

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

Fiscal Year Ended June 30, 2018



PREPARED BY THE FINANCE DEPARTMENT

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FISCAL YEAR ENDED JUNE 30, 2018

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November 28, 2018

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, 2017 through June 30, 2018. 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 2017-18 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, 2018 include the following:

- Began and completed paving phase of Live Oak Soccer Park
- Began construction of the Underground Utility project
- Continued planning and design for the infrastructure improvements at Highway 99 and major crossroads
- Continued construction of the new municipal water well
- Continued construction of the Pennington Road reconstruction project
- Continued construction of the Pennington Road water main project
- Completed construction of the O Street and Kola Street project
- Completed construction of the skate park project
- Welcomed new businesses along the Highway 99 corridor

FINANCIAL INFORMATION

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

Budgetary Controls

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the majority of the funds are included in the annual appropriated budget. In administering the budget, the City Manager shall have the authority to provide each department with sufficient funding to meet its needs so long as a decision to vary from approved appropriations does not exceed, except in the case of emergencies, the total resources estimated to be available to the affected municipal fund at the time of the decision. If necessary, staff recommends budgetary changes during periodic financial status reports to the City Council.

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

AWARD AND ACKNOWLEDGEMENTS

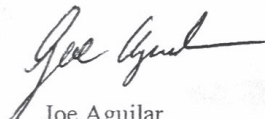
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to the City of Live Oak for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This award recognizes the City's conformance with 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,



Joe Aguilar
Interim City Manager



Phuong Nguyen
Accounting Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Live Oak
California**

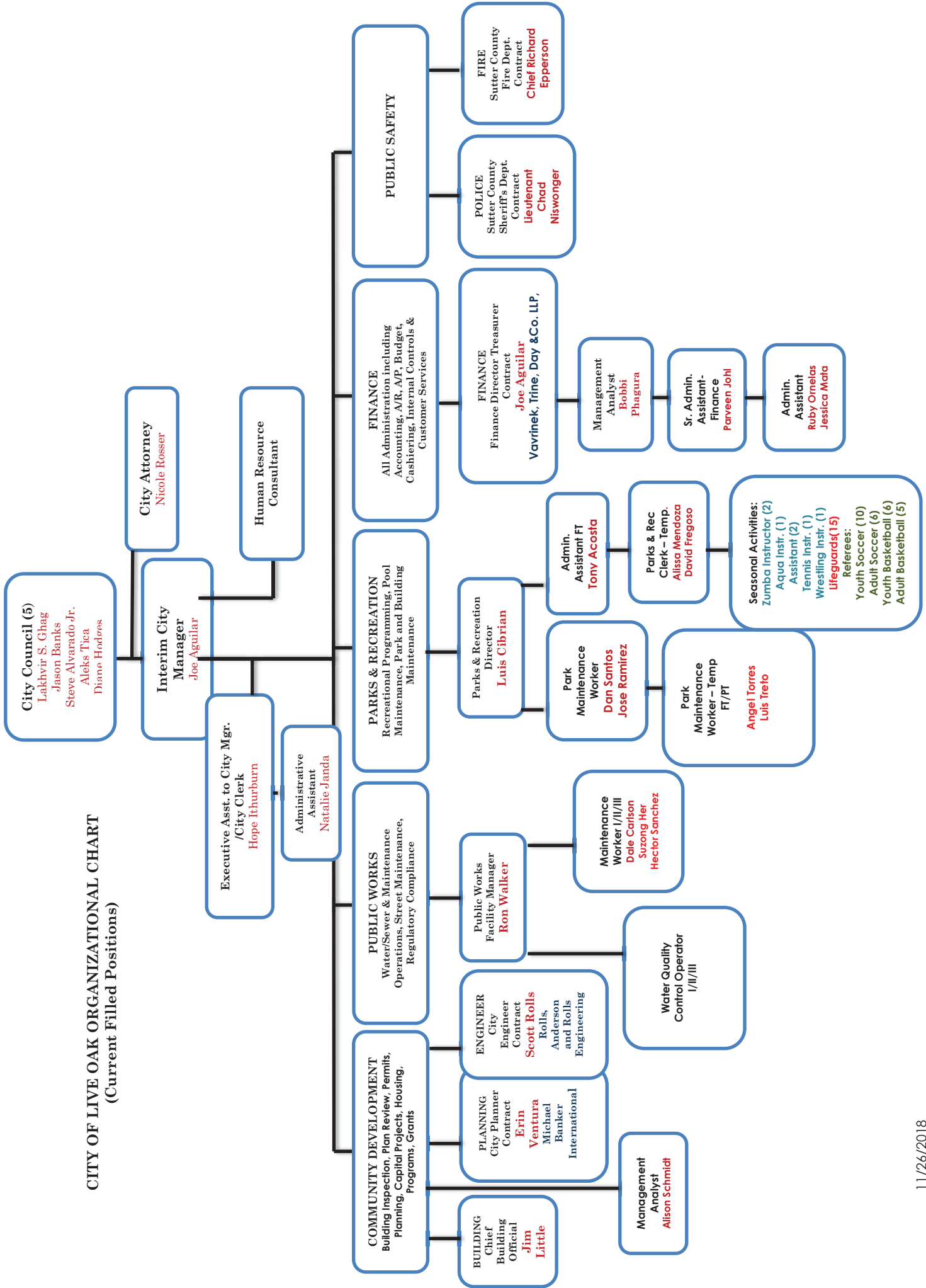
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF LIVE OAK ORGANIZATIONAL CHART
(Current Filled Positions)



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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, 2018, 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, 2018, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2018 the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, program income fund, state grant fund and 13-CDBG-8933 skate park fund, the schedule of proportionate share of the net pension liability, the schedule of plan contributions, the schedule of changes in the net OPEB asset and related ratios, and the schedule of OPEB plan contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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.



CPAs AND ADVISORS

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Solt & Lughard, LLP

Sacramento, California
November 28, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal year 2017-18 is the fourteen 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 \$71,180,104 as of June 30, 2018. Of this total, \$39,080,560 were governmental net position and \$32,099,544 were business-type net position.
- Entity-wide Governmental revenues include program revenues of \$4,722,259 and general revenues of \$4,578,075 for a total of \$9,304,260.
- Entity-wide Governmental expenses were \$7,315,050.
- Entity-wide Business-type program revenues were \$4,077,182 and general revenues of \$(1,505,937), for a total of \$2,571,245; while Business-type expenses were \$4,241,136.

Fund Level:

- Governmental Fund balance increase to \$8,327,455 in fiscal year 2018, up \$2,196,912 from the prior year due to decreases in unavailable revenues related to grant reimbursements.
- Governmental Fund revenues increased to \$7,949,160 in fiscal year 2018 up \$783,745 from the prior year. This increase stemmed from more than expected intergovernmental revenues.
- Governmental Fund expenditures decreased to \$7,858,111 in fiscal year 2018, down \$963,250 from the prior year. This decrease stemmed from a decrease in capital outlay expenditures.

General Fund:

- General Fund revenues of \$2,856,777 were \$17,315 higher than the prior year.
- General Fund expenditures of \$3,039,565 represented an increase of \$61,143 over the prior year.
- General Fund balance of \$4,987,680 as of June 30, 2018 compared favorably with fiscal year 2017 fund balance of \$4,620,605.

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 20 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, 2018			As of June 30, 2017		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Current and other assets	\$ 22,566,618	\$ 4,428,234	\$ 26,994,852	\$ 21,644,631	\$ 5,897,840	\$ 27,542,471
Capital assets, net	29,244,551	35,538,054	64,782,605	28,637,181	35,915,914	64,553,095
Total assets	51,811,169	39,966,288	91,777,457	50,281,812	41,813,754	92,095,566
Deferred outflows	338,104	476,987	815,091	339,322	528,013	867,335
Current and other liabilities	1,042,942	556,541	1,599,483	1,355,882	523,043	1,878,925
Long term liabilities	1,521,832	7,738,954	9,260,786	996,008	7,913,413	8,909,421
Total liabilities	2,564,774	8,295,495	10,860,269	2,351,890	8,436,456	10,788,346
Deferred inflows	10,503,939	48,236	10,552,175	11,212,588	74,433	11,287,021
Net position:						
Net investment in capital assets	28,377,393	28,647,690	57,025,083	28,265,740	28,727,091	56,992,831
Restricted	3,980,298	341,832	4,322,130	3,345,863	1,343,421	4,689,284
Unrestricted	6,722,869	3,110,022	9,832,891	5,445,053	3,760,366	9,205,419
Total Net Position	\$ 39,080,560	\$ 32,099,544	\$ 71,180,104	\$ 37,056,656	\$ 33,830,878	\$ 70,887,534

Net position represents the difference between the City’s resources and its obligations. At June 30, 2018, 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 \$57 million at June 30, 2018. 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 \$4.3 million represents resources subject to external restrictions as to how they may be used. Unrestricted net position of \$9.8 million represents amounts that may be used to meet the City's ongoing obligations to its residents, businesses, customers, and creditors.

Following is a summary of changes in net position:

	As of June 30, 2018			As of June 30, 2017		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Revenues:						
Program revenues:						
Charges for services	\$ 4,343,786	\$ 3,212,263	\$ 7,556,049	\$ 1,723,935	\$ 3,077,397	\$ 4,801,332
Operating grants and contributions	277,728	-	277,728	1,857,982	-	1,857,982
Capital grants and contributions	100,745	864,919	965,664	1,295,923	1,027,513	2,323,436
General revenues:						
Property taxes	1,470,113	-	1,470,113	1,476,356	-	1,476,356
Sales taxes	358,667	-	358,667	325,380	-	325,380
Other taxes*	750,153	-	750,153	716,398	-	716,398
Property transfer taxes*	-	-	-	-	-	-
Use of money and property*	120,425	50,063	170,488	87,766	28,460	116,226
Other miscellaneous*	322,717	-	322,717	541,664	667	542,331
Transfers*	1,556,000	(1,556,000)	-	25,000	(25,000)	-
Total revenues	9,300,334	2,571,245	11,871,579	8,050,404	4,109,037	12,159,441
Expenses:						
General government	990,032	-	990,032	699,781	-	699,781
Public safety	1,984,144	-	1,984,144	2,033,209	-	2,033,209
Community Development	1,828,608	-	1,828,608	2,031,089	-	2,031,089
Culture and recreation	926,952	-	926,952	833,110	-	833,110
Public ways and facilities	1,579,362	-	1,579,362	2,060,694	-	2,060,694
Interest on long term debt	5,952	-	5,952	520	-	520
Water	-	1,300,029	1,300,029	-	1,306,471	1,306,471
Sewer	-	2,898,819	2,898,819	-	2,724,674	2,724,674
Total expenses	7,315,050	4,198,848	11,513,898	7,658,403	4,031,145	11,689,548
Excess - before transfers	1,985,284	(1,627,603)	357,681	392,001	77,892	469,893
Transfers	-	-	-	-	-	-
Extraordinary gain	-	-	-	-	-	-
Change in net position	1,985,284	(1,627,603)	357,681	392,001	77,892	469,893
Net Position - Beginning	37,056,656	33,830,878	70,887,534	35,656,848	33,556,323	69,213,171
Prior Period adjustment	38,620	(103,731)	(65,111)	1,007,807	196,663	1,204,470
Net Position - Ending	\$ 39,080,560	\$ 32,099,544	\$ 71,180,104	\$ 37,056,656	\$ 33,830,878	\$ 70,887,534

*Current year groupings updated for consistency with financial statement presentation

Governmental Activities:

The City's governmental activities increased the City's net position by \$2 million. Revenues were \$9.3 million which represented an increase of \$1,253,856 or 16 percent, and expenditures were \$7.3 million which represented a decrease of \$343,353 or 4 percent. Governmental activities highlights include the following:

Taxes provided \$2.6 million or 28 percent of the total governmental activities revenue of the City. This amount is an increase of \$60,799 from the prior year.

Charges for services, operating grants and capital grants provided \$4.7 million or 51 percent of the total governmental activities revenue of the City. This amount is a decrease of \$155,581 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.

	As of June 30, 2018		
	Original Budget	Final Budget	Actual Amounts
General government	\$ 622,701	\$ 622,701	\$ 736,336
Public safety	1,603,196	1,603,196	1,300,036
Public ways and facilities	273,132	273,132	269,234
Culture and recreation	514,947	514,947	643,961
Community development	47,900	47,900	29,900
Debt service	52,400	52,400	60,098
	<u>\$ 3,114,276</u>	<u>\$ 3,114,276</u>	<u>\$ 3,039,565</u>

Business Type Activities

Business-type activities decreased the City's net position by \$1,731,334. Revenues were \$2.6 million which represented a decrease of \$1,402,926 due to greater transfers to other funds. Business type activities highlights include the following:

Charges for services provided \$3.2 million or 125 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.

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, 2018 of \$8,327,455. The General Fund increased by \$367,075 and other Governmental Funds increased by \$2.1 million. The General Fund increase was due an increase of proceeds for capital lease. Within the Governmental Funds, the increase in fund balance was attributable a decrease in the receipt of inter-fund transfers.

Analysis of Major Governmental Funds

General Fund

General Fund revenues totaled \$2,856,777 in fiscal year 2017-18, an increase of \$17,315 over last year. General Fund expenditures totaled \$3,039,565 in fiscal year 2017-18, an increase of \$61,143 over last year.

At the end of fiscal year 2018, the fund balance for the City's General Fund was \$4,987,680 a change of \$367,075 over last year. Without the proceeds from the lease, fund balance would have change by \$182,788 under last year. The fund balance in General Fund was comprised of \$2,548,739 which is committed and \$2,427,584 which is unassigned. The committed fund balance increased from last year by \$14,694 and the unassigned fund balance decreased \$351,685.

Program Income

Program Income fund revenues totaled \$240,279 in fiscal year 2017-18, a decrease of \$84,058 due to less program activity. Program Income expenditures totaled \$9,067 a decrease of \$89,406 due to less program activity. At the end of fiscal year 2018 the Program Income fund balance was \$372,479 a change of \$175,010.

State Grant Fund

State Grant Fund revenues totaled \$1,191,949 in fiscal year 2017-18, an increase of \$742,702 due to more than expected intergovernmental funds Expenditures were \$685,275, a decrease of \$336,472. Fund balance saw an increase of \$1,703,674 due to the increase in inter-fund transfers.

CDBG Fund 13-8933

In fiscal year 2017-18 the CDBG Fund 13-8933 is included as a major fund. The increase in expenditures for grant related capital improvement projects in the reason for its presentation as a major fund. Revenues were \$1,685,771 this year, up \$1,659,549 from the prior year. Expenditures were \$1,723,302, an increase of \$1,089,319. Fund balance saw an increase of \$188,180 due to the inter-fund transfers for program income.

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 2018 of \$411,571 included funding for the Soccer Park, Well #7, Pennington Road East, O St. and Kola St., and other miscellaneous parks and recreation, streets and roads, and water enterprise projects. Expenditures totaled \$1,122,087 in fiscal year 2018.

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 \$461,824 in fiscal year 2018. Overall, operating revenues increased \$68,399 (8%) due to a slow recovery from the statewide drought from prior years. In addition, operating expenses increased to \$1,254,129 annually, up \$3,288 representing (0.3%) over the prior year. As of June 30, 2018, the Fund's net position went from \$7,203,112 in 2017 to \$6,741,288 in 2018 representing a reduction of \$461,824. 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 \$7,036,723 in 2017 to \$6,736,216 in 2018. Only \$822 of the Fund's net position was unrestricted at the close of fiscal year 2018. 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 1% to \$2,265,104 in fiscal year 2018. As of June 30, 2018, the Fund's net position totaled \$25,024,924 of which \$21,911,474 remains invested in capital assets net of related debt. The Fund's unrestricted net position was \$3,109,200 at the close of fiscal year 2018. Overall, operating revenues remained fairly constant at \$2,265,104 with an increase of \$21,193 over the prior year. Operating expenses totaled \$2,811,247 for the year, a 7% increase of \$179,778 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 2018, the City had invested \$64.7 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 43 through 45.

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:

	Balance as June 30, 2018	Balance as June 30, 2017
Governmental Activities		
Land	\$ 6,584,996	\$ 6,584,996
Construction in progress	963,365	1,971,041
Buildings and improvements	7,561,067	5,143,650
Equipment	3,852,922	3,865,606
Infrastructure	22,058,947	22,058,947
Less: Accumulated depreciation	(11,776,746)	(10,987,059)
Governmental Activities Capital Assers (net)	<u>\$ 29,244,551</u>	<u>\$ 28,637,181</u>
Business-type Activities		
Land	\$ 233,241	\$ 233,241
Construction in progress	2,344,994	1,270,937
Buildings and improvements	38,641	38,641
Equipment	1,585,929	1,585,929
Infrastructure	47,731,996	47,731,996
Less: Accumulated depreciation	(16,396,747)	(14,944,830)
Business-type Activities Capital Assers (net)	<u>\$ 35,538,054</u>	<u>\$ 35,915,914</u>

At June 30, 2018, major construction in progress included:

Governmental Activities:

Completed projects:

- Soccer Park Phase 2
- Skate Park
- O St. and Kola St. Improvements

New and ongoing projects this fiscal year:

- City Signage
- Recreation Trail 4
- Pennington West Road Improvements
- PGE Undergrounding Utility Rule 20A
- Pennington East Rehabilitation

Business-type Activities:

New and ongoing projects this fiscal year:

- Dewatering Press
- Security Gate
- Pennington Water Main
- Well #7

Long-term Debt:

At June 30, 2017 and 2018 the City had \$7.7 million and \$7.9 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, 2018, the City's debt consisted of:

Governmental Activities Debt:

2012 City of Yuba City/County of Sutter joint facility animal shelter loan due 2023	\$ 317,295
2018 Fire Engine Lease – 3.570% due 2025	549,863
Compensated Absences	<u>55,852</u>

Total Governmental Activities Debt \$ 923,010

Business-type Activities Debt:

2003 USDA COP's for Wastewater Treatment Plant Expansion – 4.25% due 7/2043	\$ 840,000
2006 USDA COP's for Water Meter Project – 4.25% due 7/2044	1,080,000
2009 SWRCB State Revolving Fund Wastewater Plant – 1% 30Year Term	4,970,364
Compensated Absences	<u>48,518</u>

Total Business-type Activities Debt \$ 6,938,882

Total Outstanding Debt \$ 7,861,892

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 \$357 million in 2017 to \$375 million in 2018.

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 2018-19 General Fund Budget of \$3.9 million and expects to watch spending closely as the City continues to rebound financially. The General Fund operating budget includes the sale of \$500,000 of idle City Land and the acquisition of \$500,000 of parcels along the 99 Highway corridor. 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 continues to review and update various fees in fiscal year 2018-19. Fee adjustments are necessary to ensure that the costs of providing services are matched closer to the fee revenues charged for providing these services.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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CITY OF LIVE OAK

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 8,020,149	\$ 4,094,827	\$ 12,114,976
Receivables:			
Accounts, net	38,672	297,920	336,592
Notes and loans	12,782,393	-	12,782,393
Accrued interest	25,261	16,759	42,020
Prepaid costs	15,340	10,228	25,568
Due from other governments	1,028,607	-	1,028,607
Restricted assets:			
Cash and investments	550,246	-	550,246
Net OPEB asset	105,950	8,500	114,450
Capital assets not being depreciated	7,548,361	2,578,235	10,126,596
Capital assets, net of depreciation	21,696,190	32,959,819	54,656,009
Total Assets	51,811,169	39,966,288	91,777,457
Deferred Outflows of Resources:			
Deferred pension adjustments	324,608	475,905	800,513
Deferred OPEB adjustments	13,496	1,082	14,578
Total Deferred Outflows of Resources	338,104	476,987	815,091
Liabilities:			
Accounts payable	543,435	157,645	701,080
Retention payable	63,578	-	63,578
Due to other governments	8,888	41,786	50,674
Salaries and benefits payable	33,150	16,070	49,220
Accrued interest	8,179	40,800	48,979
Deposits payable	181,051	15,516	196,567
Unearned revenue	63,560	-	63,560
Noncurrent liabilities:			
Due within one year	141,101	284,724	425,825
Due in more than one year	781,909	6,654,158	7,436,067
Net pension liability	739,923	1,084,796	1,824,719
Total Liabilities	2,564,774	8,295,495	10,860,269
Deferred Inflows of Resources:			
Deferred pension adjustments	32,387	47,482	79,869
Deferred OPEB adjustments	9,387	754	10,141
Deferred business loan payments	39,194	-	39,194
Deferred housing loan payments	10,422,971	-	10,422,971
Total Deferred Inflows of Resources	10,503,939	48,236	10,552,175
Net Position:			
Net investment in capital assets	28,377,393	28,647,690	57,025,083
Restricted for:			
Public safety	485,936	-	485,936
Public ways and facilities	1,680,331	-	1,680,331
Community development	1,486,729	-	1,486,729
Culture and recreation	221,352	-	221,352
Capital projects	-	333,332	333,332
OPEB	105,950	8,500	114,450
Unrestricted	6,722,869	3,110,022	9,832,891
Total Net Position	\$ 39,080,560	\$ 32,099,544	\$ 71,180,104

See Notes to Financial Statements

CITY OF LIVE OAK

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 990,032	\$ 492,972	\$ 35,554	\$ -
Public safety	1,984,144	2,728	-	26,652
Community development	1,828,608	2,005,122	242,174	-
Culture and recreation	926,952	61,744	-	-
Public ways and facilities	1,579,362	1,781,220	-	74,093
Interest on long-term debt	5,952	-	-	-
Total Governmental Activities	7,315,050	4,343,786	277,728	100,745
Business-Type Activities:				
Water	1,300,029	878,229	-	-
Sewer	2,898,819	2,265,104	-	864,919
Water Connection	-	68,930	-	-
Sewer Connection	-	-	-	-
Total Business-Type Activities	4,198,848	3,212,263	-	864,919
Total Primary Government	\$ 11,513,898	\$ 7,556,049	\$ 277,728	\$ 965,664

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
\$ (461,506)	\$ -	\$ (461,506)
(1,954,764)	-	(1,954,764)
418,688	-	418,688
(865,208)	-	(865,208)
275,951	-	275,951
(5,952)	-	(5,952)
(2,592,791)	-	(2,592,791)
-	(421,800)	(421,800)
-	231,204	231,204
-	68,930	68,930
-	-	-
-	(121,666)	(121,666)
(2,592,791)	(121,666)	(2,714,457)
1,470,113	-	1,470,113
358,667	-	358,667
750,153	-	750,153
120,425	50,063	170,488
322,717	-	322,717
1,556,000	(1,556,000)	-
4,578,075	(1,505,937)	3,072,138
1,985,284	(1,627,603)	357,681
37,056,656	33,830,878	70,887,534
38,620	(103,731)	(65,111)
37,095,276	33,727,147	70,822,423
\$ 39,080,560	\$ 32,099,544	\$ 71,180,104

See Notes to Financial Statements

CITY OF LIVE OAK

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Program Income</u>	<u>State Grant Fund</u>	<u>13-CDBG-8933 Skate Park</u>
Assets:				
Cash and investments	\$ 4,134,671	\$ 371,365	\$ 942,128	\$ -
Receivables:				
Accounts	36,000	-	-	-
Accrued interest	15,032	1,114	-	-
Notes and loans	99,152	12,015,892	-	-
Due from other funds	510,515	-	-	-
Prepaid costs	11,357	-	-	-
Due from other governments	192,226	-	300,563	187,072
Restricted assets:				
Cash and investments	550,246	-	-	-
Total Assets	<u>\$ 5,549,199</u>	<u>\$ 12,388,371</u>	<u>\$ 1,242,691</u>	<u>\$ 187,072</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 418,828	\$ -	\$ 2,385	\$ 2,646
Retention payable	-	-	63,578	-
Due to other governments	8,888	-	-	-
Salaries and benefits payable	31,277	-	-	-
Deposits payable	3,374	-	-	-
Due to other funds	-	-	-	402,124
Unearned revenues	-	-	-	-
Total Liabilities	<u>462,367</u>	<u>-</u>	<u>65,963</u>	<u>404,770</u>
Deferred Inflows of Resources:				
Unavailable revenues	99,152	-	251,228	187,072
Deferred business loan payments	-	39,194	-	-
Deferred housing loan payments	-	11,976,698	-	-
Total Deferred Inflows of Resources	<u>99,152</u>	<u>12,015,892</u>	<u>251,228</u>	<u>187,072</u>
Fund Balances:				
Nonspendable	11,357	-	-	-
Restricted	-	372,479	925,500	-
Committed	2,548,739	-	-	-
Unassigned	2,427,584	-	-	(404,770)
Total Fund Balances	<u>4,987,680</u>	<u>372,479</u>	<u>925,500</u>	<u>(404,770)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,549,199</u>	<u>\$ 12,388,371</u>	<u>\$ 1,242,691</u>	<u>\$ 187,072</u>

CITY OF LIVE OAK

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>Capital Projects Funds</u>		
	<u>Capital Improvement Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ -	\$ 2,571,985	\$ 8,020,149
Receivables:			
Accounts	-	2,672	38,672
Accrued interest	-	9,115	25,261
Notes and loans	-	667,349	12,782,393
Due from other funds	45,000	-	555,515
Prepaid costs	-	3,983	15,340
Due from other governments	12,997	335,749	1,028,607
Restricted assets:			
Cash and investments	-	-	550,246
Total Assets	<u>\$ 57,997</u>	<u>\$ 3,590,853</u>	<u>\$ 23,016,183</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 81,043	\$ 38,533	\$ 543,435
Retention payable	-	-	63,578
Due to other governments	-	-	8,888
Salaries and benefits payable	-	1,873	33,150
Deposits payable	-	177,677	181,051
Due to other funds	70,735	82,656	555,515
Unearned revenues	-	63,560	63,560
Total Liabilities	<u>151,778</u>	<u>364,299</u>	<u>1,449,177</u>
Deferred Inflows of Resources:			
Unavailable revenues	12,997	673,210	1,223,659
Deferred business loan payments	-	-	39,194
Deferred housing loan payments	-	-	11,976,698
Total Deferred Inflows of Resources	<u>12,997</u>	<u>673,210</u>	<u>13,239,551</u>
Fund Balances:			
Nonspendable	-	3,983	15,340
Restricted	-	2,576,369	3,874,348
Committed	-	-	2,548,739
Unassigned	(106,778)	(27,008)	1,889,028
Total Fund Balances	<u>(106,778)</u>	<u>2,553,344</u>	<u>8,327,455</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 57,997</u>	<u>\$ 3,590,853</u>	<u>\$ 23,016,183</u>

CITY OF LIVE OAK

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Fund balances of governmental funds		\$ 8,327,455
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.		29,244,551
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (317,295)	
Lease payable	(549,863)	
Compensated Absences	(55,852)	
Net pension liability	<u>(739,923)</u>	(1,662,933)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds		(8,179)
Net OPEB Asset not included in the governmental fund activity		105,950
Deferred inflows related to OPEB items are not included in the governmental fund activity		(9,387)
Deferred outflows related to OPEB items are not included in the governmental fund activity		13,496
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		1,223,659
Interest on deferred housing loans reported as unavailable revenue in the governmental funds and recognized in the statement of activities		1,553,727
Deferred inflows related to pension related items are not included in the governmental fund activity		(32,387)
Deferred outflows related to pension related items are not included in the governmental fund activity		<u>324,608</u>
Net Position of Governmental Activities		<u>\$ 39,080,560</u>

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CITY OF LIVE OAK

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds			
	General	Program Income	State Grant Fund	13-CDBG- 8933 Skate Park
Revenues:				
Taxes and assessments	\$ 1,871,158	\$ -	\$ -	\$ -
Licenses and permits	423,118	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	91,254	3,966	-	-
Intergovernmental	73,044	236,313	1,191,949	1,685,771
Charges for services	94,108	-	-	-
Other revenue	304,095	-	-	-
Total Revenues	2,856,777	240,279	1,191,949	1,685,771
Expenditures:				
Current:				
General government	736,336	-	-	-
Public safety	1,300,036	-	-	-
Public ways and facilities	29,900	-	685,275	-
Culture and recreation	643,961	-	-	-
Community development	269,234	9,067	-	1,513,816
Capital outlay	-	-	-	209,486
Debt service:				
Principal	54,146	-	-	-
Interest	5,952	-	-	-
Total Expenditures	3,039,565	9,067	685,275	1,723,302
Excess (Deficiency) of Revenues Over (Under) Expenditures	(182,788)	231,212	506,674	(37,531)
Other Financing Sources (Uses):				
Transfers in	-	-	1,197,000	225,711
Transfers out	-	(225,711)	-	-
Capital leases	549,863	-	-	-
Total Other Financing Sources (Uses)	549,863	(225,711)	1,197,000	225,711
Net Change in Fund Balances	367,075	5,501	1,703,674	188,180
Fund Balances, Beginning of Year	4,620,605	197,469	(778,174)	(592,950)
Restatements	-	169,509	-	-
Fund Balances, Beginning of Year, as Restated	4,620,605	366,978	(778,174)	(592,950)
Fund Balances, End of Year	\$ 4,987,680	\$ 372,479	\$ 925,500	\$ (404,770)

See Notes to Financial Statements

CITY OF LIVE OAK

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Capital Projects Funds		
	Capital Improvement Project	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes and assessments	\$ -	\$ 707,775	\$ 2,578,933
Licenses and permits	-	134,821	557,939
Fines and forfeitures	-	2,728	2,728
Use of money and property	-	25,205	120,425
Intergovernmental	411,571	649,928	4,248,576
Charges for services	-	21,812	115,920
Other revenue	-	20,544	324,639
Total Revenues	411,571	1,562,813	7,949,160
Expenditures:			
Current:			
General government	-	121,261	857,597
Public safety	-	567,958	1,867,994
Public ways and facilities	2,395	280,056	997,626
Culture and recreation	-	145,133	789,094
Community development	-	164,407	1,956,524
Capital outlay	1,119,692	-	1,329,178
Debt service:			
Principal	-	-	54,146
Interest	-	-	5,952
Total Expenditures	1,122,087	1,278,815	7,858,111
Excess (Deficiency) of Revenues Over (Under) Expenditures	(710,516)	283,998	91,049
Other Financing Sources (Uses):			
Transfers in	1,067,723	750	2,491,184
Transfers out	-	(709,473)	(935,184)
Capital leases	-	-	549,863
Total Other Financing Sources (Uses)	1,067,723	(708,723)	2,105,863
Net Change in Fund Balances	357,207	(424,725)	2,196,912
Fund Balances, Beginning of Year	(463,985)	3,147,578	6,130,543
Restatements	-	(169,509)	-
Fund Balances, Beginning of Year, as Restated	(463,985)	2,978,069	6,130,543
Fund Balances, End of Year	\$ (106,778)	\$ 2,553,344	\$ 8,327,455

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, 2018**

Net change in fund balances - total governmental funds \$ 2,196,912

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	\$ 1,489,605	
Depreciation	<u>(891,728)</u>	597,877

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		54,146
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Interest expense not recorded in the governmental fund statements because it did not require the use of current financial resources.

(8,179)

Lease proceeds are an other financing source in the governmental funds, but reported as long-term liabilities in the statement of net position.

(549,863)

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.

(475)

OPEB obligation expenses is an expenditure in the governmental funds, but increase the net OPEB asset in the statement of net position.

(545)

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.

(204,826)

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

(99,763)

Change in Net Position of Governmental Activities

\$ 1,985,284

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CITY OF LIVE OAK

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			Totals
	Water	Sewer	Other Enterprise Funds	
Assets:				
Current:				
Cash and investments	\$ 265,184	\$ 3,458,833	\$ 370,810	\$ 4,094,827
Receivables:				
Accounts, net	85,357	212,563	-	297,920
Accrued interest	556	11,895	4,308	16,759
Prepaid costs	5,114	5,114	-	10,228
Total Current Assets	356,211	3,688,405	375,118	4,419,734
Noncurrent:				
Net OPEB asset	4,250	4,250	-	8,500
Capital assets - net of accumulated depreciation	7,816,216	27,721,838	-	35,538,054
Total Noncurrent Assets	7,820,466	27,726,088	-	35,546,554
Total Assets	8,176,677	31,414,493	375,118	39,966,288
Deferred Outflows of Resources:				
Deferred pension adjustments	171,822	304,083	-	475,905
Deferred OPEB adjustments	541	541	-	1,082
Total Deferred Outflows of Resources	172,363	304,624	-	476,987
Liabilities:				
Current:				
Accounts payable	68,787	88,858	-	157,645
Salaries and benefits payable	6,327	9,743	-	16,070
Accrued interest	22,950	17,850	-	40,800
Deposits payable	4,689	10,827	-	15,516
Due to other governments	-	-	41,786	41,786
Accrued compensated absences	9,931	20,524	-	30,455
Bonds, notes, and capital leases	40,000	214,269	-	254,269
Total Current Liabilities	152,684	362,071	41,786	556,541
Accrued compensated absences	5,890	12,173	-	18,063
Bonds, notes, and capital leases	1,040,000	5,596,095	-	6,636,095
Net pension liability	391,658	693,138	-	1,084,796
Total Noncurrent Liabilities	1,437,548	6,301,406	-	7,738,954
Total Liabilities	1,590,232	6,663,477	41,786	8,295,495
Deferred Inflows of Resources:				
Deferred pension adjustments	17,143	30,339	-	47,482
Deferred OPEB adjustments	377	377	-	754
Total Deferred Inflows of Resources	17,520	30,716	-	48,236
Net Position:				
Net investment in capital assets	6,736,216	21,911,474	-	28,647,690
Restricted for capital projects	-	-	333,332	333,332
Restricted for OPEB	4,250	4,250	-	8,500
Unrestricted	822	3,109,200	-	3,110,022
Total Net Position	6,741,288	25,024,924	333,332	32,099,544
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 8,349,040	\$ 31,719,117	\$ 375,118	\$ 40,443,275

See Notes to Financial Statements

CITY OF LIVE OAK

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			Totals
	Water	Sewer	Other Enterprise Funds	
Operating Revenues:				
Sales and service charges	\$ 878,229	\$ 2,265,104	\$ 68,930	\$ 3,212,263
Total Operating Revenues	878,229	2,265,104	68,930	3,212,263
Operating Expenses:				
Salaries and benefits	422,454	916,518	-	1,338,972
Administration	18,084	49,443	-	67,527
Power	160,535	164,216	-	324,751
Insurance	23,861	113,288	-	137,149
Supplies	38,624	-	-	38,624
Repair and extension	66,870	110,454	-	177,324
Professional services	131,980	269,338	-	401,318
Depreciation expense	340,507	1,111,410	-	1,451,917
Other expense	51,214	76,580	-	127,794
Total Operating Expenses	1,254,129	2,811,247	-	4,065,376
Operating Income (Loss)	(375,900)	(546,143)	68,930	(853,113)
Nonoperating Revenues (Expenses):				
Interest revenue	1,886	35,196	12,981	50,063
Interest expense	(45,900)	(87,572)	-	(133,472)
Contributions	-	864,919	-	864,919
Total Nonoperating Revenues (Expenses)	(44,014)	812,543	12,981	781,510
Income (Loss) Before Transfers	(419,914)	266,400	81,911	(71,603)
Transfers out	-	(464,000)	(1,092,000)	(1,556,000)
Changes in Net Position	(419,914)	(197,600)	(1,010,089)	(1,627,603)
Net Position:				
Beginning of Fiscal Year, as previously reported	7,203,112	25,284,345	1,343,421	33,830,878
Restatements	(41,910)	(61,821)	-	(103,731)
Beginning of Fiscal Year, as restated	7,161,202	25,222,524	1,343,421	33,727,147
End of Fiscal Year	\$ 6,741,288	\$ 25,024,924	\$ 333,332	\$ 32,099,544

CITY OF LIVE OAK

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds			Totals
	Water	Sewer	Other Enterprise Funds	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 877,692	\$ 2,265,543	\$ 68,930	\$ 3,212,165
Cash paid to suppliers for goods and services	(446,679)	(739,029)	-	(1,185,708)
Cash paid to employees for services	(431,391)	(941,170)	-	(1,372,561)
Cash received from (payments to) others	-	-	41,786	41,786
Net Cash Provided (Used) by Operating Activities	(378)	585,344	110,716	695,682
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	-	(464,000)	(1,092,000)	(1,556,000)
Contributions	-	864,919	-	864,919
Net Cash Provided (Used) by Non-Capital Financing Activities	-	400,919	(1,092,000)	(691,081)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(1,074,057)	-	(1,074,057)
Principal paid on capital debt	(40,000)	(258,459)	-	(298,459)
Interest paid on capital debt	(22,950)	(69,722)	-	(92,672)
Net Cash Provided (Used) by Capital and Related Financing Activities	(62,950)	(1,402,238)	-	(1,465,188)
Cash Flows from Investing Activities:				
Interest received	1,861	31,316	11,556	44,733
Net Cash Provided (Used) by Investing Activities	1,861	31,316	11,556	44,733
Net Increase (Decrease) in Cash and Cash Equivalents	(61,467)	(384,659)	(969,728)	(1,415,854)
Cash and Cash Equivalents at Beginning of Year	326,651	3,843,492	1,340,538	5,510,681
Cash and Cash Equivalents at End of Year	\$ 265,184	\$ 3,458,833	\$ 370,810	\$ 4,094,827
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (375,900)	\$ (546,143)	\$ 68,930	\$ (853,113)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	340,507	1,111,410	-	1,451,917
Changes in pension related items	40,646	74,304	-	114,950
Changes in OPEB related items	(23,777)	(18,465)	-	(42,242)
(Increase) decrease in accounts receivable	(907)	(3,129)	-	(4,036)
(Increase) decrease in prepaid costs	471	163	-	634
(Increase) decrease in due from other governments	-	667	-	667
Increase (decrease) in accounts payable	25,934	(5,316)	-	20,618
Increase (decrease) in due to other governments	-	-	41,786	41,786
Increase (decrease) in salaries and benefits payable	(2,699)	(9,256)	-	(11,955)
Increase (decrease) in deposits payable	370	2,901	-	3,271
Increase (decrease) in compensated absences	(5,023)	(21,792)	-	(26,815)
Net Cash Provided (Used) by Operating Activities	\$ (378)	\$ 585,344	\$ 110,716	\$ 695,682

See Notes to Financial Statements

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, 2018

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

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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 that they are 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. 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 13-CDBG-8933 Skate Park fund is used to account for CDBG grant funds used for public improvements for the skate park. Funding comes from 13-CDBG-8933 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, 2018

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, 2018, the allowance for doubtful accounts was \$25.

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, 2018, 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 \$41,786 from the Sewer Connection 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 two items which qualify for reporting in this category. These items relate to outflows from changes in the net pension liability and the net OPEB asset and are 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 four 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 and third items relate to inflows from changes in the net pension liability and net OPEB asset and are reportable on the Statement of Net Position. The fourth 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, 2018

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.

r. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by CERBT, and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

s. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

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 properly capitalize costs that were incorrectly expensed in prior years. A restatement was also required due to the implementation of GASB 75. 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, 2017, as previously reported	\$ 37,056,656	\$ 33,830,878
Restatements associated with:		
Correct capital costs	9,493	-
GASB 75 implementation	29,127	(61,443)
Accrued interest on long-term debt	-	(42,288)
	<hr/>	<hr/>
Total Adjustments	38,620	(103,731)
	<hr/>	<hr/>
Net Position, July 1 2017, as restated	\$ 37,095,276	\$ 33,727,147

b. Deficit Fund Balance/Net Position

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

The 14-HOME-9274 fund had a fund balance deficit of \$3,945, which is expected to be eliminated in the future through intergovernmental revenues.

The Traffic Safety fund had a fund balance deficit of \$1,236, which is expected to be eliminated in the future through intergovernmental revenues.

The Mello Roos CFD 2004-1 Fire fund had a fund balance deficit of \$3,617, which is expected to be eliminated in the future through special assessment revenues

The Mello Roos CFD 2004-1 Police fund had a fund balance deficit of \$4,870, which is expected to be eliminated in the future through special assessment revenues

The Mello Roos CFD 2004-1 Animal Services fund had a fund balance deficit of \$6,077, which is expected to be eliminated in the future through special assessment revenues

The 16-HOME-11532 fund had a fund balance deficit of \$4,254, which is expected to be eliminated in the future through grant reimbursements.

The 16-HOME-11380 fund had a fund balance deficit of \$607, which is expected to be eliminated in the future through grant reimbursements.

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 3: Cash and Investments

a. Financial Statement Presentation

As of June 30, 2018, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 8,570,395
Business-Type activities	4,094,827
Private Purpose Trust	<u>29,376</u>
Total Cash and Investments	<u>\$ 12,694,598</u>

As of June 30, 2018, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 1,020
Deposits (less outstanding checks)	<u>3,172,981</u>
Total Cash	<u>3,174,001</u>
Investments:	
Certificate of Deposit	31,000
LAIF	8,363,241
Money Market Funds	576,110
Held by fiscal agent:	
Money Market Funds	<u>550,246</u>
Total Investments	<u>9,520,597</u>
Total Cash and Investments	<u>\$ 12,694,598</u>

b. Cash

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was \$3,172,981 and the bank balance was \$3,753,825. 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.

Note 3: Cash and Investments (Continued)

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.

The City's position in external investment pools is, in itself, 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.

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 3: Cash and Investments (Continued)

At June 30, 2018, the City had the following recurring fair value measurements.

Investment Type	Fair Value	Level		
		1	2	3
Certificate of Deposit	\$ 31,000	\$ -	\$ 31,000	\$ -
Local Agency Investment Funds (LAIF)	8,363,241	-	8,363,241	-
Total Investments Measured at Fair Value	<u>\$ 8,394,241</u>	<u>\$ -</u>	<u>\$ 8,394,241</u>	<u>\$ -</u>
Investments Measured at Amortized Cost				
Money Market Funds	\$ 576,110			
Held by Fiscal Agent:				
Money Market Funds	<u>550,246</u>			
Total Investments Measured at Amortized Cost	<u>1,126,356</u>			
Total Investments	<u>\$ 9,520,597</u>			

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, 2018, 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	8,363,241	8,363,241
Money Market Funds	Variable	576,110	576,110
Held by Fiscal Agent:			
Money Market Funds		<u>550,246</u>	<u>550,246</u>
Total Investments		<u>\$ 9,520,597</u>	<u>\$ 9,520,597</u>

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2018, 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.

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

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, 2018, 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, 2018, the City's investment in LAIF valued at amortized cost was \$8,363,241 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 \$88.8 billion. Of that amount, 99.17 percent is invested in non-derivative financial products and 0.83 percent in structured notes and asset-backed securities.

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2018, was as follows:

Governmental Activities

	Balance June 30, 2017	Adjustments	Adjusted Beginning Balance	CIP Transfers	Additions	Retirements	Balance June 30, 2018
Capital assets, not being depreciated:							
Land	\$ 6,584,996	\$ -	\$ 6,584,996	\$ -	\$ -	\$ -	\$ 6,584,996
Construction in progress	1,971,041	9,493	1,980,534	(2,417,417)	1,400,248	-	963,365
Total capital assets, not being depreciated	8,556,037	9,493	8,565,530	(2,417,417)	1,400,248	-	7,548,361
Capital assets, being depreciated:							
Buildings and improvements	5,143,650	-	5,143,650	2,417,417	-	-	7,561,067
Equipment	3,865,606	-	3,865,606	-	89,357	(102,041)	3,852,922
Infrastructure	22,058,947	-	22,058,947	-	-	-	22,058,947
Total capital assets, being depreciated	31,068,203	-	31,068,203	2,417,417	89,357	(102,041)	33,472,936
Less accumulated depreciation for:							
Buildings and improvements	(1,232,384)	-	(1,232,384)	-	(236,832)	-	(1,469,216)
Equipment	(2,724,574)	-	(2,724,574)	-	(171,694)	102,041	(2,794,227)
Infrastructure	(7,030,101)	-	(7,030,101)	-	(483,202)	-	(7,513,303)
Total accumulated depreciation	(10,987,059)	-	(10,987,059)	-	(891,728)	102,041	(11,776,746)
Total capital assets being depreciated, net	20,081,144	-	20,081,144	2,417,417	(802,371)	-	21,696,190
Governmental activities capital assets, net	\$ 28,637,181	\$ 9,493	\$ 28,646,674	\$ -	\$ 597,877	\$ -	\$ 29,244,551

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 4: Capital Assets (Continued)

Business-Type Activities

	Balance				Balance
	June 30, 2017	CIP Transfers	Additions	Retirements	June 30, 2018
Capital assets, not being depreciated:					
Land	\$ 233,241	\$ -	\$ -	\$ -	\$ 233,241
Construction in progress	1,270,937	-	1,074,057	-	2,344,994
Total capital assets, not being depreciated	1,504,178	-	1,074,057	-	2,578,235
Capital assets, being depreciated:					
Buildings and improvements	38,641	-	-	-	38,641
Equipment	1,585,929	-	-	-	1,585,929
Infrastructure	47,731,996	-	-	-	47,731,996
Total capital assets, being depreciated	49,356,566	-	-	-	49,356,566
Less accumulated depreciation for:					
Buildings and improvements	(38,641)	-	-	-	(38,641)
Equipment	(1,239,821)	-	(53,744)	-	(1,293,565)
Infrastructure	(13,666,368)	-	(1,398,173)	-	(15,064,541)
Total accumulated depreciation	(14,944,830)	-	(1,451,917)	-	(16,396,747)
Total capital assets being depreciated, net	34,411,736	-	(1,451,917)	-	32,959,819
Business-Type activities capital assets, net	\$ 35,915,914	\$ -	\$ (377,860)	\$ -	\$ 35,538,054

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 62,421
Public safety	8,917
Community development	124,842
Culture and recreation	115,925
Public ways and facilities	579,623
Total Depreciation Expense - Governmental Functions	<u>\$ 891,728</u>

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

Water	\$ 340,507
Sewer	1,111,410
Total Depreciation Expense - Business-Type Functions	<u>\$ 1,451,917</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

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	
Rec Trail Segment 4	\$ 92,574
City Signs	73,039
Total Parks and Recreation	165,613
Streets & Roads	
Underground Utility	578,702
Pennington Road Project	219,050
Total Streets & Roads	797,752
Total Governmental	963,365
Business-type Activities	
Water Enterprise	
Well #7	1,855,229
Other miscellaneous	489,765
Total Water Enterprise	2,344,994
Total Business-type	2,344,994
Total Construction In Progress	\$ 3,308,359

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, 2018:

Due from other funds	Due to other funds	Amount
General Fund	13-CDBG-8933 Skate Park	\$ 402,124
General Fund	Capital Improvement Project	70,735
General Fund	Other Governmental Funds	37,656
Capital Improvement Project	Other Governmental Funds	45,000
		\$ 555,515

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

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, 2018:

Transfers In	Transfer Out	Amount
Capital Improvement Project	Other Governmental Funds	\$ 690,723
Capital Improvement Project	Other Enterprise Funds	377,000
State Grant Fund	Other Enterprise Funds	715,000
State Grant Fund	Sewer	464,000
State Grant Fund	Other Governmental Funds	18,000
13-CDBG-8933 Skate Park	Program Income	225,711
Other Governmental Funds	Other Governmental Funds	750
		<u>\$ 2,491,184</u>

Note 6: Loans Receivable

At June 30, 2018, the City had the following loans receivable, including principal and accrued interest:

Loan Type	Governmental Activities		
	Principal	Interest	Total
CDBG Housing Rehab	\$ 467,375	\$ 110,979	\$ 578,354
CDBG First Time Home Buyer	474,000	212,432	686,432
CDBG Public Improvements	680,800	-	680,800
EDBG Business Assistance	39,168	26	39,194
HOME Owner Occupied Rehab	1,208,156	-	1,208,156
HOME First Time Home Buyer	230,147	-	230,147
HOME Housing New Construction	7,500,000	716,489	8,216,489
HOME Program Income First Time Home Buyer	283,378	-	283,378
HOME Program Income Owner Occupied Rehab	92,942	-	92,942
City Loan First Time Home Buyer	75,000	24,152	99,152
Impact Fees Housing New Construction	667,349	-	667,349
Total	<u>\$ 11,718,315</u>	<u>\$ 1,064,078</u>	<u>\$ 12,782,393</u>

A total of \$12,782,393 was recorded as loans receivable at June 30, 2018. 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 \$12,015,892 have been established in the Governmental Funds Balance Sheet for the housing and business loan principal and interest payments.

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 7: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

Type of Indebtedness	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities					
Compensated absences	\$ 55,377	\$ 29,324	\$ (28,849)	\$ 55,852	\$ 17,687
Loans	371,441	-	(54,146)	317,295	52,882
Fire engine	-	549,863	-	549,863	70,532
Total Governmental Activities	<u>\$ 426,818</u>	<u>\$ 579,187</u>	<u>\$ (82,995)</u>	<u>\$ 923,010</u>	<u>\$ 141,101</u>
Business-Type Activities					
Compensated absences	\$ 75,333	\$ 40,164	\$ (66,979)	\$ 48,518	\$ 30,455
Loans	5,152,808	-	(182,444)	4,970,364	184,269
Certificates of Participation	1,990,000	-	(70,000)	1,920,000	70,000
Capital Leases	46,015	-	(46,015)	-	-
Total Business-Type Activities	<u>\$ 7,264,156</u>	<u>\$ 40,164</u>	<u>\$ (365,438)</u>	<u>\$ 6,938,882</u>	<u>\$ 284,724</u>

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

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

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 7: Long-Term Liabilities (Continued)

Individual issues of debt payable outstanding at June 30, 2018, 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 was used to provide funding to the Sutter Animal Services Authority. \$ 317,295

The City entered into a lease purchase agreement with US Bancorp Government Leasing and Finance Inc. in January 2018. Using the lease proceeds, the City purchased the fire engine from Ferrara Rev Group for \$549,863. The fire engine was delivered to the City in September 2018 and went into service. The lease arrangement goes out seven years at an interest rate of 3.57% with annual payments commencing in January 2019. The lease is an obligation of the City's General Fund and is accounted for as a long term general liability of the City. 549,863

Total Loans 867,158

Total Governmental Activities \$ 867,158

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. \$ 4,970,364

Total Loans 4,970,364

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. 840,000

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. 1,080,000

Total Certificates of Participation 1,920,000

Total Business-Type Activities \$ 6,890,364

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018
Note 7: Long-Term Liabilities (Continued)

Following are schedules 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
2019	\$ 52,882	\$ 693	\$ 53,575
2020	52,882	573	53,455
2021	52,882	452	53,334
2022	52,882	332	53,214
2023	52,882	211	53,093
2024	52,885	90	52,975
Total	<u>\$ 317,295</u>	<u>\$ 2,351</u>	<u>\$ 319,646</u>

Year Ended June 30,	Fire Engine		
	Principal	Interest	Total
2019	\$ 70,532	\$ 19,630	\$ 90,162
2020	73,050	17,112	90,162
2021	75,658	14,504	90,162
2022	78,359	11,803	90,162
2023	81,156	9,006	90,162
2024-2025	171,108	9,216	180,324
Total	<u>\$ 549,863</u>	<u>\$ 81,271</u>	<u>\$ 631,134</u>

Business-Type Activities

Year Ended June 30,	Loans		
	Principal	Interest	Total
2019	\$ 184,269	\$ 49,704	\$ 233,973
2020	186,111	47,861	233,972
2021	187,972	46,000	233,972
2022	189,852	44,120	233,972
2023	191,751	42,222	233,973
2024-2028	987,902	181,959	1,169,861
2029-2033	1,038,295	131,566	1,169,861
2034-2038	1,091,259	78,603	1,169,862
2039-2042	912,953	22,936	935,889
Total	<u>\$ 4,970,364</u>	<u>\$ 644,971</u>	<u>\$ 5,615,335</u>

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 7: Long-Term Liabilities (Continued)

Business-Type Activities

Year Ended June 30,	Certificates of Participation		
	Principal	Interest	Total
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	70,000	68,213	138,213
2024-2028	362,000	295,418	657,418
2029-2033	365,000	217,919	582,919
2034-2038	365,000	140,356	505,356
2039-2043	365,000	62,794	427,794
2044-2048	113,000	4,101	117,101
Total	<u>\$ 1,920,000</u>	<u>\$ 1,091,403</u>	<u>\$ 3,011,403</u>

Note 8: Leases

Capital Leases

During February 2013, the City entered into a capital lease agreement under which the related equipment becomes the property of the City when all terms of the lease agreement are met. As of June 30, 2018, the City has met all terms of the lease agreement.

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

	Business-Type Activities
Cost of equipment	\$ 330,676
Less: accumulated depreciation	<u>(121,248)</u>
Net Value	<u>\$ 209,428</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

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 \$4,322,130 of restricted net position, of which \$1,142,222 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, 2018, fund balance for governmental funds is made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 10: Fund Balances (Continued)

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

The fund balances for all major and non-major governmental funds as of June 30, 2018, were distributed as follows:

	General	Program Income	State Grant Fund	13-CDBG-8933	Capital Improvement Project	Other Governmental Funds	Total
Nonspendable:							
Prepaid costs	\$ 11,357	\$ -	\$ -	\$ -	\$ -	\$ 3,983	\$ 15,340
Subtotal	11,357	-	-	-	-	3,983	15,340
Restricted For:							
Developer Deposits	-	-	-	-	-	1,586	1,586
Street maintenance and	-	-	-	-	-	221,051	221,051
Law enforcement services	-	-	-	-	-	233,509	233,509
Sidewalk improvement	-	-	-	-	-	17,451	17,451
Street lighting	-	-	-	-	-	111,183	111,183
Mello Roos	-	-	-	-	-	245,458	245,458
Fire protection services	-	-	-	-	-	6,443	6,443
Impact fees	-	-	-	-	-	884,846	884,846
Storm drain connection fees	-	-	-	-	-	64,003	64,003
Community development	-	372,479	925,500	-	-	6,826	1,304,805
Transportation	-	-	-	-	-	784,013	784,013
Subtotal	-	372,479	925,500	-	-	2,576,369	3,874,348
Committed to:							
General reserve	866,300	-	-	-	-	-	866,300
City/County major fire	24,745	-	-	-	-	-	24,745
Equipment replacement	103,418	-	-	-	-	-	103,418
Info technology	103,416	-	-	-	-	-	103,416
PERS retirement	319,744	-	-	-	-	-	319,744
Health insurance	274,815	-	-	-	-	-	274,815
OPEB	182,894	-	-	-	-	-	182,894
Capital facilities	673,407	-	-	-	-	-	673,407
Subtotal	2,548,739	-	-	-	-	-	2,548,739
Unassigned	2,427,584	-	-	(404,770)	(106,778)	(27,008)	1,889,028
Totals	\$ 4,987,680	\$ 372,479	\$ 925,500	\$ (404,770)	\$ (106,778)	\$ 2,553,344	\$ 8,327,455

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, 2018, 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, 2018

Note 11: Pension Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2018, 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	25.570%	6.781%
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 regard 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, 2018, the contributions recognized as a reduction to the net pension liability for each plan were as follows:

	Miscellaneous Plan
Contributions - employer	\$ 234,653

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 11: Pension Plan (Continued)

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

As of June 30, 2018, 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	\$ 1,824,719
Total Net Pension Liability	<u>\$ 1,824,719</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, 2017, 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, 2016 rolled forward to June 30, 2017 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, 2016 and 2017 was as follows:

Proportions as a percentage of the CalPERS Miscellaneous risk pool:

	Miscellaneous Plan
Proportion - June 30, 2016	<u>0.04705%</u>
Proportion - June 30, 2017	<u>0.04629%</u>
Change - Increase (Decrease)	<u>-0.00076%</u>

CITY OF LIVE OAK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 11: Pension Plan (Continued)

For the year ended June 30, 2018, the City recognized pension expense of \$461,578. At June 30, 2018, 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	\$ 264,327	\$ (20,155)
Pension contributions subsequent to measurement date	246,864	-
Difference between expected and actual experiences	2,130	(30,521)
Differences between actual contributions and the proportionate share of contributions	89,740	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	59,780	-
Adjustment due to Difference in Proportions	137,672	(29,193)
Total	<u>\$ 800,513</u>	<u>\$ (79,869)</u>

\$246,864 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 fiscal year ended June 30, 2019. 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	
2018	\$ 183,082
2019	198,374
2020	127,816
2021	(35,492)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2017, (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016, total pension liability. The June 30, 2016 and the June 30, 2017, total pension liabilities were based on the following actuarial methods and assumptions:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

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	7.15%
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, 2016, valuation was 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

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 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 7.15 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 7.15 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, 2018
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, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0	0.80	2.27
Inflation Sensitive	6.0	0.60	1.39
Private Equity	12.0	6.60	6.63
Real Estate	11.0	2.80	5.21
Infrastructure and Forestland	3.0	3.90	5.36
Liquidity	2.0	(0.40)	(0.90)

(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 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Plan's Net Pension Liability/(Asset)	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan	\$ 2,696,016	\$ 1,824,719	\$ 1,103,095

Pension Plan Fiduciary Net Position

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 12: Other Postemployment Benefits (OPEB)

Plan Description

The City contributes to California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit postemployment healthcare plan administrator (“the Retiree Health Plan”). An employee is eligible for lifetime medical benefits under the Plan, along with his/her spouse at the time of retirement, if he or she retires from the City under CalPERS. The retiree receives a benefit of \$128 per month from the City. Payments cease at age 65 when the retiree is eligible for Medicare.

Employees Covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the Retiree Health Plan:

Active	26
Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to, but not yet receiving benefits	<u>0</u>
Total	<u><u>32</u></u>

Contributions

The Retiree Health Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2017, the City’s cash contributions were \$14,428 in total payments, which were recognized as an increase to the net OPEB asset.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 12: Other Postemployment Benefits (OPEB) (Continued)**Net OPEB Asset**

The City's net OPEB asset was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2017 to determine the June 30, 2017 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions	
Contribution Policy	Pre-funded through CERBT with Strategy 1 asset allocation
Discount Rate and Long-Term Rate of Return on Investments	6.75% at June 30, 2017 6.75% at June 30, 2016 Plan assets projected to be sufficient to pay all benefits from trust. No crossover date.
General Inflation	2.75% per annum
Mortality, Retirement, Disability, Terminations	CalPERS 1997-2015 Experience Study.
Mortality Improvement	Mortality projected fully generational with Scale MP-17
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years
Municipal Bond Rate	N/A
Participation at Retirement	50% if active medical coverage 0% if waived

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
Global Equity	57.00%	4.82%
Fixed Income	27.00%	1.47%
TIPS	5.00%	1.29%
Commodities	3.00%	84.00%
REITs	8.00%	3.76%
Total	100.00%	

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 12: Other Postemployment Benefits (OPEB) (Continued)**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Asset

The changes in the net OPEB asset for the Retiree Health Plan are as follows:

	Increase(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset)
Balance at June 30,2017 (measurement date 6/30/16)	\$ 227,535	\$ 332,585	\$ (105,050)
Changes recognized over the measurement period:			
Service Cost	23,510	-	23,510
Interest	16,459	-	16,459
Contributions - employer*	-	14,428	(14,428)
Net investment income	-	35,119	(35,119)
Benefit payments	(14,428)	(14,428)	-
Administrative expenses	-	(178)	178
Net Changes	25,541	34,941	(9,400)
Balance at June 30, 2018 (measurement date 06/30/2017)	\$ 253,076	\$ 367,526	\$ (114,450)

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease	Current	1% Increase
	(5.75%)	Discount Rate (6.75%)	(7.75%)
Net OPEB Asset	\$ (82,691)	\$ (114,450)	\$ (140,726)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

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

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB asset of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Asset	\$ (145,590)	\$ (114,450)	\$ (76,049)

OPEB Plan Fiduciary Net Position

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained directly from the CalPERS website.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$15,169. As of fiscal year ended June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 14,578	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	(10,141)
Total	<u>\$ 14,578</u>	<u>\$ (10,141)</u>

The \$14,578 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30	
2019	\$ (2,535)
2020	(2,535)
2021	(2,535)
2022	(2,536)

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 whereby 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 14: Redevelopment Successor Agency and City Note Receivable (Continued)

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

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

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

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

Note 15: Other Information**a. Commitments**

The following material construction commitments existed at June 30, 2018:

Project Name	Contract Amount	Expenditures to date as of June 30, 2018	Remaining Commitments
Prop 84 Well #7	\$ 2,253,559	\$ 1,355,042	\$ 898,517
Pennington Rd East Rehab, 13-CDBG	1,325,080	1,140,506	184,574
Skate Park	929,741	803,939	125,802

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.

Note 15: Other Information (Continued)

b. Development Agreements

KB Homes Development Agreement

In July 2017, the City of Live Oak and KB Homes agreed upon various arrangements for the prospective development. The 2017 agreement with KB Homes resolved previous reimbursement arrangements stemming from KB Homes incurring the costs of building the City's largest water storage facility in 2012. The 2017 agreement provides that the City not assess its water connection, sewer connection fees and general development impact fees upon the 97 prospective single family homes to be built by KB Homes in Pennington Ranch Phase IV. As of June 30, 2018, there are no financial effects upon the City stemming from the development arrangements with KB Homes.

Sutter County (Annexation and Sphere of Influence Development Arrangements with City

In September 2008 the City of Live Oak and the County of Sutter agreed upon various arrangements for prospective development for land annexed by the City and for development governed by the County for properties within the City's sphere of influence. These arrangements include land use planning, property tax sharing, sales tax sharing, public safety services, development impact fees and regional transportation. The arrangements are memorialized in City Resolution 46-2008 and Sutter County Resolution 08-069.

At the end of each fiscal year, the Sutter County Auditor-Controller reconciles the property tax allocations subject to the development arrangements and distributes the adjusting amounts due to City and County. Any amounts due to the City for each fiscal year are shown as a receivable as of the balance sheet date in conformity with the City's revenue recognition practices.

At the end of each fiscal year, the City calculates the amount of sales tax due to the County based upon the agreed upon development arrangements. The sales taxes subject to the development arrangements are accounted for in the City's general Fund. As of June 30, 2018, the City recorded a liability of \$8,888 of sales tax due to the County of Sutter.

As of June 30, 2018, there are no financial effects upon the City stemming from the development arrangements with the County of Sutter other than the aforementioned amounts.

c. Contingent Liability (Premier Homes Reimbursement Agreement)

In August 2008 the City of Live Oak entered into a reimbursement agreement with Premier Homes whereby the housing developer agreed to increase the size of sewer mains and drainage facilities for other prospective development near and adjacent to their development along Larkin Road. The City agreed to forward sewer connection and drainage impact fees to Premier Homes as that development occurred. The reimbursement period for the agreement ends on July 1, 2018.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 15: Other Information (Continued)

In July 2017, the City issued its only building permits subject to the Premier Homes reimbursement agreement. The City collected \$41,786 in sewer connection fees for development along Larkin Road and that amount is recorded as a liability due to Premier Homes as of June 30, 2018. Premier Homes contends that additional money may be due under the provisions of the agreement and the City had not ascertained an amount due as of June 30, 2018. The amount in dispute is considered a contingent liability.

d. Acquisition and Fee Deferral Loan Agreement Live Oak Pacific Associates (Kristen Court Apartments)

The City of Live Oak entered into an acquisition and fee deferral loan agreement with Live Oak Pacific Associates (Kristen Court Apartments) in November 2015. The transaction deferred the payment of acquisition costs (\$293,000) for a portion of land and certain development impact fees (\$374,349) due to the City. The City obtained two promissory notes (one for each amount) which bearing simple interest at 3% and maturing in 55 years. As called for in the agreement, interest began accruing upon the close out of the construction loan in December 2016.

The loan agreement provides that interest payments be limited to a portion of "Residual Receipts" as prescribed with their annual accounting of operations. The City received its first interest payments from the project in July 2018. Any unpaid interest over the life of the loan is due and payable at the maturity of the promissory note. The City accounts for the receipt of the note receivable and unpaid interest as a general governmental asset and records the receipt of interest payments as current revenue in the year it is received.

As of June 30, 2018 the City has not yet received any interest payments from the residual receipts. As of June 30, 2018 the outstanding balances for the principal and interest on the notes were as follows:

	Principal	Interest
Acquisition Note	\$293,000	\$13,185
Developer Fee Note (drainage portion)	\$94,349	\$4,246
Developer Fee Note (fire facility portion)	\$280,000	\$12,600

e. Subsequent Events

Management has evaluated events subsequent to June 30, 2018 through November 28, 2018, 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, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$4,620,605	\$ 4,620,605	\$ 4,620,605	\$ -
Resources (Inflows):				
Taxes	1,879,300	1,879,300	1,871,158	(8,142)
Licenses and permits	334,800	334,800	423,118	88,318
Intergovernmental	19,300	19,300	73,044	53,744
Charges for services	104,800	104,800	94,108	(10,692)
Use of money and property	72,000	72,000	91,254	19,254
Miscellaneous	376,000	376,000	304,095	(71,905)
Capital leases	-	-	549,863	549,863
Amounts Available for Appropriations	7,406,805	7,406,805	8,027,245	620,440
Charges to Appropriation (Outflow):				
General government				
City Council	131,052	131,052	111,930	19,122
Administrative Services	247,473	247,473	350,227	(102,754)
Finance Services	183,476	183,476	202,203	(18,727)
City Attorney	60,700	60,700	71,976	(11,276)
Public safety				
Building Inspection	196,165	196,165	187,371	8,794
Police Services	888,831	888,831	625,200	263,631
Animal Control Services	36,800	36,800	25,057	11,743
Fire Services	481,400	481,400	462,408	18,992
Community development				
Community Development	248,132	248,132	241,941	6,191
Economic Development	25,000	25,000	27,293	(2,293)
Culture and recreation				
Park Operations	173,130	173,130	195,411	(22,281)
Recreation Services	179,168	179,168	261,816	(82,648)
Pool Operations	117,855	117,855	84,284	33,571
Facility Maintenance	44,794	44,794	102,450	(57,656)
Public ways and facilities				
Engineering	47,900	47,900	29,900	18,000
Debt service:				
Principal retirement	30,000	30,000	54,146	(24,146)
Interest and fiscal charges	22,400	22,400	5,952	16,448
Total Charges to Appropriations	3,114,276	3,114,276	3,039,565	74,711
Budgetary Fund Balance, June 30	\$ 4,292,529	\$ 4,292,529	\$ 4,987,680	\$ 695,151

CITY OF LIVE OAK

BUDGETARY COMPARISON SCHEDULE
 PROGRAM INCOME
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated	\$ 366,978	\$ 366,978	\$ 366,978	\$ -
Resources (Inflows):				
Intergovernmental	89,200	89,200	236,313	147,113
Use of money and property	1,300	1,300	3,966	2,666
Amounts Available for Appropriations	457,478	457,478	607,257	149,779
Charges to Appropriation (Outflow):				
Community development	344,200	344,200	9,067	335,133
Transfers out	100,000	100,000	225,711	(125,711)
Total Charges to Appropriations	444,200	444,200	234,778	209,422
Budgetary Fund Balance, June 30	\$ 13,278	\$ 13,278	\$ 372,479	\$ 359,201

CITY OF LIVE OAK

BUDGETARY COMPARISON SCHEDULE
 STATE GRANT FUND
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (778,174)	\$ (778,174)	\$ (778,174)	\$ -
Resources (Inflows):				
Intergovernmental	4,597,000	4,597,000	1,191,949	(3,405,051)
Transfers in	-	-	1,197,000	1,197,000
Amounts Available for Appropriations	3,818,826	3,818,826	1,610,775	(2,208,051)
Charges to Appropriation (Outflow):				
Public ways and facilities	4,597,000	4,597,000	685,275	3,911,725
Total Charges to Appropriations	4,597,000	4,597,000	685,275	3,911,725
Budgetary Fund Balance, June 30	\$ (778,174)	\$ (778,174)	\$ 925,500	\$ 1,703,674

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
13 CDBG-8933 SKATE PARK
YEAR ENDED JUNE 30, 2018**

	<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	\$ (592,950)	\$ (592,950)	\$ (592,950)	\$ -
Resources (Inflows):				
Intergovernmental	1,713,822	1,713,822	1,685,771	(28,051)
Transfers in	419,000	419,000	225,711	(193,289)
Amounts Available for Appropriations	<u>1,539,872</u>	<u>1,539,872</u>	<u>1,318,532</u>	<u>(221,340)</u>
Charges to Appropriation (Outflow):				
Community development	1,974,822	1,974,822	1,513,816	461,006
Capital outlay	252,000	252,000	209,486	42,514
Total Charges to Appropriations	<u>2,226,822</u>	<u>2,226,822</u>	<u>1,723,302</u>	<u>503,520</u>
Budgetary Fund Balance, June 30	<u>\$ (686,950)</u>	<u>\$ (686,950)</u>	<u>\$ (404,770)</u>	<u>\$ 282,180</u>

**CITY OF LIVE OAK
 COST SHARING MULTIPLE EMPLOYER BENEFIT PLAN
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 AS OF JUNE 30, 2018**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Miscellaneous Plan				
Plan's Proportion of the Net Pension Liability	0.01965%	0.02026%	0.01889%	0.01840%
Plan's Proportionate Share of the Net Pension Liability	\$ 1,222,792	\$ 1,390,791	\$ 1,634,430	\$ 1,824,719
Plan's Covered Payroll	\$ 1,126,901	\$ 961,817	\$ 1,091,598	\$ 1,108,151
Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	108.51%	144.60%	149.73%	164.66%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%

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 2018, the discount rate reduced from 7.65 percent to 7.15 percent. In 2017, there were no changes. In 2016, 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 2015, 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 four years are shown.

**CITY OF LIVE OAK
 COST SHARING MULTIPLE EMPLOYER BENEFIT PLAN
 SCHEDULE OF PLAN CONTRIBUTIONS
 AS OF JUNE 30, 2018**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Miscellaneous Plan				
Actuarially Determined Contribution	\$ 212,735	\$ 219,352	\$ 234,653	\$ 246,864
Contribution in Relation to the Actuarially Determined Contribution	(212,735)	(219,352)	(234,653)	(246,864)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 961,817	\$ 1,091,598	\$ 1,108,151	\$ 1,152,712
Contributions as a Percentage of Covered-Employee Payroll	22.12%	20.09%	21.18%	21.42%

(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 four years are shown.

Note to Schedule:

Valuation Date:	June 30, 2015
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

**SCHEDULE OF CHANGES IN THE NET OPEB ASSET AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 23,510
Interest on the total OPEB liability	16,459
Benefit payments	(14,428)
Net change in total OPEB liability	<u>25,541</u>
Total OPEB liability - beginning	<u>227,535</u>
Total OPEB liability - ending (a)	<u><u>\$ 253,076</u></u>
 Plan Fiduciary Net Position	
Contribution - employer	\$ 14,428
Net investment income	35,119
Benefit payments	(14,428)
Administrative expense	(178)
Net change in plan fiduciary net position	<u>34,941</u>
Plan fiduciary net position - beginning	<u>332,585</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 367,526</u></u>
 Net OPEB Liability/(Assets) - ending (a) - (b)	<u><u>\$ (114,450)</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	145.22%
 Covered-employee payroll	\$ 1,011,920
 Net OPEB liability as a percentage of covered-employee payroll	-11.31%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None.

Changes in assumptions: None.

CITY OF LIVE OAK

**SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>
Actuarially Determined Contribution	\$ 32,072
Contribution in Relation to the Actuarially Determined Contributions	(14,578)
Contribution Deficiency (Excess)	<u>\$ 17,494</u>
Covered-employee payroll	\$ 1,200,174
Contributions as a percentage of covered-employee payroll	1.21%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2018 were from the June 30, 2015 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll over a closed rolling 20-year period
Asset Valuation Method	Market value
Inflation	3%
Discount Rate	7%
Medical Trend	Non-Medicare - 7.0% for 2017, decreasing to an ultimate rate of 5.0% in 2021 and later years Medicare - 7.2% for 2017, decreasing to an ultimate rate of 5.0% in 2021 and later years
Mortality	CalPERS 1997-2011 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP14 with 15 year convergence in 2022

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018**

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, 2018, the following funds did not have annual appropriated budgets.

Developer Deposits
10-HOME-6349 Maple Park
11-HOME-7661
16-HOME-11532
16-HOME-11380

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, 2018

Note 2: Expenditures in Excess of Appropriations

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

<u>Fund</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund:			
General Government			
Finance Services	\$ 202,203	\$ 183,476	\$ (18,727)
Administrative Services	350,227	247,473	(102,754)
City Attorney	71,976	60,700	(11,276)
Community Development			
Economic Development	27,293	25,000	(2,293)
Culture and Recreation			
Park Operations	195,411	173,130	(22,281)
Recreation Services	261,816	179,168	(82,648)
Facility Maintenance	102,450	44,794	(57,656)
Debt Service			
Principal Retirement	54,146	30,000	(24,146)
Program Income:			
Transfers Out	225,711	100,000	(125,711)

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:

14-HOME-9274

This fund is used to account for HOME grant revenues and expenditures.

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/crop 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.

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).

16-HOME-11532

This fund is used to account for HOME grant funds used for the Kristen Court Phase 2 project.

16-HOME-11380

This fund is used to account for HOME grant funds used for the Owner Occupied Rehab Loan Program.

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	14-HOME-9274	Developer Deposits	Streets and Roads	Traffic Safety
Assets:				
Cash and investments	\$ -	\$ 178,737	\$ 211,874	\$ -
Receivables:				
Accounts	-	-	2,672	-
Notes and loans	-	-	-	-
Interest	-	526	516	3
Prepaid costs	-	-	109	-
Due from other governments	-	-	14,583	380
Total Assets	\$ -	\$ 179,263	\$ 229,754	\$ 383
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 6,721	\$ -
Salaries and benefits payable	-	-	1,873	-
Unearned revenues	-	-	-	-
Deposits payable	-	177,677	-	-
Due to other funds	3,945	-	-	1,619
Total Liabilities	3,945	177,677	8,594	1,619
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	109	-
Restricted	-	1,586	221,051	-
Unassigned	(3,945)	-	-	(1,236)
Total Fund Balances	(3,945)	1,586	221,160	(1,236)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 179,263	\$ 229,754	\$ 383

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	COPS	Sidewalk Improvement	Street Lighting	Mello Roos CFD 92-1
Assets:				
Cash and investments	\$ 301,536	\$ 17,400	\$ 118,693	\$ 151,212
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	876	51	312	540
Prepaid costs	-	-	-	1,472
Due from other governments	10,113	-	1,264	4,438
Total Assets	\$ 312,525	\$ 17,451	\$ 120,269	\$ 157,662
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 15,456	\$ -	\$ 9,086	\$ -
Salaries and benefits payable	-	-	-	-
Unearned revenues	63,560	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	45,000
Total Liabilities	79,016	-	9,086	45,000
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	1,472
Restricted	233,509	17,451	111,183	111,190
Unassigned	-	-	-	-
Total Fund Balances	233,509	17,451	111,183	112,662
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 312,525	\$ 17,451	\$ 120,269	\$ 157,662

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	Fire Benefit Assessment	Mello Roos CFD 2004-1 Fire	Mello Roos CFD 2004-1 Police	Mello Roos CFD 2004-1 Animal Services
Assets:				
Cash and investments	\$ 4,197	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	20	-	-	-
Prepaid costs	-	-	2,402	-
Due from other governments	2,226	831	2,253	131
Total Assets	\$ 6,443	\$ 831	\$ 4,655	\$ 131
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	4,448	9,525	6,208
Total Liabilities	-	4,448	9,525	6,208
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	2,402	-
Restricted	6,443	-	-	-
Unassigned	-	(3,617)	(7,272)	(6,077)
Total Fund Balances	6,443	(3,617)	(4,870)	(6,077)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,443	\$ 831	\$ 4,655	\$ 131

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	Mello Roos CFD 2004-1 Street Lighting	Mello Roos CFD 2004-1 Parks/Recreation	Mello Roos CFD 2004-1 Storm Drain	Parks & Recreation Impact Fees
Assets:				
Cash and investments	\$ 9,535	\$ 25,000	\$ 111,506	\$ 42,374
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	17	11	388	125
Prepaid costs	-	-	-	-
Due from other governments	135	1,030	135	-
Total Assets	\$ 9,687	\$ 26,041	\$ 112,029	\$ 42,499
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 5,475	\$ 806	\$ 158	\$ -
Salaries and benefits payable	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	7,050	-	-
Total Liabilities	5,475	7,856	158	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted	4,212	18,185	111,871	42,499
Unassigned	-	-	-	-
Total Fund Balances	4,212	18,185	111,871	42,499
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,687	\$ 26,041	\$ 112,029	\$ 42,499

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	Community Center Impact Fees	Public Works Impact Fees	General Government Impact Fees	Police Impact Fees
Assets:				
Cash and investments	\$ 202,570	\$ 10,955	\$ 324,130	\$ 149,496
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	597	32	956	440
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 203,167	\$ 10,987	\$ 325,086	\$ 149,936
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-
Unearned revenues	-	-	-	-
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	203,167	10,987	325,086	149,936
Unassigned	-	-	-	-
Total Fund Balances	203,167	10,987	325,086	149,936
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 203,167	\$ 10,987	\$ 325,086	\$ 149,936

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	Fire Impact Fees	Signal Impact Fees	Flood Control Impact Fees	Storm Drain Connection Fees
Assets:				
Cash and investments	\$ 100,896	\$ 48,266	\$ 2,016	\$ 63,762
Receivables:				
Accounts	-	-	-	-
Notes and loans	280,000	-	-	387,349
Interest	297	1,690	6	241
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 381,193	\$ 49,956	\$ 2,022	\$ 451,352
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	280,000	-	-	387,349
Total Deferred Inflows of Resources	280,000	-	-	387,349
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted	101,193	49,956	2,022	64,003
Unassigned	-	-	-	-
Total Fund Balances	101,193	49,956	2,022	64,003
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 381,193	\$ 49,956	\$ 2,022	\$ 451,352

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	10-HOME-6349 Maple Park	11-HOME-7661	Transportation	16-HOME-11532
Assets:				
Cash and investments	\$ -	\$ 6,826	\$ 491,004	\$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	1,471	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	292,369	5,254
Total Assets	\$ -	\$ 6,826	\$ 784,844	\$ 5,254
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 831	\$ -
Salaries and benefits payable	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	4,254
Total Liabilities	-	-	831	4,254
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	5,254
Total Deferred Inflows of Resources	-	-	-	5,254
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted	-	6,826	784,013	-
Unassigned	-	-	-	(4,254)
Total Fund Balances	-	6,826	784,013	(4,254)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 6,826	\$ 784,844	\$ 5,254

CITY OF LIVE OAK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>Special Revenue Funds</u>	<u>Total Governmental Funds</u>
	<u>16-HOME-11380</u>	
Assets:		
Cash and investments	\$ -	\$ 2,571,985
Receivables:		
Accounts	-	2,672
Notes and loans	-	667,349
Interest	-	9,115
Prepaid costs	-	3,983
Due from other governments	607	335,749
	<u>607</u>	<u>335,749</u>
Total Assets	<u>\$ 607</u>	<u>\$ 3,590,853</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ -	\$ 38,533
Salaries and benefits payable	-	1,873
Unearned revenues	-	63,560
Deposits payable	-	177,677
Due to other funds	607	82,656
	<u>607</u>	<u>364,299</u>
Total Liabilities	<u>607</u>	<u>364,299</u>
Deferred Inflows of Resources:		
Unavailable revenues	607	673,210
	<u>607</u>	<u>673,210</u>
Total Deferred Inflows of Resources	<u>607</u>	<u>673,210</u>
Fund Balances:		
Nonspendable:		
Prepaid costs	-	3,983
Restricted	-	2,576,369
Unassigned	(607)	(27,008)
	<u>(607)</u>	<u>(27,008)</u>
Total Fund Balances	<u>(607)</u>	<u>2,553,344</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 607</u>	<u>\$ 3,590,853</u>

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	14-HOME-9274	Developer Deposits	Streets and Roads	Traffic Safety
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	2,728
Use of money and property	-	690	1,432	30
Intergovernmental	1,808	-	208,468	-
Charges for services	-	-	8,675	-
Other revenue	-	-	17,622	-
Total Revenues	1,808	690	236,197	2,758
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	10,000
Public ways and facilities	-	-	123,726	-
Culture and recreation	-	-	-	-
Community development	1,808	-	-	-
Total Expenditures	1,808	-	123,726	10,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	690	112,471	(7,242)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(39,449)	-
Total Other Financing Sources (Uses)	-	-	(39,449)	-
Net Change in Fund Balances	-	690	73,022	(7,242)
Fund Balances, Beginning of Year	(3,945)	896	148,138	6,006
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	(3,945)	896	148,138	6,006
Fund Balances, End of Year	\$ (3,945)	\$ 1,586	\$ 221,160	\$ (1,236)

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	COPS	Sidewalk Improvement	Street Lighting	Mello Roos CFD 92-1
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ 54,059	\$ -
Licenses and permits	-	-	-	133,868
Fines and forfeitures	-	-	-	-
Use of money and property	2,435	6	902	1,510
Intergovernmental	76,323	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	1,922	-
Total Revenues	78,758	6	56,883	135,378
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	76,323	-	-	-
Public ways and facilities	-	-	55,875	-
Culture and recreation	-	-	-	-
Community development	-	-	-	149,525
Total Expenditures	76,323	-	55,875	149,525
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,435	6	1,008	(14,147)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	2,435	6	1,008	(14,147)
Fund Balances, Beginning of Year	231,074	17,445	110,175	126,809
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	231,074	17,445	110,175	126,809
Fund Balances, End of Year	\$ 233,509	\$ 17,451	\$ 111,183	\$ 112,662

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Fire Benefit Assessment	Mello Roos CFD 2004-1 Fire	Mello Roos CFD 2004-1 Police	Mello Roos CFD 2004-1 Animal Services
Revenues:				
Taxes and assessments	\$ 117,209	\$ 96,699	\$ 262,156	\$ 15,241
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	86	34	133	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	117,295	96,733	262,289	15,241
Expenditures:				
Current:				
General government	-	114,761	-	-
Public safety	139,472	-	321,678	20,485
Public ways and facilities	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Total Expenditures	139,472	114,761	321,678	20,485
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,177)	(18,028)	(59,389)	(5,244)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(22,177)	(18,028)	(59,389)	(5,244)
Fund Balances, Beginning of Year	28,620	14,411	54,519	(833)
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	28,620	14,411	54,519	(833)
Fund Balances, End of Year	\$ 6,443	\$ (3,617)	\$ (4,870)	\$ (6,077)

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	Mello Roos CFD 2004-1 Street Lighting	Mello Roos CFD 2004-1 Parks/Recreation/ Pool	Mello Roos CFD 2004-1 Storm Drain	Parks & Recreation Impact Fees
	Revenues:			
Taxes and assessments	\$ 15,766	\$ 119,822	\$ 15,766	\$ 3,965
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	107	117	1,145	367
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	15,873	119,939	16,911	4,332
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities	33,566	-	38,663	-
Culture and recreation	-	145,133	-	-
Community development	-	-	-	-
Total Expenditures	33,566	145,133	38,663	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,693)	(25,194)	(21,752)	4,332
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(17,693)	(25,194)	(21,752)	4,332
Fund Balances, Beginning of Year	21,905	43,379	133,623	38,167
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	21,905	43,379	133,623	38,167
Fund Balances, End of Year	\$ 4,212	\$ 18,185	\$ 111,871	\$ 42,499

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Community Center Impact Fees	Public Works Impact Fees	General Government Impact Fees	Police Impact Fees
Revenues:				
Taxes and assessments	\$ 881	\$ -	\$ 1,665	\$ 287
Licenses and permits	-	953	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	1,799	95	2,917	1,328
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	2,680	1,048	4,582	1,615
Expenditures:				
Current:				
General government	-	-	6,500	-
Public safety	-	-	-	-
Public ways and facilities	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Total Expenditures	-	-	6,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,680	1,048	(1,918)	1,615
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	2,680	1,048	(1,918)	1,615
Fund Balances, Beginning of Year	200,487	9,939	327,004	148,321
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	200,487	9,939	327,004	148,321
Fund Balances, End of Year	\$ 203,167	\$ 10,987	\$ 325,086	\$ 149,936

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	Fire Impact Fees	Signal Impact Fees	Flood Control Impact Fees	Storm Drain Connection Fees
Revenues:				
Taxes and assessments	\$ 4,259	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	886	3,726	109	990
Intergovernmental	-	-	-	-
Charges for services	-	13,137	-	-
Other revenue	-	-	-	-
Total Revenues	5,145	16,863	109	990
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities	-	-	-	5,873
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Total Expenditures	-	-	-	5,873
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,145	16,863	109	(4,883)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(525,597)	-	(18,000)
Total Other Financing Sources (Uses)	-	(525,597)	-	(18,000)
Net Change in Fund Balances	5,145	(508,734)	109	(22,883)
Fund Balances, Beginning of Year	96,048	558,690	1,913	86,886
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	96,048	558,690	1,913	86,886
Fund Balances, End of Year	\$ 101,193	\$ 49,956	\$ 2,022	\$ 64,003

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	10-HOME-6349 Maple Park	11-HOME-7661	Transportation	16-HOME-11532
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	4,361	-
Intergovernmental	-	-	356,116	7,213
Charges for services	-	-	-	-
Other revenue	-	-	-	1,000
Total Revenues	-	-	360,477	8,213
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities	-	-	22,353	-
Culture and recreation	-	-	-	-
Community development	-	-	-	12,467
Total Expenditures	-	-	22,353	12,467
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	338,124	(4,254)
Other Financing Sources (Uses):				
Transfers in	750	-	-	-
Transfers out	-	(750)	(125,677)	-
Total Other Financing Sources (Uses)	750	(750)	(125,677)	-
Net Change in Fund Balances	750	(750)	212,447	(4,254)
Fund Balances, Beginning of Year	(750)	177,085	571,566	-
Restatements	-	(169,509)	-	-
Fund Balances, Beginning of Year, as Restated	(750)	7,576	571,566	-
Fund Balances, End of Year	\$ -	\$ 6,826	\$ 784,013	\$ (4,254)

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds	Total Governmental Funds
	16-HOME-11380	
Revenues:		
Taxes and assessments	\$ -	\$ 707,775
Licenses and permits	-	134,821
Fines and forfeitures	-	2,728
Use of money and property	-	25,205
Intergovernmental	-	649,928
Charges for services	-	21,812
Other revenue	-	20,544
Total Revenues	-	1,562,813
Expenditures:		
Current:		
General government	-	121,261
Public safety	-	567,958
Public ways and facilities	-	280,056
Culture and recreation	-	145,133
Community development	607	164,407
Total Expenditures	607	1,278,815
Excess (Deficiency) of Revenues Over (Under) Expenditures	(607)	283,998
Other Financing Sources (Uses):		
Transfers in	-	750
Transfers out	-	(709,473)
Total Other Financing Sources (Uses)	-	(708,723)
Net Change in Fund Balances	(607)	(424,725)
Fund Balances, Beginning of Year	-	3,147,578
Restatements	-	(169,509)
Fund Balances, Beginning of Year, as Restated	-	2,978,069
Fund Balances, End of Year	\$ (607)	\$ 2,553,344

CITY OF LIVE OAK

BUDGETARY COMPARISON SCHEDULE
14-HOME-9274
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (3,945)	\$ (3,945)	\$ (3,945)	\$ -
Resources (Inflows):				
Intergovernmental	2,000	2,000	1,808	(192)
Amounts Available for Appropriations	(1,945)	(1,945)	(2,137)	(192)
Charges to Appropriation (Outflow):				
Community development	2,000	2,000	1,808	192
Total Charges to Appropriations	2,000	2,000	1,808	192
Budgetary Fund Balance, June 30	\$ (3,945)	\$ (3,945)	\$ (3,945)	\$ -

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
STREETS AND ROADS
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 148,138	\$ 148,138	\$ 148,138	\$ -
Resources (Inflows):				
Intergovernmental	238,368	238,368	208,468	(29,900)
Charges for services	8,200	8,200	8,675	475
Use of money and property	300	300	1,432	1,132
Miscellaneous	10,000	10,000	17,622	7,622
Amounts Available for Appropriations	405,006	405,006	384,335	(20,671)
Charges to Appropriation (Outflow):				
Public ways and facilities	179,510	179,510	123,726	55,784
Transfers out	-	-	39,449	(39,449)
Total Charges to Appropriations	179,510	179,510	163,175	16,335
Budgetary Fund Balance, June 30	\$ 225,496	\$ 225,496	\$ 221,160	\$ (4,336)

CITY OF LIVE OAK

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC SAFETY
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,006	\$ 6,006	\$ 6,006	\$ -
Resources (Inflows):				
Use of money and property	30	30	30	-
Fines and forfeitures	4,000	4,000	2,728	(1,272)
Amounts Available for Appropriations	10,036	10,036	8,764	(1,272)
Charges to Appropriation (Outflow):				
Public safety	10,000	10,000	10,000	-
Total Charges to Appropriations	10,000	10,000	10,000	-
Budgetary Fund Balance, June 30	\$ 36	\$ 36	\$ (1,236)	\$ (1,272)

CITY OF LIVE OAK

BUDGETARY COMPARISON SCHEDULE
 COPS
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 231,074	\$ 231,074	\$ 231,074	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	76,323	(23,677)
Use of money and property	2,500	2,500	2,435	(65)
Amounts Available for Appropriations	333,574	333,574	309,832	(23,742)
Charges to Appropriation (Outflow):				
Public safety	38,700	38,700	76,323	(37,623)
Total Charges to Appropriations	38,700	38,700	76,323	(37,623)
Budgetary Fund Balance, June 30	\$ 294,874	\$ 294,874	\$ 233,509	\$ (61,365)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
 SIDEWALK IMPROVEMENT
 YEAR ENDED JUNE 30, 2018**

	<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	\$ 17,445	\$ 17,445	\$ 17,445	\$ -
Resources (Inflows):				
Use of money and property	100	100	6	(94)
Amounts Available for Appropriations	17,545	17,545	17,451	(94)
Charges to Appropriation (Outflow):				
Capital outlay	17,300	17,300	-	17,300
Total Charges to Appropriations	17,300	17,300	-	17,300
Budgetary Fund Balance, June 30	\$ 245	\$ 245	\$ 17,451	\$ 17,206

CITY OF LIVE OAK

BUDGETARY COMPARISON SCHEDULE
 STREET LIGHTING
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 110,175	\$ 110,175	\$ 110,175	\$ -
Resources (Inflows):				
Taxes	57,000	57,000	54,059	(2,941)
Intergovernmental	1,800	1,800	-	(1,800)
Use of money and property	1,000	1,000	902	(98)
Miscellaneous	1,800	1,800	1,922	122
Amounts Available for Appropriations	171,775	171,775	167,058	(4,717)
Charges to Appropriation (Outflow):				
Public ways and facilities	53,200	53,200	55,875	(2,675)
Total Charges to Appropriations	53,200	53,200	55,875	(2,675)
Budgetary Fund Balance, June 30	\$ 118,575	\$ 118,575	\$ 111,183	\$ (7,392)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 92-1
YEAR ENDED JUNE 30, 2018**

	<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	\$ 126,809	\$ 126,809	\$ 126,809	\$ -
Resources (Inflows):				
Licenses and permits	128,000	128,000	133,868	5,868
Use of money and property	1,100	1,100	1,510	410
Amounts Available for Appropriations	<u>255,909</u>	<u>255,909</u>	<u>262,187</u>	<u>6,278</u>
Charges to Appropriation (Outflow):				
Community development	150,100	150,100	149,525	575
Total Charges to Appropriations	<u>150,100</u>	<u>150,100</u>	<u>149,525</u>	<u>575</u>
Budgetary Fund Balance, June 30	<u>\$ 105,809</u>	<u>\$ 105,809</u>	<u>\$ 112,662</u>	<u>\$ 6,853</u>

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
FIRE BENEFIT ASSESSMENT
YEAR ENDED JUNE 30, 2018**

	<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	\$ 28,620	\$ 28,620	\$ 28,620	\$ -
Resources (Inflows):				
Taxes	118,000	118,000	117,209	(791)
Use of money and property	200	200	86	(114)
Amounts Available for Appropriations	146,820	146,820	145,915	(905)
Charges to Appropriation (Outflow):				
Public safety	139,600	139,600	139,472	128
Total Charges to Appropriations	139,600	139,600	139,472	128
Budgetary Fund Balance, June 30	\$ 7,220	\$ 7,220	\$ 6,443	\$ (777)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 2004-1 FIRE
YEAR ENDED JUNE 30, 2018**

	<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	\$ 14,411	\$ 14,411	\$ 14,411	\$ -
Resources (Inflows):				
Taxes	100,000	100,000	96,699	(3,301)
Use of money and property	100	100	34	(66)
Amounts Available for Appropriations	114,511	114,511	111,144	(3,367)
Charges to Appropriation (Outflow):				
General government	115,100	115,100	114,761	339
Total Charges to Appropriations	115,100	115,100	114,761	339
Budgetary Fund Balance, June 30	\$ (589)	\$ (589)	\$ (3,617)	\$ (3,028)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 2004-1 POLICE
YEAR ENDED JUNE 30, 2018**

	<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	\$ 54,519	\$ 54,519	\$ 54,519	\$ -
Resources (Inflows):				
Taxes	271,000	271,000	262,156	(8,844)
Use of money and property	100	100	133	33
Amounts Available for Appropriations	325,619	325,619	316,808	(8,811)
Charges to Appropriation (Outflow):				
Public safety	308,100	308,100	321,678	(13,578)
Total Charges to Appropriations	308,100	308,100	321,678	(13,578)
Budgetary Fund Balance, June 30	\$ 17,519	\$ 17,519	\$ (4,870)	\$ (22,389)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 2004-1 ANIMAL SERVICES
YEAR ENDED JUNE 30, 2018**

	<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	\$ (833)	\$ (833)	\$ (833)	\$ -
Resources (Inflows):				
Taxes	15,700	15,700	15,241	(459)
Amounts Available for Appropriations	14,867	14,867	14,408	(459)
Charges to Appropriation (Outflow):				
Public safety	20,100	20,100	20,485	(385)
Total Charges to Appropriations	20,100	20,100	20,485	(385)
Budgetary Fund Balance, June 30	\$ (5,233)	\$ (5,233)	\$ (6,077)	\$ (844)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 2004-1 STREET LIGHTING
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 21,905	\$ 21,905	\$ 21,905	\$ -
Resources (Inflows):				
Taxes	16,300	16,300	15,766	(534)
Use of money and property	200	200	107	(93)
Amounts Available for Appropriations	38,405	38,405	37,778	(627)
Charges to Appropriation (Outflow):				
Public ways and facilities	34,400	34,400	33,566	834
Total Charges to Appropriations	34,400	34,400	33,566	834
Budgetary Fund Balance, June 30	\$ 4,005	\$ 4,005	\$ 4,212	\$ 207

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 2004-1 PARKS/RECREATION/POOLS
YEAR ENDED JUNE 30, 2018**

	<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	\$ 43,379	\$ 43,379	\$ 43,379	\$ -
Resources (Inflows):				
Taxes	124,000	124,000	119,822	(4,178)
Use of money and property	-	-	117	117
Amounts Available for Appropriations	<u>167,379</u>	<u>167,379</u>	<u>163,318</u>	<u>(4,061)</u>
Charges to Appropriation (Outflow):				
Culture and recreation	128,900	128,900	145,133	(16,233)
Total Charges to Appropriations	<u>128,900</u>	<u>128,900</u>	<u>145,133</u>	<u>(16,233)</u>
Budgetary Fund Balance, June 30	<u>\$ 38,479</u>	<u>\$ 38,479</u>	<u>\$ 18,185</u>	<u>\$ (20,294)</u>

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
MELLO ROOS CFD 2004-1 STORM DRAIN
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 133,623	\$ 133,623	\$ 133,623	\$ -
Resources (Inflows):				
Taxes	16,300	16,300	15,766	(534)
Use of money and property	900	900	1,145	245
Amounts Available for Appropriations	150,823	150,823	150,534	(289)
Charges to Appropriation (Outflow):				
Public ways and facilities	171,500	171,500	38,663	132,837
Total Charges to Appropriations	171,500	171,500	38,663	132,837
Budgetary Fund Balance, June 30	\$ (20,677)	\$ (20,677)	\$ 111,871	\$ 132,548

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
PARKS & RECREATION IMPACT FEES
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 38,167	\$ 38,167	\$ 38,167	\$ -
Resources (Inflows):				
Taxes	6,700	6,700	3,965	(2,735)
Licenses and permits	9,445	9,445	-	(9,445)
Use of money and property	250	250	367	117
Amounts Available for Appropriations	54,562	54,562	42,499	(12,063)
Charges to Appropriation (Outflow):				
Culture and recreation	48,000	48,000	-	48,000
Total Charges to Appropriations	48,000	48,000	-	48,000
Budgetary Fund Balance, June 30	\$ 6,562	\$ 6,562	\$ 42,499	\$ 35,937

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY CENTER IMPACT FEES
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 200,487	\$ 200,487	\$ 200,487	\$ -
Resources (Inflows):				
Taxes	1,760	1,760	881	(879)
Use of money and property	1,400	1,400	1,799	399
Amounts Available for Appropriations	203,647	203,647	203,167	(480)
Charges to Appropriation (Outflow):				
Culture and recreation	200,500	200,500	-	200,500
Total Charges to Appropriations	200,500	200,500	-	200,500
Budgetary Fund Balance, June 30	\$ 3,147	\$ 3,147	\$ 203,167	\$ 200,020

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
PUBLIC WORKS IMPACT FEES
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,939	\$ 9,939	\$ 9,939	\$ -
Resources (Inflows):				
Licenses and permits	8,146	8,146	953	(7,193)
Use of money and property	80	80	95	15
Amounts Available for Appropriations	18,165	18,165	10,987	(7,178)
Charges to Appropriation (Outflow):				
Capital outlay	16,900	16,900	-	16,900
Total Charges to Appropriations	16,900	16,900	-	16,900
Budgetary Fund Balance, June 30	\$ 1,265	\$ 1,265	\$ 10,987	\$ 9,722

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
GENERAL GOVERNMENT IMPACT FEES
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 327,004	\$ 327,004	\$ 327,004	\$ -
Resources (Inflows):				
Taxes	2,280	2,280	1,665	(615)
Licenses and permits	12,043	12,043	-	(12,043)
Use of money and property	2,500	2,500	2,917	417
Amounts Available for Appropriations	343,827	343,827	331,586	(12,241)
Charges to Appropriation (Outflow):				
General government	344,200	344,200	6,500	337,700
Total Charges to Appropriations	344,200	344,200	6,500	337,700
Budgetary Fund Balance, June 30	\$ (373)	\$ (373)	\$ 325,086	\$ 325,459

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
POLICE IMPACT FEES
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 148,321	\$ 148,321	\$ 148,321	\$ -
Resources (Inflows):				
Taxes	1,250	1,250	287	(963)
Licenses and permits	6,596	6,596	-	(6,596)
Use of money and property	1,200	1,200	1,328	128
Amounts Available for Appropriations	157,367	157,367	149,936	(7,431)
Charges to Appropriation (Outflow):				
Public safety	157,000	157,000	-	157,000
Total Charges to Appropriations	157,000	157,000	-	157,000
Budgetary Fund Balance, June 30	\$ 367	\$ 367	\$ 149,936	\$ 149,569

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
FIRE IMPACT FEES
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 96,048	\$ 96,048	\$ 96,048	\$ -
Resources (Inflows):				
Taxes	3,450	3,450	4,259	809
Licenses and permits	18,289	18,289	-	(18,289)
Use of money and property	800	800	886	86
Amounts Available for Appropriations	118,587	118,587	101,193	(17,394)
Charges to Appropriation (Outflow):				
Public safety	115,200	115,200	-	115,200
Total Charges to Appropriations	115,200	115,200	-	115,200
Budgetary Fund Balance, June 30	\$ 3,387	\$ 3,387	\$ 101,193	\$ 97,806

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
 SIGNAL IMPACT FEES
 YEAR ENDED JUNE 30, 2018**

	<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	\$ 558,690	\$ 558,690	\$ 558,690	\$ -
Resources (Inflows):				
Charges for services	6,100	6,100	13,137	7,037
Use of money and property	4,000	4,000	3,726	(274)
Amounts Available for Appropriations	568,790	568,790	575,553	6,763
Charges to Appropriation (Outflow):				
Public safety	509,200	509,200	-	509,200
Transfers out	53,219	53,219	525,597	(472,378)
Total Charges to Appropriations	562,419	562,419	525,597	36,822
Budgetary Fund Balance, June 30	\$ 6,371	\$ 6,371	\$ 49,956	\$ 43,585

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
 FLOOD CONTROL IMPACT FEES
 YEAR ENDED JUNE 30, 2018**

	<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	\$ 1,913	\$ 1,913	\$ 1,913	\$ -
Resources (Inflows):				
Use of money and property	900	900	109	(791)
Amounts Available for Appropriations	2,813	2,813	2,022	(791)
Budgetary Fund Balance, June 30	\$ 2,813	\$ 2,813	\$ 2,022	\$ (791)

CITY OF LIVE OAK

**BUDGETARY COMPARISON SCHEDULE
STORM DRAIN CONNECTION FEES
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 86,886	\$ 86,886	\$ 86,886	\$ -
Resources (Inflows):				
Use of money and property	2,500	2,500	990	(1,510)
Miscellaneous	7,900	7,900	-	(7,900)
Amounts Available for Appropriations	97,286	97,286	87,876	(9,410)
Charges to Appropriation (Outflow):				
Public ways and facilities	150,000	150,000	5,873	144,127
Transfers out	18,000	18,000	18,000	-
Total Charges to Appropriations	168,000	168,000	23,873	144,127
Budgetary Fund Balance, June 30	\$ (70,714)	\$ (70,714)	\$ 64,003	\$ 134,717

CITY OF LIVE OAK

BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 571,566	\$ 571,566	\$ 571,566	\$ -
Resources (Inflows):				
Intergovernmental	405,000	405,000	356,116	(48,884)
Use of money and property	5,200	5,200	4,361	(839)
Amounts Available for Appropriations	981,766	981,766	932,043	(49,723)
Charges to Appropriation (Outflow):				
Public ways and facilities	30,800	30,800	22,353	8,447
Capital outlay	605,000	605,000	-	605,000
Transfers out	199,795	199,795	125,677	74,118
Total Charges to Appropriations	835,595	835,595	148,030	687,565
Budgetary Fund Balance, June 30	\$ 146,171	\$ 146,171	\$ 784,013	\$ 637,842

CITY OF LIVE OAK

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT PROJECT
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (463,985)	\$ (463,985)	\$ (463,985)	\$ -
Resources (Inflows):				
Intergovernmental	1,828,846	1,828,846	411,571	(1,417,275)
Transfers in	3,348,317	3,348,317	1,067,723	(2,280,594)
Amounts Available for Appropriations	4,713,178	4,713,178	1,015,309	(3,697,869)
Charges to Appropriation (Outflow):				
Public works	600,000	600,000	2,395	597,605
Capital outlay	4,577,163	4,577,163	1,119,692	3,457,471
Total Charges to Appropriations	5,177,163	5,177,163	1,122,087	4,055,076
Budgetary Fund Balance, June 30	\$ (463,985)	\$ (463,985)	\$ (106,778)	\$ 357,207

CITY OF LIVE OAK

COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Connection</u>	<u>Sewer Connection</u>	<u>Totals</u>
Assets:			
Current:			
Cash and investments	\$ 297,456	\$ 73,354	\$ 370,810
Receivables:			
Accrued interest	2,982	1,326	4,308
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 300,438</u>	<u>\$ 74,680</u>	<u>\$ 375,118</u>
Liabilities:			
Current:			
Due to other governments	\$ -	\$ 41,786	\$ 41,786
Total Current Liabilities	<u>-</u>	<u>41,786</u>	<u>41,786</u>
Total Liabilities	<u>-</u>	<u>41,786</u>	<u>41,786</u>
Net Position:			
Restricted for capital projects	300,438	32,894	333,332
Total Net Position	<u>\$ 300,438</u>	<u>\$ 74,680</u>	<u>\$ 375,118</u>

CITY OF LIVE OAK

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Connection</u>	<u>Sewer Connection</u>	<u>Totals</u>
Operating Revenues:			
Sales and service charges	\$ 68,930	\$ -	\$ 68,930
Total Operating Revenues	68,930	-	68,930
Operating Income	68,930	-	68,930
Nonoperating Revenues:			
Interest revenue	9,013	3,968	12,981
Total Nonoperating Revenues	9,013	3,968	12,981
Income Before Transfers	77,943	3,968	81,911
Transfers out	(715,000)	(377,000)	(1,092,000)
Changes in Net Position	(637,057)	(373,032)	(1,010,089)
Net Position:			
Beginning of Fiscal Year	937,495	405,926	1,343,421
End of Fiscal Year	\$ 300,438	\$ 32,894	\$ 333,332

CITY OF LIVE OAK

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	<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	\$ 68,930	\$ -	\$ 68,930
Cash received from (payments to) others	-	41,786	41,786
Net Cash Provided (Used) by Operating Activities	68,930	41,786	110,716
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	(715,000)	(377,000)	(1,092,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	(715,000)	(377,000)	(1,092,000)
Cash Flows from Investing Activities:			
Interest received	8,093	3,463	11,556
Net Cash Provided by Investing Activities	8,093	3,463	11,556
Net Increase (Decrease) in Cash and Cash Equivalents	(637,977)	(331,751)	(969,728)
Cash and Cash Equivalents at Beginning of Year	935,433	405,105	1,340,538
Cash and Cash Equivalents at End of Year	\$ 297,456	\$ 73,354	\$ 370,810
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 68,930	\$ -	\$ 68,930
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Increase (decrease) in due to other governments	-	41,786	41,786
Total Adjustments	-	41,786	41,786
Net Cash Provided by Operating Activities	\$ 68,930	\$ 41,786	\$ 110,716

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CITY OF LIVE OAK

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Governmental Activities										
Net investment in capital assets	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	28,377,393
Restricted	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	3,980,298
Unrestricted	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	6,722,869
Total governmental activities net position	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	39,080,560
Business-type Activities										
Net investment in capital assets	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	28,647,690
Restricted	118,297	149,094	765,294	2,208,655	2,189,552	2,107,725	2,228,397	2,401,678	1,343,421	341,832
Unrestricted	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	3,110,022
Total business-type activities net position	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	32,099,544
Primary Government										
Net investment in capital assets	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	57,025,083
Restricted	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	4,322,130
Unrestricted	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	9,832,891
Total primary government net position	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	71,180,104

Source: CAFR

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

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Expenses										
Governmental Activities:										
General government	627,563	466,702	476,146	384,156	412,935	399,590	543,796	519,223	699,781	990,032
Public safety	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	1,984,144
Public ways and facilities	1,005,625	695,187	858,822	844,453	775,399	1,178,326	1,418,607	1,196,682	2,031,089	1,579,362
Culture and recreation	661,265	477,418	524,675	515,775	503,341	496,495	544,100	609,869	833,110	926,952
Community development	1,054,897	439,633	388,380	606,085	589,673	517,636	620,114	2,474,188	2,060,694	1,828,608
Interest on long-term debt	7,111	6,305	16,556	4,908	4,160	3,348	3,748	2,584	520	5,952
Total Governmental Activities Expense	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	7,315,050
Business-type Activities:										
Water	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	1,300,029
Sewer	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	2,898,819
Total Business-type Activities Expense	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	4,198,848
Total Primary Government Expense	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	11,513,898
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	62,823	63,838	67,433	435,738	76,244	70,805	76,876	83,748	366,660	492,972
Public safety	336,655	363,492	355,367	384,574	388,263	378,725	408,070	398,570	4,057	2,728
Public ways and facilities	332,088	474,204	474,353	410,929	344,981	343,482	426,434	973,516	233,355	1,781,220
Culture and recreation	132,423	139,756	150,378	146,573	170,061	162,631	252,394	185,432	64,221	61,744
Community development	82,243	184,538	233,189	147,962	151,284	178,503	144,641	320,667	1,055,642	2,005,122
Operating grants and contributions	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	277,728
Capital grants and contributions	759,589	152,576	257,902	117,592	564,161	402,859	2,152,350	1,690,492	1,295,923	100,745
Total Governmental Activities Program Revenues	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	4,722,259
Business-type Activities:										
Charges for services:										
Water	921,547	1,040,934	1,050,211	844,900	902,570	850,832	882,743	878,199	809,830	878,229
Sewer	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	2,265,104
Water Connections	-	-	-	-	-	-	-	-	15,270	68,930
Sewer Connections	-	-	-	-	-	-	-	-	9,053	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	2,569,493	2,813,270	3,088,136	2,792,842	3,245,444	3,030,118	3,123,992	3,192,282	4,104,910	4,077,182
Total Primary Government Program Revenues	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	8,799,441

Source: CAFR

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

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Net (Expense)/Revenues (1)										
Governmental Activities	(2,476,275)	(1,661,292)	(1,095,124)	1,919,423	(897,653)	(1,797,420)	672,315	(592,576)	(2,780,563)	(2,592,791)
Business-type activities	5,155	172,378	151,810	(89,197)	9,208,108	(895,522)	(914,040)	(788,328)	73,765	(121,666)
Total Primary Governmental Net Expense	(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)	(2,714,457)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes	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	1,470,113
Sales and use taxes	186,347	176,158	197,343	222,448	262,905	294,102	263,086	297,481	325,380	358,667
Franchise taxes	138,523	136,247	138,306	135,517	136,868	139,766	155,071	166,356	-	-
Property taxes	14,620	11,451	10,688	11,301	9,114	12,837	8,290	11,536	-	-
Other taxes	-	-	-	-	-	-	-	-	716,398	750,153
Use of money and property	-	-	-	-	-	-	-	-	87,766	120,425
Grants and contributions - unrestricted	37,354	28,895	44,502	6,840	4,792	4,145	80,806	34,609	-	-
Interest and investment earnings	264,186	109,954	97,386	79,828	75,530	73,827	79,218	113,073	-	-
Miscellaneous	124,779	267,018	231,104	92,395	120,453	169,350	64,888	217,676	-	-
Other	-	-	-	-	-	-	-	-	541,664	322,717
Transfers	101,412	(491,328)	53,178	103,898	(378,280)	-	-	-	25,000	1,556,000
Special Item	-	-	-	-	-	-	447,830	-	-	-
Extraordinary gain	-	-	-	378,280	-	-	-	-	-	-
Total Governmental Activities	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	4,578,075
Business-type Activities:										
Use of money and property	135,642	39,313	23,298	13,411	10,974	10,221	13,448	21,309	28,460	50,063
Interest and investment earnings	-	14,209	4,645	477	5,998	1,673	1,934	164	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	667	-
Transfers	(101,412)	491,328	(53,178)	(103,898)	-	-	-	-	(25,000)	(1,556,000)
Total Business-Type Activities	34,230	544,850	(25,235)	(90,010)	16,972	11,894	15,382	21,473	4,127	(1,505,937)
Total Primary Government	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	3,072,138
Change in Net Position										
Governmental Activities	36,778	75,195	898,972	4,200,424	573,030	137,926	3,153,733	1,631,330	392,001	1,985,284
Business-type activities	39,385	717,228	126,575	(179,207)	9,225,080	(883,628)	(898,658)	(766,855)	77,892	(1,627,603)
Total Primary Government	76,163	792,423	1,025,547	4,021,217	9,798,110	(745,702)	2,255,075	864,475	469,893	357,681

Source: CAFR

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)

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
General Fund										
Reserved	14,745	17,245	-	-	-	-	-	-	-	-
Unreserved	4,388,451	4,143,909	-	-	-	-	-	-	-	-
Nonspendable	-	-	379,300	-	-	-	451,274	8,115	10,661	11,357
Committed	-	-	2,481,928	2,487,180	2,510,279	2,514,883	2,519,197	2,525,652	2,534,045	2,548,739
Unassigned	-	-	1,526,655	1,918,069	1,985,378	2,037,092	2,227,090	2,230,647	2,075,899	2,427,584
Total General Fund	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	4,987,680
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue funds	5,235,025	4,424,769	-	-	-	-	-	-	-	-
Capital project funds	-	(209,921)	-	-	-	-	-	-	-	-
Nonspendable	-	-	172,530	-	-	-	484	330	4,712	3,983
Restricted	-	-	4,180,501	10,859,158	10,923,658	10,503,214	11,975,628	4,272,282	3,345,863	3,874,348
Unassigned	-	-	(386,273)	(4,439)	(346,316)	(49,787)	(411,087)	(1,270,688)	(1,840,637)	(538,556)
Total All Other Governmental Funds	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	3,339,775

Source: CAFR

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)

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Revenues										
Taxes and assessment	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	2,578,933
Licenses and permits	444,691	562,834	549,275	522,378	394,624	451,881	482,426	646,258	450,120	557,939
Fines and forfeitures	15,084	6,922	5,751	9,870	6,721	6,867	3,594	6,935	4,057	2,728
Use of money	264,186	109,954	97,386	76,999	78,359	73,827	79,218	113,073	87,766	120,425
Intergovernmental	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	4,248,576
Charges for services	52,807	79,370	105,240	60,727	133,467	80,882	258,513	558,685	103,286	115,920
Other revenues	124,779	276,604	231,104	92,395	120,453	169,350	64,888	217,676	558,732	324,639
Total Revenues	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	7,949,160
Expenditures										
Current:										
General government	587,672	411,815	412,141	327,197	367,720	347,258	514,871	488,652	688,906	857,597
Public safety	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	1,867,994
Public ways and facilities	289,885	256,301	414,164	372,854	275,526	678,801	923,626	735,070	1,472,836	997,626
Culture and recreation	584,656	383,213	423,889	409,879	397,262	386,469	432,264	501,979	725,565	789,094
Community development	852,952	439,633	388,380	606,085	589,673	517,636	627,037	2,482,059	2,041,715	1,956,524
Debt service										
Principal	10,000	10,000	11,000	11,000	12,000	13,000	66,342	67,461	68,581	54,146
Interest	7,111	6,305	16,556	4,908	4,160	3,348	3,748	2,584	520	5,952
Capital outlay	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	1,329,178
Total Expenditures	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	7,858,111
Excess of Revenues Over (under) Expenditures	(1,154,110)	(771,891)	(247,069)	2,971,412	323,328	(76,597)	780,529	(484,359)	(1,655,946)	91,049
Other Financial Sources (Uses)										
Issuance of debt	-	-	-	-	-	-	528,825	-	-	-
Transfers in	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	2,491,184
Transfers out	(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)	(935,184)
Capital Leases										549,863
Total Other Financial Sources (Uses)	101,412	(491,328)	53,178	103,898	(378,280)	-	528,825	-	25,000	2,105,863
Special Item - Reinstatement of loan receivable	-	-	-	-	-	-	447,830	-	(4,849)	-
Extraordinary gain	-	-	-	378,280	-	-	-	-	-	-
Net Change in Fund Balances	(1,052,698)	(1,263,219)	(193,891)	3,453,590	(54,952)	(76,597)	1,757,184	(484,359)	(1,635,795)	2,196,912
Debt Service as a Percentage of Noncapital Expenditures	0.42%	0.53%	0.82%	0.47%	0.50%	0.45%	1.72%	1.10%	1.01%	0.93%

Source: CAFR

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
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%	1.000%
2017/2018	370,589,936	4,492,172	2,439	375,084,547	4.95%	1.000%

Notes:

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

Source: 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									
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
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	0.060	0.059	0.073	0.076	0.081	0.082	0.074	0.073	0.065	0.372
Yuba Community College District	0.016	0.018	0.015	0.025	0.025	0.027	0.025	0.025	0.026	0.073
Special Districts	-	-	-	-	-	-	-	-	-	-
	1.076	1.076	1.087	1.101	1.106	1.110	1.099	1.098	1.091	1.445

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 & Cone

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

Taxpayer	Fiscal Year 2017/2018	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
CCA Properties of America	\$ 7,131,572	1.92%
9000 Larkin Road	4,222,827	1.14%
D and K Estates LLC	4,198,000	1.13%
Millennium Farms LLC	3,570,293	0.96%
Tower Energy Group Corporation	3,407,968	0.92%
Rilco-Edwards LLC	3,168,720	0.86%
Sunsweet Dreyers Etal	2,776,044	0.75%
KB Home Sacramento Inc	2,734,014	0.74%
Jaswant S Saprai	2,633,388	0.71%
Slagle Rev 88 Trust Etal	2,338,700	0.63%
	<u>\$ 36,181,526</u>	<u>9.76%</u>

Total City of Live Oak assessed property valuation Fiscal Year 2017/18 \$ 370,589,936

Taxpayer	Fiscal Year 2011/2012	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
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 \$ 280,130,479

Note:

Data pertaining to fiscal year 2007/2008 is not available, the lastest prior year available is fiscal year 2011/2012

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%
2017/2018	616,549	616,549	100.00%	6,672	623,221	100.00%

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

Notes:

Auditor-Controller's Office, County of Sutter for Billed and Unpaid tax for Collection in Subsequent Yrs
Taxed Levied for the FY is 100% of the Secured Property Taxes which can be found on the GL 10-4-0000-4101

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 Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
	Loans	Capital Leases	Total	Loans	Bonds	Certificates of Participation	Capital Leases	Total	Total						
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			
2017/2018	317,295	549,863	867,158	4,970,364	-	1,920,000	-	6,890,364	7,757,522	4.51%	2.07%	883			

(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 (Long Term Debt Schedule)

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

Fiscal Year	General Bonded Debt Outstanding			Percent of Assessed Value	Population	Per Capita
	General Obligation Bonds	Pension Obligation Bonds	Total			
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%	8,800	42
2017/2018	317,295	-	317,295	0.08%	8,781	36

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, 2018

City Assessed Valuation		\$	375,084,547	
			-	
Adjusted Assessed Valuation		\$	375,084,547	
			-	
	Percent		Outstanding	Estimated
	Applicable		Debt	Share of
			June 30, 2018	Overlapping
				Debt
OVERLAPPING TAX AND ASSESSMENT DEBT:				
Live Oak Unified School District	45.778%	\$	16,255,000	\$ 7,441,214
Yuba Community College District	1.244%		163,781,106	2,037,437
Sutter Butte Flood Control Agency Assessment District	4.352%		87,285,000	3,798,643
Total Overlapping Tax and Assessment Debt			<u>267,321,106</u>	<u>13,277,294</u>
OVERLAPPING GENERAL FUND OBLIGATION DEBT:				
Sutter County Office of Education Certificates of Participations	4.019%	\$	4,935,000	198,338
Yuba Community College District General Fund Obligations	1.244%		12,184,316	151,573
Live Oak Unified School District Certificates of Participation	45.778%		4,103,573	1,878,534
Sutter County Certificates of Participations	4.019%	\$	655,000	26,324
Live Oak Cemetery District	0.000%		-	-
Total Overlapping General Fund Obligation Debt			<u>289,198,995</u>	<u>15,532,063</u>
Total Overlapping Debt			<u>556,520,101</u>	<u>28,809,357</u>
DIRECT GENERAL FUND OBLIGATION DEBT:				
Fire Engine Lease	100.000%		549,863	549,863
Animal Shelter Loan	100.000%		317,295	317,295
Total Direct Debt			<u>867,158</u>	<u>867,158</u>
Total Combined Debt		\$	<u>557,387,259</u>	\$ <u>29,676,515</u>
RATIOS TO 2017/2018 ASSESSED VALUATION:				
Total Overlapping Tax and Assessment Debt			4.14%	3.54%
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 06/30/18 \$ -

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.

The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value. Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

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, 2018

Secured Property Assessed Value, Net of Exempt Real Property	<u>\$ 375,084,547</u>
Bonded debt limit (3.75% of assessed value) (a)	\$ 14,065,671
Less debt subject to limit:	
Total water certificates of participation at 06/30/18	(1,080,000)
Total sewer certificates of participation at 06/30/18	(840,000)
Total sewer revenue bonds at 06/30/18	<u>-</u>
Legal debt margin	<u>\$ 12,145,671</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

Notes:
Certificate of participation can be found in long term debt

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

Calendar Year	Population	Personal Income		Taxable Assessed Valuation	Taxable Property Values	Average Unemployment Rate
		Total (in thousands)	Per Capita			
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	8,800	149,859	17,029	357,386,873	40,612	8.00%
2018	8,781	171,819	19,567	374,879,041	42,692	7.60%

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.

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
- 3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

Source:

Avenu Insights & Analytics

2016-17 and prior, previously published CAFR Report

Munis Report

**CITY OF LIVE OAK
Principal Employers
2018**

Employer	Number of Employees	Percent of Total Employment
Live Oak Unified School District	248	6.89%
River Valley Care Center	123	3.42%
City of Live Oak	30	0.83%
Dollar General Market	23	0.64%
Gold Country Bank	-	0.00%
E-Center Head Start	22	0.61%
Tower Supermarket	12	0.33%
United States Post Office	8	0.22%
Live Oak Pharmacy	6	0.17%
Live Oak Medical Clinic	6	0.17%
Wilbur Packing CO Inc	80	2.22%
Sunset Moulding Co	Confidential	N/A
Total	558	15.50%

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

Munis Report

email sent to Bobbi and Jessica 10/29/18

of employee updated 11/8/18

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City Council	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
City Clerk's Office	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
Finance/Administrative Services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Community Development	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Public Works	7.00	8.00	9.00	8.00	9.00	9.00	5.00	7.00	10.00	7.00
Parks and Recreation	7.00	7.00	7.00	7.00	7.00	7.00	10.00	8.00	7.00	9.00
Building	2.00	2.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Total Full-Time Equivalent Employees	29.00	30.00	30.00	29.00	30.00	30.00	29.00	29.00	30.00	30.00

Source: Finance Department, City of Live Oak

Email sent 10/29/18

**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**

	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
Environment and Utilities			
Miles of municipal sewer mains	25.6	25.6	25.6
Maximum daily capacity (gallons per day)	1,400,000	1,400,000	1,400,000
Miles of water mains	31.5	31.5	31.5
Water wells	4	4	4
Water storage tanks	1	1	1
Fire			
Full-time staffed positions	4	6	6
Volunteer stations	1	1	1
Police			
Stations	1	1	1
Vehicles and motorcycles	10	10	10
Community Development			
Miles of municipal roadways	29.50	29.50	29.50
Park sites	8	8	8
		Oak Tree Memorial Ball Fields Skate Park Date St Park Pennington Ranch Rec Trail Soccer Park	

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	99	148,411	158,000	14.08%
2015	97	182,493	189,000	19.62%
2016	97	186,655	197,000	4.23%
2017	67	215,330	219,000	11.17%
2018	n/a	n/a	n/a	n/a

Note: 2018 data was not available. Data in prior years are updated per HDL report

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