77,163,774	\$ 76,418,072	\$ 77,398,692	\$ 69,213,171	\$ 70,887,534

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

	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Expenses										
Governmental Activities:										
General government	\$ 867,560	\$ 627,563	\$ 466,702	\$ 476,146	\$ 384,156	\$ 412,935	\$ 399,590	\$ 543,796	\$ 519,223	\$ 699,781
Public safety	163,248	1,806,590	1,698,799	1,835,998	1,727,176	1,692,570	1,744,005	1,635,797	2,235,826	2,033,209
Public ways and facilities	978,051	1,005,625	695,187	858,822	844,433	775,399	1,178,326	1,418,607	1,196,682	2,031,089
Culture and recreation	485,944	661,265	477,418	524,675	515,775	503,341	496,495	544,100	609,869	833,110
Community development	1,101,216	1,054,897	439,633	388,380	606,085	589,673	517,636	620,114	2,474,188	2,060,694
Interest on long-term debt	7,577	7,111	6,305	16,556	4,908	4,160	3,348	3,748	2,584	520
Total Governmental Activities Expense	3,603,596	5,163,051	3,784,044	4,100,577	4,082,553	3,978,078	4,339,400	4,766,162	7,038,372	7,658,403
Business-type Activities:										
Water	1,078,638	1,294,680	1,317,033	1,274,430	1,267,180	1,342,609	1,381,185	1,404,692	1,275,640	1,306,471
Sewer	1,121,776	1,269,658	1,323,859	1,661,896	1,614,859	2,694,727	2,544,455	2,633,340	2,704,970	2,724,674
Total Business-type Activities Expense	2,200,414	2,564,338	2,640,892	2,936,326	2,882,039	4,037,336	3,925,640	4,038,032	3,980,610	4,031,145
Total Primary Government Expense	5,804,010	7,727,389	6,424,936	7,036,903	6,964,592	8,015,414	8,265,040	8,804,194	11,018,982	11,689,548
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	73,919	62,823	63,838	67,433	435,738	76,244	70,805	76,876	83,748	366,660
Public safety	361,484	336,655	363,492	355,367	384,574	388,263	378,725	408,070	398,570	4,057
Public ways and facilities	806,589	332,088	474,204	474,353	410,929	344,981	343,482	426,434	973,516	233,355
Culture and recreation	235,096	132,423	139,756	150,378	146,573	170,061	162,631	252,394	185,432	64,221
Community development	340,850	82,243	184,538	233,189	147,962	151,284	178,503	144,641	320,667	1,055,642
Operating grants and contributions	1,484,052	980,955	744,348	1,466,831	4,358,608	1,385,431	1,004,975	1,977,712	2,793,371	1,857,982
Capital grants and contributions	2,809,465	759,589	152,576	257,902	117,592	564,161	402,859	2,152,350	1,690,492	1,295,923
Total Governmental Activities Program Revenues	6,111,455	2,686,776	2,122,752	3,005,453	6,001,976	3,080,425	2,541,980	5,438,477	6,445,796	4,877,840
Business-type Activities:										
Charges for services:										
Water	1,260,977	921,547	1,040,934	1,050,211	844,900	902,570	850,832	882,743	878,199	809,830
Sewer	1,844,538	1,447,946	1,772,336	2,037,925	1,863,695	2,181,809	2,179,286	2,241,249	2,291,083	2,243,244
Water Connections										15,270
Sewer Connections										9,053
Operating grants and contributions										
Capital grants and contributions	2,882,698	200,000			84,247	10,161,065			23,000	1,027,513
Total Business-type Activities Program Revenues	5,988,213	2,569,493	2,813,270	3,088,136	2,792,842	13,245,444	3,030,118	3,123,992	3,192,282	4,104,910
Total Primary Government Program Revenues	\$ 12,099,668	\$ 5,256,269	\$ 4,936,022	\$ 6,093,589	\$ 8,794,818	\$ 16,325,869	\$ 5,572,098	\$ 8,562,469	\$ 9,638,078	\$ 8,982,750

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

	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Net (Expense)/Revenues (1)										
Governmental Activities	\$ 2,507,859	\$ (2,476,275)	\$ (1,661,292)	\$ (1,095,124)	\$ 1,919,423	\$ (897,653)	\$ (1,797,420)	\$ 672,315	\$ (592,576)	\$ (2,780,563)
Business-type activities	3,787,809	5,155	172,378	151,810	(89,197)	9,208,108	(895,522)	(914,040)	(788,328)	73,765
Total Primary Governmental Net Expense	\$ 6,295,668	\$ (2,471,120)	\$ (1,488,914)	\$ (943,314)	\$ 1,830,226	\$ 8,310,455	\$ (2,692,942)	\$ (241,725)	\$ (1,380,904)	\$ (2,706,798)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes	\$ 1,716,555	\$ 1,645,832	\$ 1,498,092	\$ 1,221,589	\$ 1,250,494	\$ 1,239,301	\$ 1,241,319	\$ 1,382,229	\$ 1,383,175	\$ 1,476,356
Sales and use taxes	184,036	186,347	176,158	197,343	222,448	262,905	294,102	263,086	297,481	325,380
Franchise taxes	137,139	138,523	136,247	138,306	135,517	136,868	139,766	155,071	166,356	-
Property taxes	16,662	14,620	11,451	10,688	11,301	9,114	12,837	8,290	11,536	-
Other taxes	-	-	-	-	-	-	-	-	-	716,398
Use of money and property	-	-	-	-	-	-	-	-	-	87,766
Grants and contributions - unrestricted	53,556	37,354	28,895	44,502	6,840	4,792	4,145	80,806	34,609	-
Interest and investment earnings	457,890	264,186	109,954	97,386	79,828	75,530	73,827	79,218	113,073	-
Miscellaneous	546,058	124,779	267,018	231,104	92,395	120,453	169,350	64,888	217,676	-
Other	-	-	-	-	-	-	-	-	-	541,664
Transfers	102,644	101,412	(491,328)	53,178	103,898	(378,280)	-	-	-	25,000
Special Item	-	-	-	-	-	-	-	447,830	-	-
Extraordinary gain	-	-	-	-	378,280	-	-	-	-	-
Total Governmental Activities	3,214,540	2,513,053	1,736,487	1,994,096	2,281,001	1,470,683	1,935,346	2,481,418	2,223,906	3,172,564
Business-type Activities:										
Use of money and property	-	-	-	-	-	-	-	-	-	28,460
Interest and investment earnings	276,550	135,642	39,313	23,298	13,411	10,974	10,221	13,448	21,309	-
Miscellaneous	-	-	14,209	4,645	477	5,998	1,673	1,934	164	-
Other	-	-	-	-	-	-	-	-	-	667
Transfers	(102,644)	(101,412)	491,328	(53,178)	(103,898)	-	-	-	-	(25,000)
Total Business-Type Activities	173,906	34,230	544,850	(25,235)	(90,010)	16,972	11,894	15,382	21,473	4,127
Total Primary Government	\$ 3,388,446	\$ 2,547,283	\$ 2,281,337	\$ 1,968,861	\$ 2,190,991	\$ 1,487,655	\$ 1,947,240	\$ 2,496,800	\$ 2,245,379	\$ 3,176,691
Change in Net Position										
Governmental Activities	\$ 5,722,399	\$ 36,778	\$ 75,195	\$ 898,972	\$ 4,200,424	\$ 573,030	\$ 137,926	\$ 3,153,733	\$ 1,631,330	\$ 392,001
Business-type activities	3,961,715	39,385	717,228	126,575	(179,207)	9,225,080	(883,628)	(898,658)	(766,855)	77,892
Total Primary Government	\$ 9,684,114	\$ 76,163	\$ 792,423	\$ 1,025,547	\$ 4,021,217	\$ 9,798,110	\$ (745,702)	\$ 2,255,075	\$ 864,475	\$ 469,893

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.

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

	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
General Fund										
Reserved	\$ 12,245	\$ 14,745	\$ 17,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	5,202,120	4,388,451	4,143,909	-	-	-	-	-	-	-
Nonspendable	-	-	-	379,300	-	-	-	451,274	8,115	10,661
Committed	-	-	-	2,481,928	2,487,180	2,510,279	2,514,883	2,519,197	2,525,652	2,534,045
Unassigned	-	-	-	1,526,655	1,918,069	1,985,378	2,037,092	2,227,090	2,230,647	2,075,899
Total General Fund	\$ 5,214,365	\$ 4,403,196	\$ 4,161,154	\$ 4,387,883	\$ 4,405,249	\$ 4,495,657	\$ 4,551,975	\$ 5,197,561	\$ 4,764,414	\$ 4,620,605
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue funds	\$ 5,513,199	\$ 5,235,025	\$ 4,424,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital project funds	(35,615)	-	(209,921)	-	-	-	-	-	-	-
Nonspendable	-	-	-	172,530	-	-	-	484	330	4,712
Restricted	-	-	-	4,180,501	10,859,158	10,923,658	10,503,214	11,975,628	4,272,282	3,345,863
Unassigned	-	-	-	(386,273)	(4,439)	(346,316)	(49,787)	(411,087)	(1,270,688)	(1,840,637)
Total All Other Governmental Funds	\$ 5,477,584	\$ 5,235,025	\$ 4,214,848	\$ 3,966,758	\$ 10,854,719	\$ 10,577,342	\$ 10,453,427	\$ 11,565,025	\$ 3,001,924	\$ 1,509,938

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.

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

	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Revenues										
Taxes and assessment	\$ 2,755,058	\$ 2,578,059	\$ 2,540,100	\$ 2,613,913	\$ 2,485,312	\$ 2,863,851	\$ 2,220,317	\$ 2,352,464	\$ 2,411,650	\$ 2,518,134
Licenses and permits	1,039,549	444,691	562,834	549,275	522,378	394,624	451,881	482,426	646,258	450,120
Fines and forfeitures	7,436	15,084	6,922	5,751	9,870	6,721	6,867	3,594	6,935	4,057
Use of money	457,890	264,186	109,954	97,386	76,999	78,359	73,827	79,218	113,073	87,766
Intergovernmental	1,588,190	1,131,234	704,323	1,449,768	4,217,447	1,141,556	1,575,066	4,115,325	3,853,365	3,443,320
Charges for services	97,797	52,807	79,370	105,240	60,727	133,467	80,882	258,513	558,685	103,286
Other revenues	546,058	124,779	276,604	231,104	92,395	120,453	169,350	64,888	217,676	558,732
Total Revenues	\$ 6,491,978	\$ 4,610,840	\$ 4,280,107	\$ 5,052,437	\$ 7,465,128	\$ 4,739,031	\$ 4,578,190	\$ 7,356,428	\$ 7,807,642	\$ 7,165,415
Expenditures										
Current:										
General government	\$ 880,572	\$ 587,672	\$ 411,815	\$ 412,141	\$ 327,197	\$ 367,720	\$ 347,258	\$ 514,871	\$ 488,652	\$ 688,906
Public safety	1,504,358	1,717,263	1,611,660	1,725,374	1,641,963	1,602,027	1,670,167	1,585,506	2,148,112	1,914,124
Public ways and facilities	544,653	289,885	256,301	414,164	372,854	275,526	678,801	923,626	735,070	1,472,836
Culture and recreation	417,575	584,656	383,213	423,889	409,879	397,262	386,469	432,264	501,979	725,565
Community development	1,101,216	852,952	439,633	388,380	606,085	589,673	517,636	627,037	2,482,059	2,041,715
Debt service										
Principal	9,000	10,000	10,000	11,000	11,000	12,000	13,000	66,342	67,461	68,581
Interest	7,577	7,111	6,305	16,556	4,908	4,160	3,348	3,748	2,584	520
Capital outlay	924,702	1,715,411	1,933,071	1,908,002	1,119,830	1,167,335	1,038,108	2,422,505	1,866,084	1,909,114
Total Expenditures	5,389,653	5,764,950	5,051,998	5,299,506	4,493,716	4,415,703	4,654,787	6,575,899	8,292,001	8,821,361
Excess of Revenues Over (under) Expenditures	1,102,325	(1,154,110)	(771,891)	(247,069)	2,971,412	323,328	(76,597)	780,529	(484,359)	(1,655,946)
Other Financial Sources (Uses)										
Issuance of debt	-	-	-	-	-	-	-	528,825	-	-
Transfers in	3,123,756	2,154,907	2,110,306	1,918,195	4,664,414	1,123,115	993,112	5,033,468	615,014	1,470,949
Transfers out	(3,021,112)	(2,053,495)	(2,601,634)	(1,865,017)	(4,560,516)	(1,501,395)	(993,112)	(5,033,468)	(615,014)	(1,445,949)
Total Other Financial Sources (Uses)	102,644	101,412	(491,328)	53,178	103,898	(378,280)	-	528,825	-	25,000
Special Item - Reinstatement of loan receivable	-	-	-	-	-	-	-	447,830	-	(4,849)
Extraordinary gain	-	-	-	-	378,280	-	-	-	-	-
Net Change in Fund Balances	\$ 1,204,969	\$ (1,052,698)	\$ (1,263,219)	\$ (193,891)	\$ 3,453,590	\$ (54,952)	\$ (76,597)	\$ 1,757,184	\$ (484,359)	\$ (1,635,795)
Debt Service as a Percentage of Nonecapital Expenditures	0.37%	0.42%	0.53%	0.82%	0.47%	0.50%	0.45%	1.72%	1.10%	1.01%

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	59.60%	1.000%
2007/2008	388,826,609	4,409,217	55,926	393,291,752	27.23%	1.000%
2008/2009	370,352,618	5,445,846	66,680	375,865,144	-4.43%	1.000%
2009/2010	323,245,981	5,607,852	66,680	328,920,513	-12.49%	1.000%
2010/2011	288,107,715	5,141,917	66,680	293,316,312	-10.82%	1.000%
2011/2012	274,962,151	5,101,648	66,680	280,130,479	-4.50%	1.000%
2012/2013	272,426,872	5,096,684	2,004	277,525,560	-0.93%	1.000%
2013/2014	279,374,003	4,610,118	2,004	283,986,125	2.33%	1.000%
2014/2015	315,429,043	5,473,874	2,004	320,904,921	13.00%	1.000%
2015/2016	330,917,725	5,238,525	2,004	336,158,254	4.75%	1.000%
2016/2017	352,823,047	4,561,387	2,439	357,386,873	6.32%	0.000%

Notes:

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

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

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

	Fiscal Year									
	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
City of Live Oak										
General purpose	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Property tax in lieu of vehicle license fees	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Live Oak Unified School District	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Yuba Community College District	0.023	0.060	0.059	0.073	0.076	0.081	0.082	0.074	0.073	0.065
Special Districts	0.014	0.016	0.018	0.015	0.025	0.025	0.027	0.025	0.025	0.026
	-	-	-	-	-	-	-	-	-	-
	1.037	1.076	1.076	1.087	1.101	1.106	1.110	1.099	1.098	1.091

Notes:

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

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

Source: Assessor's Office, County of Sutter
Hdl, Coren & Conte

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

<u>Taxpayer</u>	<u>Fiscal Year 2016/2017</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
CCA Properties of America	\$ 6,979,497	1.95%
9000 Larkin Road	4,140,029	1.16%
Millennium Farms LLC	3,468,960	0.97%
Tower Energy Group Corporation	3,450,855	0.97%
Rilco-Edwards LLC	3,106,591	0.87%
KB Home Sacramento Inc	2,680,347	0.75%
Jaswant S Saprai	2,438,360	0.68%
Slagle Rev 88 Trust Etal	2,271,140	0.64%
Sunsweet Dreyers Etal	1,959,155	0.55%
L and R Gas and Food Inc	1,976,055	0.55%
	<u>\$ 32,470,989</u>	<u>9.09%</u>

Total City of Live Oak assessed property valuation Fiscal Year 2015/16 \$ 357,386,873

<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%
Millennium Farms LLC	3,267,368	0.97%
Rilco-Edwards LLC	3,059,940	0.91%
Jaswant S. Saprai	2,416,558	0.72%
Sunswee Dryers Etal	2,349,477	0.70%
KB Home Sacramento Inc	2,134,000	0.63%
Slagle Rev 88 Trust Etal	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 \$ 336,158,254

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

<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	\$ 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	0.89%
KB Homes Sacramento	2,107,000	0.75%
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%
Millennium 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>

<u>Taxpayer</u>	<u>Fiscal Year 2012/13</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
CCA Properties of America	\$ 6,576,015	2.37%
Tower Energy Group Corporation	3,417,655	1.23%
Auburn Manor Holding Corporation	3,343,250	1.20%
Sunsweet Dryers	2,521,553	0.91%
Jaswant S. Saprai	2,059,902	0.74%
L and R Gas and Food Inc	1,835,296	0.66%
Kashmir K. Gill	1,792,057	0.65%
KB Home Sacramento Inc	1,455,000	0.52%
Millennium Farms LLC	1,387,161	0.50%
Cavazos Family Rev 11 Trust Etal	1,272,000	0.46%
	<u>\$ 25,659,889</u>	<u>9.25%</u>
Total City of Live Oak assessed property valuation Fiscal Year 2012/13		<u>\$ 277,525,560</u>

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

<u>Taxpayer</u>	<u>Fiscal Year 2013/2014</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
CCA Properties of America	\$ 6,707,527	2.00%
9000 Larkin Road	3,410,125	1.01%
Tower Energy Group Corporation	3,397,336	1.01%
Millennium Farms LLC	2,961,505	0.88%
Sunswee Dryers Etal	2,246,498	0.67%
Jaswant S. Saprai	2,272,341	0.68%
Kashmir K. Gill	1,811,089	0.54%
Land R Gas And Food Inc	1,808,476	0.54%
KB Home Sacramento Inc	1,455,000	0.43%
Live Oak Senior MH Park LLC	1,294,269	0.39%
	<u>\$ 27,364,166</u>	<u>8.14%</u>

Total City of Live Oak assessed property valuation Fiscal Year 2013/14

\$ 283,986,125

<u>Taxpayer</u>	<u>Fiscal Year 2014/2015</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
CCA Properties of America	\$ 6,737,980	2.10%
9000 Larkin Road	3,997,960	1.25%
Tower Energy Group Corporation	3,340,140	1.04%
Millennium Farms LLC	3,158,945	0.98%
Sunswee Dryers Etal	2,840,361	0.89%
Jaswant S. Saprai	2,355,255	0.73%
Kashmir K. Gill	2,318,846	0.72%
Land R Gas And Food Inc	1,940,000	0.60%
KB Home Sacramento Inc	1,794,668	0.56%
Live Oak Senior MH Park LLC	1,792,240	0.56%
	<u>\$ 30,276,395</u>	<u>9.43%</u>

Total City of Live Oak assessed property valuation Fiscal Year 2014/15

\$ 320,904,921

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>Collections in Subsequent Years</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%
2016/2017	592,035	592,035	100.00%	-	592,035	100.00%

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

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Person of Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
	Loans	Total	Loans	Bonds	Certificates of Participation	Capital Leases	Total	Government				
2006/2007	121,000	121,000	160,380	197,000	2,610,000	-	2,967,380	3,088,380	2.45%	1.00%	389	
2007/2008	112,000	112,000	130,802	176,000	2,550,000	-	2,856,802	2,968,802	2.17%	0.75%	359	
2008/2009	102,000	102,000	104,956	154,000	2,490,000	-	2,748,956	2,850,956	2.07%	0.76%	344	
2009/2010	92,000	92,000	1,531,863	131,000	2,430,000	-	4,092,863	4,184,863	3.10%	1.27%	493	
2010/2011	81,000	81,000	10,593,503	107,000	2,370,000	-	13,070,503	13,151,503	9.47%	4.48%	1,588	
2011/2012	70,000	70,000	15,201,959	82,000	2,310,000	-	17,593,959	17,663,959	13.03%	6.31%	2,142	
2012/2013	58,000	58,000	5,874,728	55,000	2,250,000	309,641	8,489,369	8,547,369	5.81%	3.08%	1,025	
2013/2014	45,000	45,000	5,689,373	27,000	2,190,000	245,690	8,152,063	8,197,063	5.30%	2.89%	969	
2014/2015	507,483	507,483	5,512,294	-	2,130,000	180,453	7,822,747	8,330,230	5.71%	2.60%	981	
2015/2016	440,022	440,022	5,333,446	-	2,060,000	113,903	7,507,349	7,947,371	5.33%	2.36%	935	
2016/2017	371,441	371,441	5,152,808	-	1,990,000	46,015	7,188,823	7,560,264	n/a	2.12%	859	

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

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

n/a - information is not available

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

CITY OF LIVE OAK
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding		Total	Percent of Assessed Value	Population	Per Capita
	General Obligation Bonds	Pension Obligation Bonds				
2006/2007	121,000	-	121,000	0.04%	7,937	15
2007/2008	112,000	-	112,000	0.03%	8,263	14
2008/2009	102,000	-	102,000	0.03%	8,287	12
2009/2010	92,000	-	92,000	0.02%	8,483	11
2010/2011	81,000	-	81,000	0.03%	8,281	10
2011/2012	70,000	-	70,000	0.02%	8,247	8
2012/2013	58,000	-	58,000	0.02%	8,341	7
2013/2014	45,000	-	45,000	0.02%	8,461	5
2014/2015	507,483	-	507,483	0.16%	8,488	60
2015/2016	440,022	-	440,022	0.13%	8,500	52
2016/2017	371,441	-	371,441	0.10%	8800	42

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

CITY OF LIVE OAK
Direct and Overlapping Bonded Debt
As of June 30, 2017

City Assessed Valuation		\$ 357,386,873	
		<u>-</u>	
Adjusted Assessed Valuation		<u>\$ 357,386,873</u>	
	<u>Percent</u>	<u>Outstanding</u>	<u>Estimated</u>
	<u>Applicable</u>	<u>Debt</u>	<u>Share of</u>
		<u>June 30, 2017</u>	<u>Overlapping</u>
			<u>Debt</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Live Oak Unified School District	43.493%	\$ 7,632,785	\$ 3,319,727
Yuba Community College District	4.006%	50,884,536	2,038,273
Sutter Butte Flood Control Agency Assessment District	3.160%	87,605,000	2,768,318
		<u>146,122,321</u>	<u>8,126,318</u>
Total Overlapping Tax and Assessment Debt			
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Sutter County Office of Education Certificates of Participations	0.000%	\$ 4,985,000	-
Yuba Community College District General Fund Obligations	0.000%	-	-
Live Oak Unified School District Certificates of Participation	0.000%	-	-
Yuba Sutter Mosquito and Vector Control District	0.000%	-	-
Live Oak Cemetery District	0.000%	-	-
		<u>238,712,321</u>	<u>10,894,636</u>
Total Overlapping General Fund Obligation Debt			
Total Overlapping Debt		<u>384,834,643</u>	<u>19,020,955</u>
DIRECT GENERAL FUND OBLIGATION DEBT:			
City of Live Oak Loan	100.000%	-	-
Animal Shelter Loan	100.000%	371,441	371,441
		<u>371,441</u>	<u>371,441</u>
Total Direct Debt			
Total Combined Debt		<u>\$ 385,206,084</u>	<u>\$ 19,392,396</u>
RATIOS TO 2014/2015 ASSESSED VALUATION:			
Total Overlapping Tax and Assessment Debt		107.78%	5.43%
RATIOS TO ADJUSTED ASSESSED VALUATION:			
Combined Direct Debt (\$0,000,000)	0.000%		
Combined Total Debt	0.000%		
STATE SCHOOL BUILDING AID REPAYABLE AS OF 06/30/13	\$	-	

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

Source: Auditor-Controller's Office, County of Sutter
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, 2017

Secured Property Assessed Value, Net of Exempt Real Property	<u>\$ 320,904,921</u>
Bonded debt limit (3.75% of assessed value) (a)	\$ 12,033,935
Less debt subject to limit:	
Total water certificates of participation at 06/30/17	(1,120,000)
Total sewer certificates of participation at 06/30/17	(870,000)
Total sewer revenue bonds at 06/30/17	<u>-</u>
Legal debt margin	<u>\$ 10,043,935</u>

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

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

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

Calendar Year	Population	Personal Income		Taxable Assessed Valuation	Per Capita Taxable Property Values	Average Unemployment Rate
		Total (in thousands)	Per Capita			
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	149,192	17,552	336,158,254	39,548	6.9%
2017	8800	N/A	N/A	357,386,873	40,612	8.00%

Note: Data pertaining to personal income is not readily available, thus the City used taxable assessed values to calculate per capita taxable property values. Data pertaining to personal income for calendar year 2016, and 2017 is not readily available, thus the City provided an average using data from the last three years.

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

**CITY OF LIVE OAK
Principal Employers
2017**

Employer	Number of Employees	Percent of Total Employment
Live Oak Unified School District	236	6.56%
River Valley Care Center	120	3.33%
City of Live Oak	30	0.83%
Gold Country Bank	4	0.11%
E-Center Head Start	24	0.67%
Tower Supermarket	11	0.31%
United States Post Office	8	0.22%
Live Oak Pharmacy	6	0.17%
Sunset Moulding Co	Confidential	N/A
Sunsweet Dryers	2	0.06%
Total	441	12.25%

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

Sunset Moulding Co could not readily provide data, claiming confidentiality. Sunsweet Dryers was unresponsive.

Source: City of Live Oak

Employment Development Department, State of California

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Clerk's Office	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Finance/Administrative Services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Community Development	3.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Public Works	13.00	9.00	7.00	8.00	9.00	8.00	9.00	9.00	5.00	7.00	10.00
Parks and Recreation	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	10.00	8.00	7.00
Building	3.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Total Full-Time Equivalent Employees	37.00	30.00	29.00	30.00	30.00	29.00	30.00	30.00	29.00	29.00	30.00

Source: Finance Department, City of Live Oak

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

	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Business Licenses:											
Annual Business License	163	166	133	147	156	148	140	286	135	129	137
One Time License							18	18	11	10	7
Environment and Utilities:											
Gallons of wastewater treated per year (in millions)	161	144	236	235	282	210	258	223	225	218	380
Fire - Within City Limits											
Fires per year	25	26	20	18	20	26	41	47	22	21	19
Emergency medical calls per year	495	523	542	559	544	530	603	509	236	738	682
Hazardous materials incidents per year	10	4	9	4	4	6	12	5	4	7	14
Non-emergency service calls per year	187	190	114	125	124	137	136	192	275	78	275
Fire - Outside City Limits Within County											
Fires per year	-	-	-	-	-	-	-	-	47	42	36
Emergency medical calls per year	-	-	-	-	-	-	-	-	154	155	156
Hazardous materials incidents per year	-	-	-	-	-	-	-	-	4	12	9
Non-emergency service calls per year	-	-	-	-	-	-	-	-	99	112	104
Police											
911 calls per year	-	1,106	1,574	1,528	1,363	1,485	845	1,401	1,432	1,965	1,998
Cases investigated per year	702	739	669	685	867	709	826	930	563	616	696
Arrests per year	276	273	174	244	175	193	186	202	92	123	121
Building Permits											
Building permits issued per year	257	281	146	174	141	155	110	147	200	279	241
New building and alteration valuation	\$ 12,488,247	\$ 9,788,024	\$ 1,906,625	\$ 5,644,595	\$ 6,157,812	\$ 7,621,784	\$ 1,892,973	\$ 2,188,866	\$ 6,525,489	\$ 9,442,021	\$ 9,442,021

Note: According to Sutter County Sheriff staff, 911 calls information purged for years prior to FY 2007/2008.

Source: City of Live Oak, Finance/Building Dept's
Sutter County Sheriff
Sutter County Fire

CITY OF LIVE OAK
Capital Asset Statistics
Last Ten Fiscal Years

	Fiscal Years									
	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Environment and Utilities										
Miles of municipal sewer mains	24.9	24.9	24.9	24.9	24.9	24.9	24.9	24.9	25.6	25.6
Maximum daily capacity (gallons per day)	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Miles of water mains	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	31.5	31.5
Water wells	5	4	4	4	4	4	4	4	4	4
Water storage tanks	1	1	1	1	1	1	1	1	1	1
Fire										
Full-time staffed positions	4	4	4	4	4	4	4	4	4	6
Volunteer stations	1	1	1	1	1	1	1	1	1	1
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles and motorcycles	9	10	10	10	10	10	10	10	10	10
Community Development										
Miles of municipal roadways	20.31	25.61	25.61	25.61	26.84	28.44	28.44	28.44	29.50	29.50
Park sites	5	6	7	8	8	8	8	8	8	8

Source: City of Live Oak Public Works
 Sutter County Fire Dept
 Sutter County Sheriff Dept

**CITY OF LIVE OAK
Sales Value History
Last Ten Years**

Calendar Year	Full Value Sales	Average Price	Median Price	Median % Change
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	12.69%
2015	68	178,236	186,167	3.04%
2016	97	186,417	196,063	2.68%
2017	37	261,507	261,000	4.20%

Note: Last half of calendar year 2017 not available

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

THIS PAGE INTENTIONALLY LEFT BLANK