



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2021

PREPARED BY

FINANCE DEPARTMENT
LEROY KOWALIK, DIRECTOR OF FINANCE

LiveOak
THE CITY OF LIVE OAK TEXAS

CITY OF LIVE OAK, TEXAS
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INTRODUCTORY SECTION



January 25, 2021

Honorable Mayor and Members of City Council
City of Live Oak, Texas
8001 Shin Oak Drive
Live Oak, Texas 78233

Dear Mayor and Members of City Council:

The City of Live Oak, Texas is required to publish each year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Live Oak (the City) for the fiscal year ended September 30, 2021.

This report consists of management's representations concerning the finances of the City and deems the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of all City activities and funds. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The City also acknowledges all disclosures that are necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements have been audited by Armstrong, Vaughan & Associates, P.C., a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ended September 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

As required by GAAP, management has provided a narrative introduction, overview and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City is a home-rule city that was incorporated in 1960 and is located 17 miles northeast of downtown San Antonio. At September 30, 2020, the City has a land area of approximately 5.5 square miles and an estimated population of 17,749. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City has adopted a Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council that is comprised of a Mayor and five Council members. The Mayor and Council members are all elected at large for a two-year term. Elections are staggered with the Mayor and two Council Members elected together (year 2022) and the three remaining members in 2023. The City Manager is appointed by the Council and is responsible for implementing council policy and day-to-day operations of the City.

The City provides a full range of municipal services including public safety (police, fire and first responder emergency medical services protection); residential and commercial solid waste sanitation services (through a franchise agreement with Waste Management), water and wastewater services, public improvements, repair and maintenance of infrastructure, recreational and community activities and general administrative services. Transportation, treatment and disposal of sewage are provided under separate contracts with the San Antonio River Authority, Cibolo Creek Municipal Authority and San Antonio Water System (see note 10, Commitment and Contingencies, pages 46-47 of the notes to the financial statements). The City provides water service to most of the City, with the San Antonio Water System providing water service to the remaining portion of the City.

The City of Live Oak Economic Development Corporation (EDC) is considered to meet the criteria of a component unit; therefore, has been included in the report as a discretely presented component unit. The EDC is governed by a seven-member board, consisting of three Council members and four other members appointed by City Council. The EDC is funded through a half cent Section 4B sales tax. The City is financially accountable for the EDC because the City appoints the governing body and the City is obligated to finance any deficits that may occur.

An annual budget serves as the foundation for the City's financial planning and control. All departments are required to submit requests for appropriations in May/June of each year. The City's Finance Director and City Manager use these requests as a starting point in developing a proposed budget. During the months of July and August, weekly workshops are held with City Council members present. Public hearings for the budget are held in late August and early September.

The budget must provide a complete financial plan for all city funds for the ensuing fiscal year showing:

- All outstanding obligations
- Cash on hand to each fund
- The funds received from all sources and funds available from all sources
- The estimated revenue to cover the proposed budget
- The estimated tax rate required
- Proposed capital additions and deletions along with methods of financing them
- The total proposed expenditure shall not exceed the total estimated income

According to the city charter, the Council shall adopt the budget on or before the 20th day of the last month of the fiscal year currently ending.

At any time during the fiscal year, the manager may transfer part or all of any unencumbered appropriation balance among programs within a fund or department. Upon written request by the manager, the Council may transfer part of any unencumbered appropriation balance from one fund or department to another. Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered.

LOCAL ECONOMY

The information presented in the financial statements are perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Live Oak operates.

The City is located at the center of one of the state's most active growth areas. It is adjacent to the City of San Antonio, the second largest city in Texas. The City has a close proximity to major airports and major military bases. The City is also strategically located at one of the busiest intersections in the San Antonio area, the Interstate 35 and Loop 1604 intersection. Live Oak's convenient location along the boundaries of Interstate 35, one of the largest transportation arteries in the nation, continues to provide for a positive impact to the City.

The decision to adopt a sales tax for the Economic Development Corporation in 1996 has transformed the City from a modest community in the 1990's into one of the most prosperous communities in the Randolph AFB Metrocom area. The Metrocom area is the northeast portion of the San Antonio metropolitan area which consists of several suburban cities around Randolph AFB. Growth in this area is reflective of the strength of our key economic clusters that include healthcare, education, retail and services. With the continued planned expansions of several current commercial developments and several new upcoming commercial developments, these economic sectors will continue to be the base of our economy.

Despite all the good things that happened around the City of Live Oak over the past several years, the City was not immune to a global pandemic that swept across the globe. COVID-19 started in 2020 but continued on through 2021. During the early months of the pandemic, the City of Live Oak saw double digit decreases in its monthly sales tax remittance. But throughout 2021, the City of Live Oak continued to see really good sales tax revenue numbers. The City ended the Fiscal Year 2021 very strong. Overall, the Metrocom area sustained fiscal stability throughout the continuation of the COVID-19 pandemic. Even as we start into the new fiscal year, the economy continues to be on a positive track in this area. This area again continues to perform as good or better than any other area in the state or even the nation.

The City enjoyed several grand openings of retail and food establishments during the economic struggles in 2020-2021. There are many more slated to open in 2022 and onward. Northeast Lakeview College enrollment has grown substantially since opening their doors. Northeast Lakeview College has a plan to become a major, higher education player for the region in the future with over 15,000 students. The Judson Early College Academy (JECA) offers students with an opportunity to not only earn their high school degree, but they will have also have earned an equivalent to an associate's degree as well. Students will have the ability to transfer these college credits to almost any college of choice. The Eagle Ford Shale development, one of the nation's biggest oil and natural gas fields, has provided a tremendous economic impact to neighboring counties that has spilled over into this area. Over the last couple of years, the oil industry has been in the process of making a welcomed comeback and is still considered to have a solid presence in the area.

Economic indicators such as the unemployment rate and housing permits have remained positive in this area as compared to the national level. Construction began on several residential projects in 2019 and 2020. These residential projects continue into 2021. Vista Ridge is a 202 home subdivision that completed phase I of III in 2020 and recently began the infrastructure for phase II in 2021. At the end of 2020, Skybrooke Subdivision began building for a future 146 additional single-family homes. Perhaps one of the biggest economic projects that should forever change the makeup for the City of Live Oak is the Live Oak Town Center Project. This project broke ground several years ago, and the much-anticipated grand opening of the only South Texas area IKEA store occurred in early 2019. Several restaurants opened their doors in the Live Oak Town Center during 2020 and 2021. BJ's Brewhouse and a Floor and Decor began construction in 2021. Both businesses are slated to be completed in early 2022. A boutique hotel is currently being constructed in the Gateway Plaza. The headquarters for Randolph Brooks Federal Credit Union (RBFUCU) is located in the City of Live Oak to include three administrative buildings. The City of Live Oak remains the leading business and community catalyst focused on building economic prosperity in the City and throughout the region.

Economic Outlook: Because the City is adjacent to the City of San Antonio, the local economy is anchored by what happens in the San Antonio Metropolitan Statistical Area. This area enjoys the benefit of a diversified economy. Major anchors of the economy in this area are the medical/biomedical industry, the military industry, tourism, telecommunications, insurance, financial and manufacturing. The national state of economy continues to show signs of substantial growth and strength. As a result, commercial growth and sales tax receipts in Live Oak continue to be on a positive track. The unknown of the future of the current COVID-19 pandemic is really the only negative that is worth noting.

LONG-TERM FINANCIAL PLANNING

The City's Comprehensive Plan provided background information for a baseline analysis to formulate goals and objectives to guide our City through the years to 2040. The City reviewed, analyzed and formulated the City's newest Comprehensive Plan in 2019. The City also completed a park Amenity and Future Use Plan in 2019 as well. These updated plans should take the City well into the future.

The City is in constant communications with various developers to look at opportunities for development on several of the City's undeveloped areas. Several commercial businesses recently opened their doors around the City. There are also several big projects in the works, none bigger than the continued development of the Live Oak Town Center which is now home to the San Antonio area's only IKEA Home Furnishings store. All this growth continues to strengthen this area's financial stability.

The City is also continuously looking at its infrastructure needs. In a May 2014 bond election, citizens passed three of the four bond proposals which addressed areas of street improvements, traffic signalization, street widening and park and trail improvements. All of these projects are completed with 100% of the proceeds spent of these projects.

The City, with the assistance of the Regional Water Resource Development Group and Regional Water Alliance, is constantly monitoring the projected growth and water needs of the City.

RELEVANT FINANCIAL POLICIES

Budgeting controls are governed by the City's Charter. Throughout the budgeting process, the City Council may make financial policies that dictate the uses and sources of funds for various needs. In the 2021 budget, Council endorsed a financial policy that would have utilized \$792,004 of reserves to be used for contingencies (\$200,000), capital or capital related purchases (\$314,904) and one-time and/or emergency expenditures (\$277,100).

MAJOR INITIATIVES

Goals for the year were to continue or enhance the level of professional services in all areas, swift professional EMS First Responder and Fire response, a police department most capable of responding to all requests for services both emergency and non-emergency, continue to monitor the street and sewer infrastructure maintenance program, improved city park operations, and properly maintain City facilities. Most importantly a positive attitude by all will assure our citizens that we are here to serve them.

With the completion of the Park Amenity and Future Use Plan and the completed update to the City's Comprehensive Plan, several projects identified within these plans will be studied for future planning. These plans should be a catalyst for the formulation of goals and objectives to guide our City way into the future.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Live Oak for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2020. This was the fourteenth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied 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 ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The preparation of this report was made possible by the efficient and dedicated service of the entire staff of the finance and administration departments. We appreciate the efforts of everyone involved. We wish to also express our appreciation to the Mayor and all City Council members for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully Submitted,



Leroy Kowalik
Finance Director



Scott Wayman
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Live Oak
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF LIVE OAK, TEXAS
ELECTED AND APPOINTED OFFICIALS
YEAR ENDED SEPTEMBER 30, 2021

ELECTED OFFICIALS

MAYOR	MARY M. DENNIS
CITY COUNCIL, PLACE 1	MENDELL D. MORGAN
CITY COUNCIL, PLACE 2	ROBERT "BOB" TULLGREN
CITY COUNCIL, PLACE 3	DR. ERIN PEREZ
CITY COUNCIL, PLACE 4	ED CIMICS
CITY COUNCIL, PLACE 5	AARON DAHL

APPOINTED OFFICIALS

CITY MANAGER	SCOTT WAYMAN
ASSISTANT CITY MANAGER	MICHAEL HORNES
DIRECTOR OF FINANCE	LEROY KOWALIK
CITY SECRETARY	DEBORAH GOZA
POLICE CHIEF	DAN PUE
FIRE CHIEF	LINC SURBER
PUBLIC WORKS DIRECTOR	MARK WAGSTER
MUNICIPAL COURT JUDGE	ED PHILLIPS
CITY ATTORNEY	DENTON, NAVARRO, ROCHA, BERNAL & ZECH, P.C.

City of Live Oak Overall Structure 2020/21



LiveOak
THE CITY OF LIVE OAK TEXAS

FINANCIAL SECTION



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Live Oak, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise City of Live Oak's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

City of Live Oak's 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.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Live Oak, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021 on our consideration of City of Live Oak's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 City of Live Oak's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

December 10, 2021

MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the City of Live Oak, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Live Oak for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2021 by \$25.9 million (net position). Of this amount \$14.3 million (unrestricted net position), may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased from operations by \$3.0 million. This increase is attributable to the City's ability to manage budgetary spending with available revenues during the fiscal year.
- As of September 30, 2021, the City's governmental funds reported combined ending fund balances of \$21 million, an increase of \$2.5 million.
- The total bonds outstanding (and related premiums) of the City (all governmental activities obligations) decreased by \$2.0 million.

Overview of the Financial Statements

The discussion and analysis is intended to serve as the introduction of the City of Live Oak, Texas' basic financial statements which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business financial presentation.

The statement of net position presents information on all of 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 most recent fiscal 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through their user fees and charges (business-type activities). The governmental activities of the City include general government, debt service, special revenue funds, and capital projects. The business-type activities of the City include a water and wastewater operating fund, a utility development replacement and renewal fund and a storm water utility fund. The government-wide financial statements can be found on pages 16-18 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental and proprietary, and utilize different accounting approaches.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources available for current spending, as well as on balances of resources available for spending at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve (12) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, American rescue plan fund, and the debt service fund, which are considered to be major funds. Data from the other ten (9) governmental funds are combined into a single, aggregated presentation. Details of the ten (9) nonmajor governmental funds are presented in the other supplementary information section which begins on page 62. The City adopts an annual appropriated budget for all governmental funds except capital projects. A budgetary comparison statement has been provided for the general fund and the Economic Development Corporation to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 19-21 of this report.

Proprietary Funds – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. The City maintains three different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operation and maintenance of its water and wastewater utility, its utility development replacement and renewal funds and operation of its storm water utility. The basic proprietary fund financial statements can be found on pages 23-26 of this report.

Notes to the 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. The notes to the financial statements can be found on pages 27-52 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s general fund budgetary comparisons and progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees and retirees. Required supplementary information can be found on pages 53-61 of the City’s annual comprehensive financial report.

The combining statements referred to earlier as the City’s nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and supporting schedules can be found on pages 62-78 of the City’s annual comprehensive financial report.

Government-wide Financial Analysis

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$25.9 million (net position). Of this amount \$14.3 million (unrestricted net position) may be used to meet the ongoing obligations to citizens and creditors.

The 2nd largest portion of the City's net position (35%) is its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The largest portion of the City's net position (55%) is unrestricted while approximately (10%) represents resources that are subject to external restrictions on how they may be used.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and Other Assets	\$ 25,288,160	\$ 20,739,026	\$ 1,977,957	\$ 2,477,376	\$ 27,266,117	\$ 23,216,402
Capital Assets	15,560,304	16,989,655	5,732,376	5,356,887	21,292,680	22,346,542
Total Assets	<u>40,848,464</u>	<u>37,728,681</u>	<u>7,710,333</u>	<u>7,834,263</u>	<u>48,558,797</u>	<u>45,562,944</u>
Deferred Outflows of Resources	<u>1,050,537</u>	<u>1,384,877</u>	<u>117,182</u>	<u>157,456</u>	<u>1,167,719</u>	<u>1,542,333</u>
Liabilities						
Current Liabilities	3,504,000	3,350,670	677,923	551,703	4,181,923	3,902,373
Long-term Liabilities	17,751,840	18,216,783	651,755	704,914	18,403,595	18,921,697
Total Liabilities	<u>21,255,840</u>	<u>21,567,453</u>	<u>1,329,678</u>	<u>1,256,617</u>	<u>22,585,518</u>	<u>22,824,070</u>
Deferred Inflows of Resources	<u>1,105,803</u>	<u>1,254,565</u>	<u>135,923</u>	<u>155,059</u>	<u>1,241,726</u>	<u>1,409,624</u>
Net Position						
Net Investment in						
Capital Assets	3,330,278	2,804,778	5,732,376	5,356,887	9,062,654	8,161,665
Restricted	2,553,132	2,520,596	-	-	2,553,132	2,520,596
Unrestricted	13,653,948	10,966,166	629,538	1,223,156	14,283,486	12,189,322
Total Net Position	<u>\$ 19,537,358</u>	<u>\$ 16,291,540</u>	<u>\$ 6,361,914</u>	<u>\$ 6,580,043</u>	<u>\$ 25,899,272</u>	<u>\$ 22,871,583</u>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

During the year ending September 30, 2021, the City's net position increased by \$3.0 million. Slower economic activity in the summer of 2020 returned strongly in 2021, particularly seen in occupancy taxes, sales tax and permitting. The Economic Development Corporation also provided significant support to business activities in the form of water rights and business assistance grants.

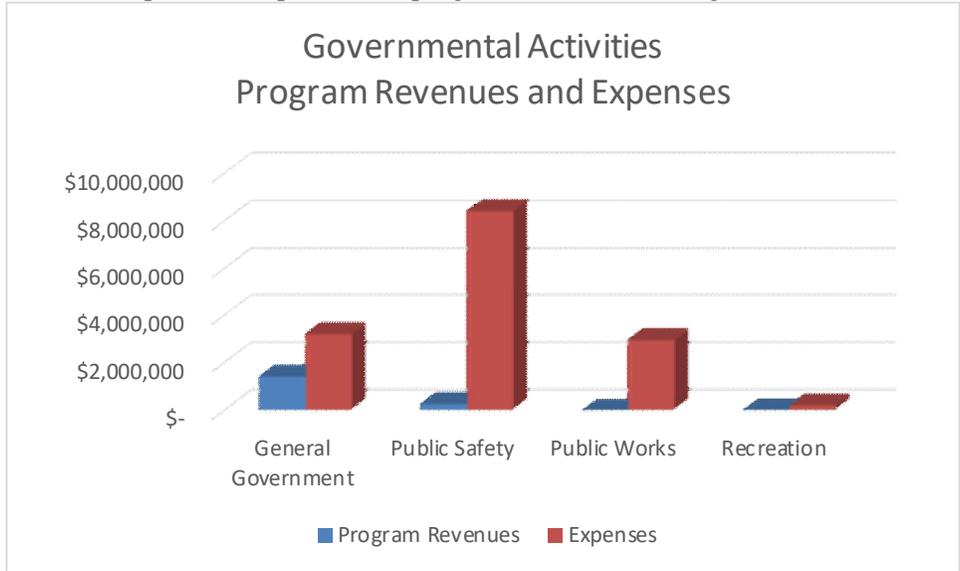
The following table indicates changes in net position for the governmental and business-type activities for the City as of September 30, 2021.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,575,135	\$ 1,101,013	\$ 4,896,891	\$ 4,704,020	\$ 6,472,026	\$ 5,805,033
Operating Grants and Contributions	924,949	1,047,285	158,000	-	1,082,949	1,047,285
Capital Grants and Contributions	39,000	-	608,037	-	647,037	-
General Revenues						
Taxes						
Property Taxes	6,045,605	5,763,038	-	-	6,045,605	5,763,038
Sales and Mixed Beverage	7,629,564	6,556,209	-	-	7,629,564	6,556,209
Franchise Taxes	1,202,761	1,064,713	-	-	1,202,761	1,064,713
Occupancy Taxes	521,757	360,884	-	-	521,757	360,884
Investment Earnings	14,499	286,389	872	17,307	15,371	303,696
Miscellaneous	192,367	160,583	10,180	13,167	202,547	173,750
Total Revenues	<u>18,145,637</u>	<u>16,340,114</u>	<u>5,673,980</u>	<u>4,734,494</u>	<u>23,819,617</u>	<u>21,074,608</u>
Expenses:						
General Government	3,237,399	3,115,843	-	-	3,237,399	3,115,843
Public Safety	8,446,080	8,627,416	-	-	8,446,080	8,627,416
Public Works	2,988,661	2,833,678	-	-	2,988,661	2,833,678
Recreation	233,671	226,927	-	-	233,671	226,927
Water and Wastewater	-	-	4,105,442	3,904,880	4,105,442	3,904,880
Storm Water	-	-	520,732	527,844	520,732	527,844
Utility Development	-	-	906,941	519,822	906,941	519,822
Interest and Fiscal Agent Fees	353,002	488,674	-	-	353,002	488,674
Total Expenses	<u>15,258,813</u>	<u>15,292,538</u>	<u>5,533,115</u>	<u>4,952,546</u>	<u>20,791,928</u>	<u>20,245,084</u>
INCREASE IN NET POSITION BEFORE TRANSFERS	2,886,824	1,047,576	140,865	(218,052)	3,027,689	829,524
Transfers In (Out)	<u>358,994</u>	<u>(120,418)</u>	<u>(358,994)</u>	<u>120,418</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	3,245,818	927,158	(218,129)	(97,634)	3,027,689	829,524
BEGINNING NET POSITION	<u>16,291,540</u>	<u>15,364,382</u>	<u>6,580,043</u>	<u>6,677,677</u>	<u>22,871,583</u>	<u>22,042,059</u>
ENDING NET POSITION	<u>\$ 19,537,358</u>	<u>\$ 16,291,540</u>	<u>\$ 6,361,914</u>	<u>\$ 6,580,043</u>	<u>\$ 25,899,272</u>	<u>\$ 22,871,583</u>

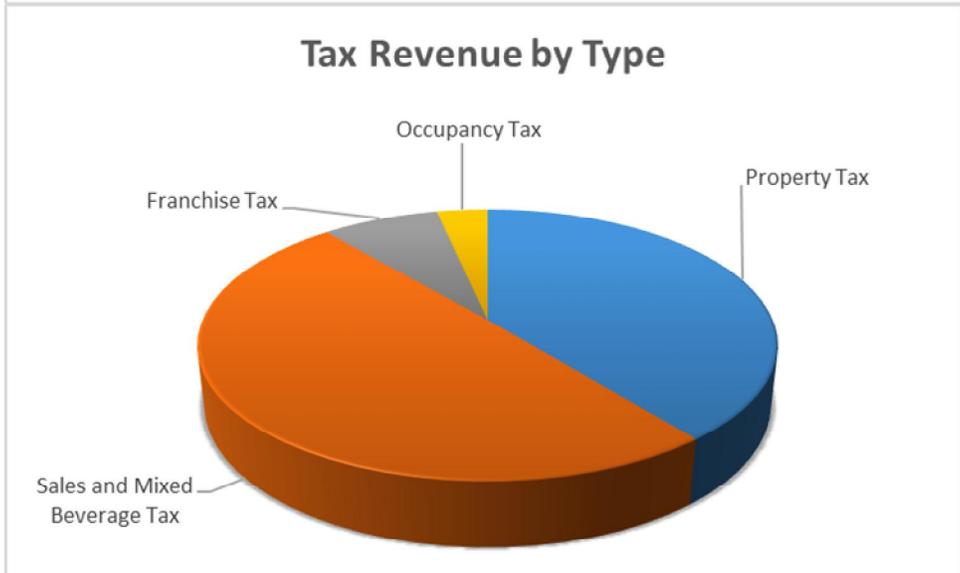
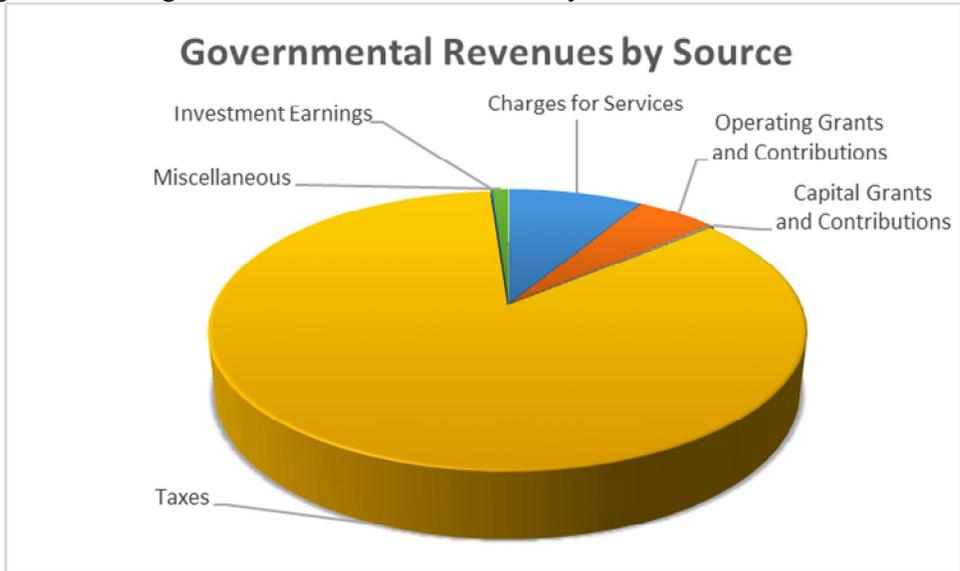
Governmental Activities – Governmental activities increased the City’s net position by \$3.2 million. Key elements are as follows:

- Governmental activities expenses were largely unchanged, decreasing \$34 thousand. The decrease was led by a decrease in debt service of \$135 thousand as the bonds continue to be paid down.
- Return of economic activity led to increases of \$1.1 million in sales taxes, \$161 thousand in occupancy taxes and \$474 thousand in charges for services
- Investment earnings decreased by \$272 thousand as interest rates fell at the start of the pandemic

Below is a chart which depicts the expenses and program revenues for all governmental activities.

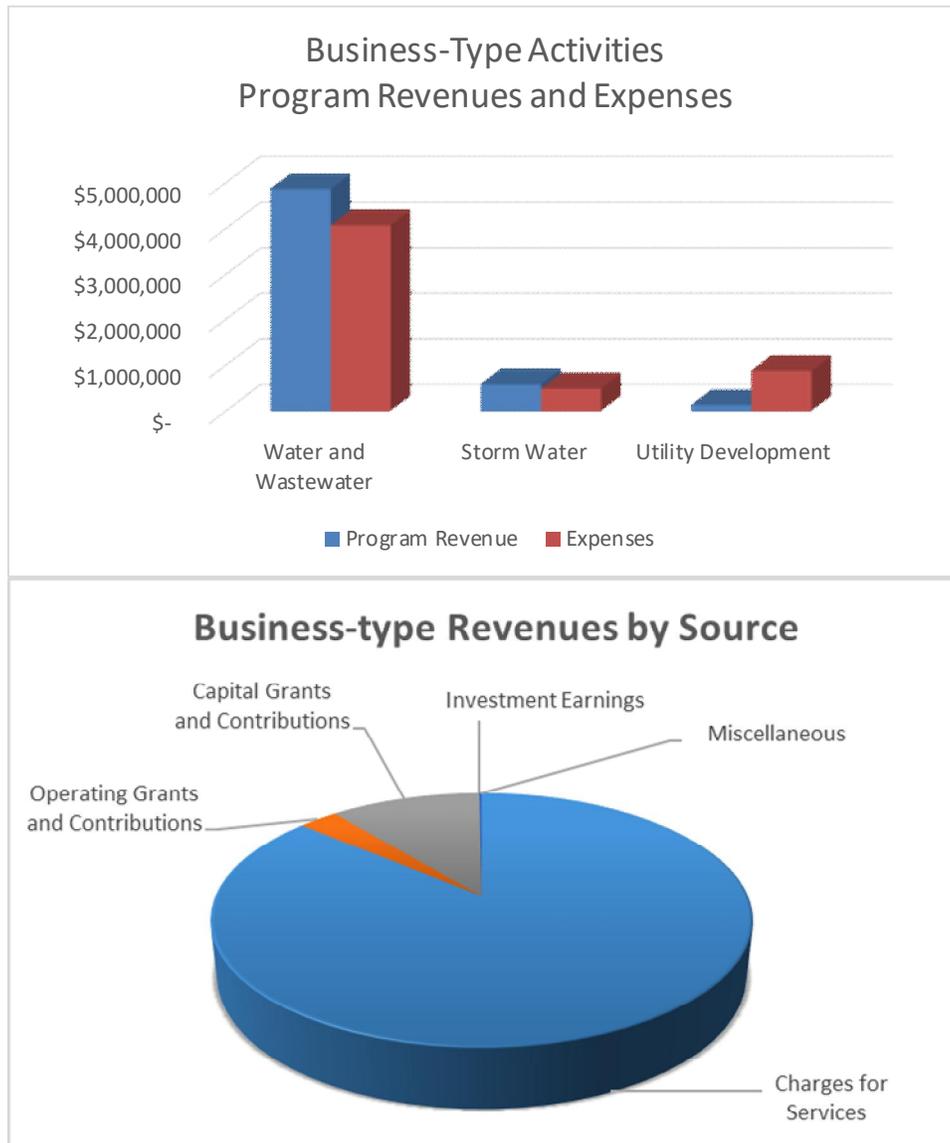


The following charts show governmental activities revenues by source and a breakdown of taxes by type.



Business-Type Activities - The City's business-type activities consist solely of water and wastewater services, utility development (renewals and replacements) and storm water operations. These activities have rates and spending plans established by the City Council. Another activity includes solid waste collection, but is only a pass through for the City.

The City's smallest business-type activity (Storm Water) remained largely unchanged with revenues increasing 1% and expenses decreasing 1%. After transfers, the Storm Water Fund added \$7 thousand to net position. The Water and Wastewater Utility (together with the Utility Renewal Fund) saw revenues increase 4%, primarily from increased consumption. Expenses increased 13%, primarily from water tank painting of \$636 thousand that is conducted every several years. A comparison between expenses and program revenues (charges for services) relating to water, wastewater and storm water operations follows. The major revenue source for business-type activities consists almost entirely of charges for services.



The revenues in the current fiscal year for the business-type activities increased by \$939 thousand, primarily from a contribution of water rights from the Economic Development Corporation. The City is also gradually increasing sewer rates to keep up with increases from wastewater treatment providers San Antonio River Authority and Cibolo Creek Municipal Authority. The total expenses for the business-type activities increased by \$581 thousand. The increase was primarily from tank painting.

Financial Analysis of the Government's Funds

As noted earlier, the City of Live Oak uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21 million, an increase of \$2.5 million from the prior year. A majority of this increase is attributable to a return of economic activity in 2021 out of the pandemic resulting in increases in sales taxes, occupancy taxes, beverage taxes, and permits and fees. \$12.6 million (60%) of the ending fund balance is unassigned, which is available for spending at the City's discretion. The remaining amount of \$8.3 million (40%) is nonspendable, restricted, assigned, or committed for specific purposes.

The City's general fund is the chief operating fund of the City and is used to account for all financial resources except those required to be accounted for by another fund. Property and sales taxes provide the major source of income. At the end of the current fiscal year, the unassigned fund balance portion of the general fund was \$12.6 million compared to \$10.3 million, an increase of \$2.3 million. The increase was primarily attributable to increases in several economic revenue sources such as sales taxes, beverage taxes, and permits and fees. The increase of \$2.3 million reversed the decreased experienced in fiscal year 2019-2020 of \$1.4 million. In addition, the City increased the committed fund balance for asset replacement for the future purchase of several large pieces of equipment. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The debt service fund had a total restricted fund balance of \$438 thousand, virtually unchanged from the \$432 thousand reported in the year prior. The total fund balance is restricted for the payment of debt service.

The City received \$2.0 million in American Rescue Plan Act funding for pandemic relief and utility infrastructure projects. The City has three years to spend the money and must return any unused funds. The City is evaluating the best uses for these funds to benefit the citizenry. None of the funds were spent as of September 30, 2021.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net position of the water and sewer fund (including the utility development replacement and renewal fund) was \$400 thousand or 10% of annual operating expenses. Due to the periodic tank painting performed in 2021, this was a decrease from 2020. The Storm Water fund at the end of the current fiscal year had \$229 thousand or approximately 44% of annual operating and non-operating expenses for the funds. This was a minor change over the previous year.

Budgetary Highlights

General Fund – One amendment was made to the original budget but it did not change total expenditures. The budget anticipated adding \$297 thousand to fund balance. During the year, general fund revenues exceeded budgetary estimates by \$1.4 million and expenditures were less than budgetary estimates by \$1.8 million.

Below is a brief summarization of the major differences between the final amended budget and actual results for both revenues and expenditures.

- \$1.4 million over budget in total revenues
 - Sales Tax – Exceeded the budget by \$992 thousand as economic activity returned in 2021.
 - Licenses and Permits – Exceeded the budget by \$485 thousand as more economic activity occurred.

- Investment Earnings – fell short of the budget by \$202 thousand as interest rates stayed low for longer than anticipated.
- \$1.8 million under budget in total expenditures
 - General Government:
 - Council – did not utilize the contingency budgets.
 - Development Services – increased permit activities led to more professional fees to review plans than anticipated.
 - Public Safety – primarily due to personnel vacancies in the Police, Communications, and Fire/EMS departments throughout the fiscal year, as well as, unspent training budgets due to the pandemic.
 - Public Works – primarily due to several vacancies throughout the fiscal year, as well as, lower than anticipated petroleum and utility costs, unspent emergency contingency money for major repairs and other various savings.
 - Recreation – primarily due to many recreational events being cancelled or decreased in size and nature due to the pandemic.

Capital Asset and Debt Administration

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021 amounted to \$21.3 (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, park facilities, the water and wastewater system plants and service lines, machinery and equipment, and construction in progress. The total decrease in the City's investment in capital assets for the current fiscal year was 4.7%.

The City's most significant additions during the year ending September 30, 2021 included water rights and the continuation of concrete fencing on Toepperwein Road. More detailed information is desired on the City's capital asset activity is presented in the notes to the financial statements please refer in note 5 (pages 37-39).

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,179,151	\$ 1,170,381	\$ -	\$ 8,770	\$ 1,179,151	\$ 1,179,151
Water Rights	647,021	647,021	2,051,112	1,443,075	2,698,133	2,090,096
Construction in Progress	309,938	149,154	-	-	309,938	149,154
Total Not Depreciated	<u>2,136,110</u>	<u>1,966,556</u>	<u>2,051,112</u>	<u>1,451,845</u>	<u>4,187,222</u>	<u>3,418,401</u>
Buildings and Improvements	14,174,373	14,166,783	-	-	14,174,373	14,166,783
Streets and Infrastructure	14,429,370	14,429,370	-	-	14,429,370	14,429,370
Machinery and Equipment	8,570,999	8,892,128	1,780,864	1,740,973	10,351,863	10,633,101
Water and Sewer System	-	-	10,496,025	10,496,025	10,496,025	10,496,025
Accumulated Depreciation	<u>(23,750,548)</u>	<u>(22,465,182)</u>	<u>(8,595,625)</u>	<u>(8,331,956)</u>	<u>(32,346,173)</u>	<u>(30,797,138)</u>
Total Depreciated	<u>13,424,194</u>	<u>15,023,099</u>	<u>3,681,264</u>	<u>3,905,042</u>	<u>17,105,458</u>	<u>18,928,141</u>
Total	<u>\$ 15,560,304</u>	<u>\$ 16,989,655</u>	<u>\$ 5,732,376</u>	<u>\$ 5,356,887</u>	<u>\$ 21,292,680</u>	<u>\$ 22,346,542</u>

Long-Term Debt – As of September 30, 2021, the City had total bonded debt outstanding of \$11.4 million. This amount is backed by the full faith and credit of the City, although both the Economic Development Corporation and water/sewer operations have historically contributed to the debt service. The City’s bonds decreased \$1.8 million, or 14%.

	Governmental Activities	
	2021	2020
General Obligation Bonds		
Series 2010	\$ 365,000	\$ 715,000
Series 2014	11,030,000	12,475,000
TOTALS	\$ 11,395,000	\$ 13,190,000

The City maintained its Aa3 rating from Moody’s Investor Services during the Series 2014 bond issue process. The City has no legal debt limit provision in its charter. More detailed information about the City’s long-term liabilities is presented in notes 6 and 7 (pages 38-41) of the notes to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

The City’s elected and appointed officials considered many factors when setting the fiscal year 2021 budget, tax rates, and fees that will be charged for the business-type activities. One of the most significant factors continues to be the City’s recent revenue trends. The City’s general fund revenue is primarily made up of property taxes, sales taxes, and franchise fees. Franchise fees increased in 2021 compared to 2020. Sales tax revenues continue to make up the biggest source of primary revenue. The City has seen some substantial increases in its sales tax revenue since 2015.

These increases are reflective of a strong economy comeback and some substantial commercial growth. 2021 reveals the strong comeback from the pandemic prone 2020 fiscal year. The economy in the area continues to be extremely favorable. Sales tax will always be continually monitored because of its volatile nature. A moderate increase over last year’s budget was approved and management will keep close watch to see what effects the economy would have throughout the year.

The general fund’s largest controllable revenue source is property taxes. The property tax rate during fiscal year 2021 was \$0.412217 per \$100 valuation, a decrease of \$0.002469 from 2020. Of this tax rate, \$0.313911 is utilized for general fund activities. The remaining amount of \$0.098306 is used for debt service. The rate for fiscal year 2021 was the effective tax rate. The City’s portion of the sales tax rate is one and one-half cents, with an additional half cent for economic development. The general fund receives one and one-half cent with a half cent as an instrument of property tax reduction.

Despite all the good things that happened around the City of Live Oak over the past several years, the City was not immune to a global pandemic that swept across the globe. COVID-19 started in 2020 but continued on through 2021. During the early months of the pandemic, the City of Live Oak saw double digit decreases in its monthly sales tax remittance. But throughout 2021, the City of Live Oak continued to see really good sales tax revenue numbers. The City ended the Fiscal Year 2021 very strong. Overall, the Metrocom area sustained fiscal stability throughout the continuation of the COVID-19 pandemic. Even as we start into the new fiscal year, the economy continues to be on a positive track in this area. This area again continues to perform as good or better than any other area in the state or even the nation.

The City enjoyed several grand openings of retail and food establishments during the economic struggles in 2020-2021. There are many more slated to open in 2022 and onward. Northeast Lakeview College enrollment has grown substantially since opening their doors. Northeast Lakeview College has a plan to become a major, higher education player for the region in the future with over 15,000 students. The Judson Early College Academy (JECA) offers students with an opportunity to not only earn their high school degree, but they will have also have earned an equivalent to an associate's degree as well. Students will have the ability to transfer these college credits to almost any college of choice. The Eagle Ford Shale development, one of the nation's biggest oil and natural gas fields, has provided a tremendous economic impact to neighboring counties that has spilled over into this area. Over the last couple of years, the oil industry has been in the process of making a welcomed comeback and is still considered to have a solid presence in the area..

Economic Outlook: Because the City is adjacent to the City of San Antonio, the local economy is anchored by what happens in the San Antonio Metropolitan Statistical Area. This area enjoys the benefit of a diversified economy. Major anchors of the economy in this area are the medical/biomedical industry, the military industry, tourism, telecommunications, insurance, financial and manufacturing. The national state of economy continues to show signs of substantial growth and strength. As a result, commercial growth and sales tax receipts in Live Oak continue to be on a positive track.

Requests for Information

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 show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the finance department, at the City of Live Oak, 8001 Shin Oak Drive, Live Oak, Texas 78233.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements
 - Governmental funds
 - Proprietary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LiveOak
THE CITY OF LIVE OAK TEXAS

CITY OF LIVE OAK
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Live Oak Economic Development
ASSETS				
Cash and Cash Equivalents	\$ 20,750,730	\$ 1,438,770	\$ 22,189,500	\$ 4,534,007
Investments	2,601,931	-	2,601,931	-
Receivables (net of allowances):				
Property Taxes	76,798	-	76,798	-
Sales Tax	1,437,273	-	1,437,273	479,091
Other	384,172	539,187	923,359	-
Accrued Interest	4,800	-	4,800	-
Prepaid Expenses	32,456	-	32,456	624
Capital Assets:				
Land	1,179,151	-	1,179,151	44,513
Construction in Progress	309,938	-	309,938	-
Water Rights	647,021	2,051,112	2,698,133	-
Buildings and Improvements (net)	5,456,885	-	5,456,885	-
Streets and Infrastructure (net)	6,235,437	-	6,235,437	-
Machinery and Equipment (net)	1,731,872	158,791	1,890,663	-
Water and Sewer System (net)	-	3,522,473	3,522,473	-
TOTAL ASSETS	40,848,464	7,710,333	48,558,797	5,058,235
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Related Outflows	874,649	106,526	981,175	-
Deferred OPEB Related Outflows	86,236	10,656	96,892	-
Deferred Charge on Bond Refunding	89,652	-	89,652	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	1,050,537	117,182	1,167,719	-
LIABILITIES				
Accounts Payable	1,147,786	520,132	1,667,918	207,935
Accrued Interest Payable	77,262	-	77,262	-
Accrued Wages	230,522	26,293	256,815	2,983
Customer Deposits Payable	4,320	131,498	135,818	-
Unearned Revenue	2,044,110	-	2,044,110	-
Long-term Liabilities				
Due in One Year	2,009,774	13,069	2,022,843	2,225
Due in More than One Year	10,868,999	39,207	10,908,206	6,675
Net Pension Liability	4,464,099	548,546	5,012,645	-
Total Other Postemployment Benefit Liability	408,968	50,933	459,901	-
TOTAL LIABILITIES	21,255,840	1,329,678	22,585,518	219,818
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Related Inflows	1,082,620	133,254	1,215,874	-
Deferred OPEB Related Inflows	23,183	2,669	25,852	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,105,803	135,923	1,241,726	-
NET POSITION				
Net Investment In Capital Assets	3,330,278	5,732,376	9,062,654	44,513
Restricted For:				
Debt Service	378,726	-	378,726	-
Municipal Court	182,870	-	182,870	-
Tourism Development	1,253,979	-	1,253,979	-
Public Safety	357,847	-	357,847	-
Public Education	379,654	-	379,654	-
Coronavirus Relief	56	-	56	-
Unrestricted	13,653,948	629,538	14,283,486	4,793,904
TOTAL NET POSITION	\$ 19,537,358	\$ 6,361,914	\$ 25,899,272	\$ 4,838,417

See accompanying notes to basic financial statements.

CITY OF LIVE OAK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<i>Governmental Activities:</i>				
General Government	\$ 3,237,399	\$ 1,308,041	\$ 150,000	\$ -
Public Safety	8,446,080	219,695	38,239	39,000
Public Works	2,988,661	10,957	-	-
Recreation	233,671	36,442	-	-
Interest and Fiscal Agent Fees	353,002	-	736,710	-
<i>Total Governmental Activities</i>	<u>15,258,813</u>	<u>1,575,135</u>	<u>924,949</u>	<u>39,000</u>
<i>Business-Type Activities</i>				
Water/Wastewater Utilities	4,105,442	4,282,722	-	608,037
Storm Water Utility	520,732	614,169	-	-
Utility Renewal & Replacement	906,941	-	158,000	-
<i>Total Business-Type Activities</i>	<u>5,533,115</u>	<u>4,896,891</u>	<u>158,000</u>	<u>608,037</u>
Total Primary Government	<u>\$ 20,791,928</u>	<u>\$ 6,472,026</u>	<u>\$ 1,082,949</u>	<u>\$ 647,037</u>
Component Unit:				
Live Oak Economic Development	<u>\$ 1,897,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Revenues:				
Taxes:				
Property Taxes				
Sales and Mixed Beverage Taxes				
Franchise Taxes				
Occupancy Taxes				
Investment Earnings				
Miscellaneous				
Total General Revenues				
Transfers In (Out)				
Change in Net Position				
Net Position at Beginning of Year				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Primary Government			Component Unit
Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	Live Oak Economic Development
\$ (1,779,358)	\$ -	\$ (1,779,358)	\$ -
(8,149,146)	-	(8,149,146)	-
(2,977,704)	-	(2,977,704)	-
(197,229)	-	(197,229)	-
383,708	-	383,708	-
<u>(12,719,729)</u>	<u>-</u>	<u>(12,719,729)</u>	<u>-</u>
-	785,317	785,317	-
-	93,437	93,437	-
-	(748,941)	(748,941)	-
<u>-</u>	<u>129,813</u>	<u>129,813</u>	<u>-</u>
<u>(12,719,729)</u>	<u>129,813</u>	<u>(12,589,916)</u>	<u>-</u>
			<u>(1,897,203)</u>
6,045,605	-	6,045,605	-
7,629,564	-	7,629,564	2,463,557
1,202,761	-	1,202,761	-
521,757	-	521,757	-
14,499	872	15,371	2,419
192,367	10,180	202,547	12,474
<u>15,606,553</u>	<u>11,052</u>	<u>15,617,605</u>	<u>2,478,450</u>
<u>358,994</u>	<u>(358,994)</u>	<u>-</u>	<u>-</u>
3,245,818	(218,129)	3,027,689	581,247
<u>16,291,540</u>	<u>6,580,043</u>	<u>22,871,583</u>	<u>4,257,170</u>
<u>\$ 19,537,358</u>	<u>\$ 6,361,914</u>	<u>\$ 25,899,272</u>	<u>\$ 4,838,417</u>

CITY OF LIVE OAK
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Major Funds			Other	Total Governmental Funds
	General Fund	Debt Service	American Rescue Plan	Nonmajor Governmental Funds	
ASSETS					
Cash and Cash Equivalents	\$ 15,300,855	\$ 438,401	\$ 2,044,166	\$ 2,967,308	\$ 20,750,730
Investments	2,601,931	-	-	-	2,601,931
Receivables (net of allowances):					
Property Taxes	59,211	17,587	-	-	76,798
Sales Tax	1,437,273	-	-	-	1,437,273
Other	279,945	-	-	104,228	384,173
Accrued Interest	4,800	-	-	-	4,800
Prepaid Items	32,456	-	-	-	32,456
TOTAL ASSETS	\$ 19,716,471	\$ 455,988	\$ 2,044,166	\$ 3,071,536	\$ 25,288,161
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 989,662	\$ -	\$ -	\$ 158,123	\$ 1,147,785
Accrued Wages	229,828	-	-	694	230,522
Deposits	4,320	-	-	-	4,320
Unearned Revenue	-	-	2,044,110	-	2,044,110
<i>Total Liabilities</i>	<u>1,223,810</u>	<u>-</u>	<u>2,044,110</u>	<u>158,817</u>	<u>3,426,737</u>
<i>Deferred Inflows of Resources:</i>					
Unavailable Property Tax Revenue	59,211	17,587	-	-	76,798
Unavailable Sales Tax Revenue	771,713	-	-	-	771,713
Unavailable Warrants Revenue	59,551	-	-	-	59,551
<i>Total Deferred Inflows of Resources</i>	<u>890,475</u>	<u>17,587</u>	<u>-</u>	<u>-</u>	<u>908,062</u>
<i>Fund Balances:</i>					
<i>Nonspendable:</i>					
Prepaid Items	32,456	-	-	-	32,456
<i>Restricted for:</i>					
Debt Service	-	438,401	-	-	438,401
Municipal Court	-	-	-	182,870	182,870
Tourism Development	-	-	-	1,253,979	1,253,979
Public Safety	-	-	-	357,847	357,847
Public Education	-	-	-	379,654	379,654
Coronavirus Relief	-	-	56	-	56
<i>Committed For:</i>					
Asset Replacement	4,956,921	-	-	-	4,956,921
Weed Abatement	11,021	-	-	-	11,021
Capital Projects	-	-	-	738,369	738,369
Unassigned	12,601,788	-	-	-	12,601,788
<i>Total Fund Balances</i>	<u>17,602,186</u>	<u>438,401</u>	<u>56</u>	<u>2,912,719</u>	<u>20,953,362</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 19,716,471	\$ 455,988	\$ 2,044,166	\$ 3,071,536	\$ 24,439,650

See accompanying notes to basic financial statements.

CITY OF LIVE OAK
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 20,953,362

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 15,560,304

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds. 908,062

Accrued vacation leave payable is not due and payable in the current period and, therefore, is not reported in the funds. (559,096)

Long-term liabilities, including bonds payable and related premiums, are not due and payable in the current period and therefore, not reported in the funds:

Bonds Payable	(11,395,000)	
Unamortized Premiums	(924,679)	
Deferred Charges on Bond Refundings	89,652	
Accrued Interest Payable	<u>(77,262)</u>	(12,307,289)

Net Pension Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:

Net Pension Liability	(4,464,099)	
Pension Related Deferred Inflows	(1,082,620)	
Pension Related Deferred Outflows	<u>874,649</u>	(4,672,070)

OPEB Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:

OPEB Liability	(408,968)	
OPEB Related Deferred Inflows	(23,183)	
OPEB Related Deferred Outflows	<u>86,236</u>	<u>(345,915)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 19,537,358

See accompanying notes to basic financial statements.

CITY OF LIVE OAK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Major Funds			Other	Total Governmental Funds
	General Fund	Debt Service	American Rescue Plan	Nonmajor Governmental Funds	
REVENUES					
Property Taxes	\$ 4,617,307	\$ 1,416,718	\$ -	\$ -	\$ 6,034,025
Sales and Mixed Beverage Taxes	7,581,891	-	-	-	7,581,891
Franchise Taxes	1,092,601	-	-	37,815	1,130,416
Occupancy Tax	-	-	-	521,757	521,757
Licenses and Permits	846,269	-	-	-	846,269
Grants and Donations	85,219	736,710	-	-	821,929
Charges for Services	256,924	-	-	26,935	283,859
Fines and Forfeitures	519,210	-	-	30,121	549,331
Investment Earnings	12,506	376	56	1,563	14,501
Miscellaneous	218,250	-	-	56,286	274,536
TOTAL REVENUES	<u>15,230,177</u>	<u>2,153,804</u>	<u>56</u>	<u>674,477</u>	<u>18,058,514</u>
EXPENDITURES					
<i>Current:</i>					
General Government	2,467,641	-	-	488,766	2,956,407
Public Safety	7,696,075	-	-	15,516	7,711,591
Public Works	2,070,046	-	-	2,020	2,072,066
Recreation	226,089	-	-	-	226,089
<i>Capital Outlay</i>	307,343	-	-	441,760	749,103
<i>Debt Service:</i>					
Principal	-	1,795,000	-	-	1,795,000
Interest and Fiscal Charges	-	522,408	-	-	522,408
TOTAL EXPENDITURES	<u>12,767,194</u>	<u>2,317,408</u>	<u>-</u>	<u>948,062</u>	<u>16,032,664</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,462,983</u>	<u>(163,604)</u>	<u>56</u>	<u>(273,585)</u>	<u>2,025,850</u>
OTHER FINANCING SOURCES (USES)					
Sales of Capital Assets	52,881	-	-	-	52,881
Transfers In	248,222	170,502	-	6,500	425,224
Transfers Out	(25,157)	-	-	(20,000)	(45,157)
TOTAL OTHER FINANCING SOURCES (USES)	<u>275,946</u>	<u>170,502</u>	<u>-</u>	<u>(13,500)</u>	<u>432,948</u>
Net Change in Fund Balance	2,738,929	6,898	56	(287,085)	2,458,798
Fund Balances at Beginning of Year	<u>14,863,257</u>	<u>431,503</u>	<u>-</u>	<u>3,199,804</u>	<u>18,494,564</u>
Fund Balances at End of Year	<u>\$ 17,602,186</u>	<u>\$ 438,401</u>	<u>\$ 56</u>	<u>\$ 2,912,719</u>	<u>\$ 20,953,362</u>

See accompanying notes to basic financial statements.

CITY OF LIVE OAK
RECONCILIATION OF THE STATEMENT OF REVENUES,
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 2,458,798

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	497,185	
Depreciation Expense	<u>(1,905,463)</u>	(1,408,278)

Governmental funds report gross proceeds from the sale of capital assets, however in the statement of activities, the proceeds are reduced by the net book value of the capital assets disposed. (21,073)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 37,104

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Repayments	1,795,000	
Amortization of Premiums, Losses	<u>159,847</u>	1,954,847

Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that actuarially determined pension expense exceeded contributions. 430,900

Governmental funds report required contributions to OPEB as expenditures. However, in the Statement of Activities the cost of the expense is recorded based on the actuarially determined cost of the plan. This is the amount that actuarially determined OPEB expense exceeded contributions. (38,333)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated Absences	(177,703)	
Accrued Interest	9,556	<u>(168,147)</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 3,245,818

See accompanying notes to basic financial statements.

CITY OF LIVE OAK
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities			Total
	Major Funds		Nonmajor	
	Water and Wastewater Utilities	Storm Water Utility	Utility Renewal & Replacement	
ASSETS				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 193,457	\$ 355,403	\$ 889,910	\$ 1,438,770
Accounts Receivable, Net of Allowance:				
Customer Accounts	460,518	78,669	-	539,187
<i>Total Current Assets</i>	<u>653,975</u>	<u>434,072</u>	<u>889,910</u>	<u>1,977,957</u>
<i>Noncurrent Assets:</i>				
Capital Assets:				
Water Rights	2,051,112	-	-	2,051,112
Water and Wastewater System (net)	3,522,473	-	-	3,522,473
Transportation and Equipment (net)	107,497	51,294	-	158,791
<i>Total Noncurrent Assets</i>	<u>5,681,082</u>	<u>51,294</u>	<u>-</u>	<u>5,732,376</u>
TOTAL ASSETS	<u>6,335,057</u>	<u>485,366</u>	<u>889,910</u>	<u>7,710,333</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Related Outflows	78,616	27,910	-	106,526
Deferred OPEB Related Outflows	7,751	2,905	-	10,656
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>86,367</u>	<u>30,815</u>	<u>-</u>	<u>117,182</u>
TOTAL ASSETS & DEFERRED OUTFLOWS	<u>\$ 6,421,424</u>	<u>\$ 516,181</u>	<u>\$ 889,910</u>	<u>\$ 7,827,515</u>
LIABILITIES				
<i>Current Liabilities:</i>				
Accounts Payable	\$ 261,942	\$ 16,011	\$ 242,179	\$ 520,132
Accrued Wages	17,572	8,721	-	26,293
Current Portion of Compensated Absences	9,826	3,243	-	13,069
Customer Deposits Payable	131,498	-	-	131,498
<i>Total Current Liabilities</i>	<u>420,838</u>	<u>27,975</u>	<u>242,179</u>	<u>690,992</u>
<i>Noncurrent Liabilities:</i>				
Compensated Absences	29,477	9,730	-	39,207
Net Pension Liability	401,258	147,288	-	548,546
Total Other Postemployment Benefit Liability	36,762	14,171	-	50,933
<i>Total Noncurrent Liabilities</i>	<u>467,497</u>	<u>171,189</u>	<u>-</u>	<u>638,686</u>
TOTAL LIABILITIES	<u>888,335</u>	<u>199,164</u>	<u>242,179</u>	<u>1,329,678</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Related Inflows	97,314	35,940	-	133,254
Deferred OPEB Related Inflows	2,084	585	-	2,669
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>99,398</u>	<u>36,525</u>	<u>-</u>	<u>135,923</u>
NET POSITION				
Net Investment in Capital Assets	5,681,082	51,294	-	5,732,376
Unrestricted	(247,391)	229,198	647,731	629,538
TOTAL NET POSITION	<u>5,433,691</u>	<u>280,492</u>	<u>647,731</u>	<u>6,361,914</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 6,421,424</u>	<u>\$ 516,181</u>	<u>\$ 889,910</u>	<u>\$ 7,827,515</u>

See accompanying notes to basic financial statements.

CITY OF LIVE OAK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities			Total
	Major Funds		Nonmajor	
	Water and Wastewater Utilities	Storm Water Utility	Utility Renewal & Replacement	
OPERATING REVENUES				
Water Sales	\$ 1,463,825	\$ -	\$ -	\$ 1,463,825
Sewer Charges	1,988,872	-	-	1,988,872
Garbage Collection	747,058	-	-	747,058
Storm Water Charges	-	603,669	-	603,669
Penalties and Fees	72,755	-	-	72,755
Other Charges	10,212	10,500	-	20,712
TOTAL OPERATING REVENUES	<u>4,282,722</u>	<u>614,169</u>	<u>-</u>	<u>4,896,891</u>
OPERATING EXPENSES				
Personnel	840,551	367,612	-	1,208,163
Supplies	180,627	21,008	-	201,635
Administration and Other	95,886	78,741	-	174,627
Maintenance	48,182	37,062	906,941	992,185
Sewage Treatment	1,755,897	-	-	1,755,897
Garbage Service	745,930	-	-	745,930
Utilities	162,447	2,881	-	165,328
Water Lease	17,074	-	-	17,074
Depreciation	258,848	13,428	-	272,276
TOTAL OPERATING EXPENSES	<u>4,105,442</u>	<u>520,732</u>	<u>906,941</u>	<u>5,533,115</u>
OPERATING INCOME (LOSS)	<u>177,280</u>	<u>93,437</u>	<u>(906,941)</u>	<u>(636,224)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	164	192	516	872
Contributions	608,037	-	158,000	766,037
Gain on Sales of Capital Assets	10,180	-	-	10,180
TOTAL NONOPERATING REVENUES	<u>618,381</u>	<u>192</u>	<u>158,516</u>	<u>777,089</u>
INCOME BEFORE TRANSFERS	<u>795,661</u>	<u>93,629</u>	<u>(748,425)</u>	<u>140,865</u>
TRANSFERS				
Transfers In	29,500	48,500	310,000	388,000
Transfers Out	(611,772)	(135,222)	-	(746,994)
TOTAL TRANSFERS	<u>(582,272)</u>	<u>(86,722)</u>	<u>310,000</u>	<u>(358,994)</u>
CHANGE IN NET POSITION	213,389	6,907	(438,425)	(218,129)
NET POSITION AT BEGINNING OF YEAR	<u>5,220,302</u>	<u>273,585</u>	<u>1,086,156</u>	<u>6,580,043</u>
NET POSITION AT END OF YEAR	<u>\$ 5,433,691</u>	<u>\$ 280,492</u>	<u>\$ 647,731</u>	<u>\$ 6,361,914</u>

See accompanying notes to basic financial statements.

CITY OF LIVE OAK
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities			Total
	Major Funds		Nonmajor	
	Water and Wastewater Utilities	Storm Water Utility	Utility Renewal & Replacement	
Cash Flows From Operating Activities:				
Cash Received From Customers	\$ 4,250,865	\$ 612,728	\$ -	\$ 4,863,593
Cash Paid to Supplier for Goods & Services	(3,068,552)	(141,291)	(703,223)	(3,913,066)
Cash Paid for Employee Salaries and Benefits	(868,880)	(380,743)	-	(1,249,623)
Net Cash Provided (Used) by Operating Activities	<u>313,433</u>	<u>90,694</u>	<u>(703,223)</u>	<u>(299,096)</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	-	(18,657)	-	(18,657)
Contributions Towards Projects	-	-	158,000	158,000
Sales of Capital Assets	10,180	-	-	10,180
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>10,180</u>	<u>(18,657)</u>	<u>158,000</u>	<u>149,523</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from Other Funds	38,270	18,657	310,000	366,927
Transfers to Other Funds	(611,772)	(135,222)	-	(746,994)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(573,502)</u>	<u>(116,565)</u>	<u>310,000</u>	<u>(380,067)</u>
Cash Flows From Investing Activities:				
Interest and Investment Earnings	164	192	516	872
Net Cash Provided (Used) by Investing Activities	<u>164</u>	<u>192</u>	<u>516</u>	<u>872</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(249,725)	(44,336)	(234,707)	(528,768)
Cash and Cash Equivalents at Beginning of Year:	<u>443,182</u>	<u>399,739</u>	<u>1,124,617</u>	<u>1,967,538</u>
Cash and Cash Equivalents at End of Year:	<u>\$ 193,457</u>	<u>\$ 355,403</u>	<u>\$ 889,910</u>	<u>\$ 1,438,770</u>

See accompanying notes to basic financial statements.

CITY OF LIVE OAK
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities			Total
	Major Funds		Nonmajor	
	Water and Wastewater Utilities	Storm Water Utility	Utility Renewal & Replacement	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income	\$ 177,280	\$ 93,437	\$ (906,941)	\$ (636,224)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	258,848	13,428	-	272,276
Decrease (Increase) in Assets:				
Accounts Receivable (net)	(27,907)	(1,441)	-	(29,348)
Deferred Pension Related Outflows	(70,261)	(24,778)	-	(95,039)
Deferred OPEB Related Outflows	45	20	-	65
Increase (Decrease) in Liabilities:				
Accounts Payable	(62,509)	(1,599)	203,718	139,610
Accrued Wages	198	1,629	-	1,827
Compensated Absences	6,765	447	-	7,212
Customer Deposits	(3,950)	-	-	(3,950)
Net Pension Liability	(56,970)	(24,547)	-	(81,517)
Total OPEB Liability	6,905	2,975	-	9,880
Deferred Pension Related Inflows	88,492	32,633	-	121,125
Deferred OPEB Related Inflows	(3,503)	(1,510)	-	(5,013)
Net Cash Provided (Used) by Operating Activities	\$ 313,433	\$ 90,694	\$ (703,223)	\$ (299,096)
Noncash Activities				
Transfer of Capital Assets Between Activities				
Historical Cost	\$ (22,390)	\$ 53,411	\$ -	\$ 31,021
Accumulated Depreciation	13,620	(23,568)	-	(9,948)
Net Book Value	(8,770)	-	-	(8,770)
Contribution of Water Rights	608,037	-	-	608,037

See accompanying notes to basic financial statements.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Live Oak, Texas, are presented in accordance with generally accepted accounting principles (GAAP) applicable to state and local governmental units as set forth by the Government Accounting Standards Board (GASB). A summary of the City's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

A. Reporting Entity

The City, for financial purposes, includes all of the activities and funds relevant to the operations of the City of Live Oak. These operations include the police department, fire department, municipal court, street department, animal control, parks and recreation, and community development.

The governmental reporting entity consists of the City and its component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations, and data from these units are combined with the data of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. The City has one discretely presented component unit with a September 30 fiscal year end.

Discretely presented component unit

The City of Live Oak Economic Development Corporation (EDC) is governed by a seven-member board, consisting of three council members and four others appointed by city council. The EDC is focused on building economic prosperity in the City of Live Oak. The EDC is funded through a half cent Section 4B sales tax. The EDC provides direct services and benefits to the City of Live Oak, its business community, and citizens and functions as an integral part of the City's operations by promoting and incentivizing economic growth and development for the community. The EDC and the City of Live Oak have both a financial and operational relationship which requires that the EDC's financial statements be discretely presented into the City's financial statements. Separate financial statements are not issued for the EDC.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and statement of activities. Government-wide statements report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. The values of interfund services provided and used are not eliminated in the government-wide financial statements, as elimination of those charges would distort the direct costs reported for the various functions. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed whole or in part by fees charged to external parties for goods and services. The City has no fiduciary funds.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements..

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash revenue types, which have been accrued, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as program revenues and general revenues. Program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

Governmental fund level financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 30 (thirty) days of the end of the current fiscal period. Receivables which are measurable but not collectible are reported as deferred inflows of resources. Property taxes which are levied prior to September 30, 2020, and became due October 1, 2020 have been assessed to finance the budget of the fiscal year beginning October 1, 2020 and, accordingly, have been reflected as deferred inflow of resources and taxes receivable in the fund financial statement at September 30, 2021.

Franchise taxes, hotel/motel taxes, interest and fees associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items received by the government are considered to be measurable and available only when the cash is received by the City.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The proprietary funds are accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when liabilities are incurred.
- Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds distinguish operating revenues and expenses from non-operating. 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 government reports the following major governmental funds:

General Fund is the general operating fund of the City and is always classified as a major fund. The general fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, sales taxes and franchise fees. Primary expenditures are for general government, public safety, public works and recreation.

Debt Service Fund accounts for financial resources to be used for the payment of long term debt.

American Rescue Plan Fund holds the advance funds received from the Texas Department of Emergency Management to recover from the effects of the COVID-19 pandemic and stimulate economic growth. The fund is considered a capital projects fund as it will primarily be used to finance capital projects in the City.

The government reports the following major proprietary funds:

Water and Wastewater Utility Fund accounts for water and sewage treatment services provided to citizens and businesses.

Storm Water Fund accounts for fees charged to citizens and businesses for impervious cover to develop systems to collect and distribute storm water within the City.

D. Cash and Cash Equivalents

The City considers all highly liquid investments including cash in banks, cash on hand, and local government investment pools to be cash equivalents.

E. Investments

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d). Statutes allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments (Continue)

Investments are stated at fair value except for certificates of deposit and local government investment pools. Those investments are stated at amortized cost. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

F. Receivables

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2020 and past due after January 31, 2021. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

CITY OF LIVE OAK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2021

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Receivables (Continued)

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred inflows of resources in the fund statements. Receivables are shown net of an allowance for uncollectibles.

G. Short-Term Inter-fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid Items of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Infrastructure assets include city-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets, donated works of art and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset	Useful Lives (Years)
Buildings	15-25
Streets and Infrastructure	20-30
Equipment	5-10
Water and Sewer System	25-50

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

The City's employees earn vacation and sick leave which may either be taken or accumulated, up to certain amounts. Only unused vacation will be paid upon resignation or retirement. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Vested or accumulated vacation leave and compensatory time that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. The City is responsible for payment of vested or accumulated vacation leave and compensatory time. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable available financial resources are reported in the government wide statements. Vested or accumulated vacation leave and compensatory time of the proprietary funds is recorded as an expense and liability of that fund as the benefits accrue to employees. Compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave outstanding following an employee's resignation or retirement). The general fund is the governmental fund that has typically been used in prior years to liquidate the liability for compensated absences.

K. Deferred Inflows/Outflows 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 assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has deferred outflows related to a pension, other postemployment benefit and differences resulting from debt refundings.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified basis of accounting. Unavailable revenues from property tax are deferred and recognized as an inflow of resources in the period the amounts become available. The City also has pension and OPEB related deferred inflows.

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deduction from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The general fund has typically been used in prior years to liquidate pension liabilities.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. OPEB Liability

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and OPEB expense, information about the Total OPEB Liability of the Texas Municipal Retirement System (TMRS) and additions to/deduction from TMRS's Total OPEB Liability have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. The general fund has typically been used in the prior year to liquidate OPEB liabilities.

N. Long-Term Obligations

Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For this purpose, debt does not include leases, except for contracts reported as a financed purchase of the underlying asset, or accounts payable.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premium and discounts are deferred and amortized over the life of the term of the related debt. Loss on refundings and bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance

Five categories of fund balances were created and defined by GASB 54. These five categories are as follows:

- **Restricted** – These funds are governed by externally enforceable restrictions.
- **Non-spendable** – These funds are not available for expenditures based on legal or contractual requirements. An example might be inventories and prepaid expenditures.
- **Committed** - Fund balances in this category are limited by the government’s highest level of decision making (in this case the City Council). Any changes of this designation must be done in the same manner that it was implemented. For example, if funds are committed by resolution, the commitment could only be released with another resolution.
- **Assigned** – For funds to be assigned, there must be an intended use which can be established by the City Council or an official delegated by the Council, such as a City Manager or Finance Director. Assigned fund balance is delegated by the City Council to the Director of Finance.
- **Unassigned** - This classification is the default for all funds that do not fit into the other categories. The general fund is the only fund that reports a positive fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for a specific purposes, it may be necessary to report a negative unassigned fund balance in that particular fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City’s Council or its designated official has provided otherwise in its commitments or assignment actions.

Q. Inter-fund Transactions

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both governmental and proprietary funds.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for services. Operating expenses are necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as non-operating.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

T. Changes in Presentation

Comparative information may be presented difference from previous reports to conform to the presentation in the current period financial statements. The changes in presentation did not change any fund balances or net positions.

NOTE 2 -- INVESTMENTS

The City Council has adopted a written investment policy regarding the investments of its funds as defined by the Public Funds Act of 1995 (Chapter 2256, Texas Government Code). The City's investment policy requires all deposits to be fully collateralized. Investments held in pools shall be continuously rated no lower than AAA or AAAM or at an equivalent rating by at least one nationally recognized rating service. The investments of the City are in compliance with the Council's investment policies. All significant legal and contractual provisions for investments were complied with during the year. Investments at year end are representative of the types of investments maintained by the City during the year.

The City's investments at September 30, 2021 are as shown below:

Investment Type	Reported Value	Weighted Average Maturity in Days	Rating	Agency
Primary Government:				
<i>Reported in Cash Equivalents</i>				
Texpool (Local Government Investment Pool)	\$ 21,664,796	37	AAAm	Standard & Poor's
<i>Reported as Investments</i>				
U.S. Agency Securities	897,552	779	AA+	Standard & Poor's
Local Government Bonds	<u>1,704,379</u>	462	AA/AAA	Standard & Poor's
<i>Total Reported as Investments</i>	<u>2,601,931</u>	572		
Total Primary Government	<u>\$ 24,266,727</u>	94		
Economic Development Corporation (EDC):				
<i>Reported in Cash Equivalents</i>				
Texpool (Local Government Investment Pool)	\$ 4,773,352	37	AAAm	Standard & Poor's
Total EDC	<u>\$ 4,773,352</u>	37		

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 2 -- INVESTMENTS (CONTINUED)

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAM (or equivalent) rating by at least one nationally recognized rating service; and (3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

Texpool is an external investment tailored to meet the investment needs of Texas local governments and are valued at amortized cost. It does not have any minimum or maximum transaction or balance amounts and the investment balances are accessible on the same day as the request pending end of business time constraints.

Investment valuation. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of assets. The City's investments for all funds at fiscal year end are listed below at fair value. The City has the following recurring fair value measurements as of September 30, 2021:

<u>Investments Reported at Fair Value</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Primary Government:				
U.S. Agency Securities	\$ 897,552	\$ -	\$ 897,552	\$ -
Local Government Bonds	1,704,379	-	1,704,379	-
Total Primary Government	<u>\$ 2,601,931</u>	<u>\$ -</u>	<u>\$ 2,601,931</u>	<u>\$ -</u>

The following is an analysis of the investment risks of the City.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its operating investment portfolio to less than one year. The City's investment policy limits the final stated maturity of any security to no more than five years. As a matter of policy, the City holds all investments to maturity.

Credit Risk. The City's investment policy states that municipal obligations and other debt investments will be rated not less than A and pools will be no lower than AAA rated. The state comptroller of public accounts exercises oversight responsibility over TexPool, a local government investment pool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

Custodial Credit Risk. The City's (and the Economic Development Corporation's) deposits are collateralized by a combination of FDIC coverage and pledged collateral from the City's depository. Funds were fully covered.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 2 -- INVESTMENTS (Continued)

C. Analysis of Specific Deposit and Investment Risks (Continued)

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the government securities owned by the City are held by its agent in the City's name.

Concentration of Credit Risk. None of the City's investments in any one agency exceeded 3% of total investments.

NOTE 3 -- RECEIVABLES

Receivables consist of the following as of September 30, 2021:

	Governmental Funds			Proprietary Fund	Proprietary Fund	Discrete Component Unit
	General	Debt Service	Other Nonmajor Funds	Water and Wastewater Utility	Storm Water Utility	Economic Development Corporation
<i>Receivables:</i>						
Property Taxes	\$ 74,014	\$ 21,984	\$ -	\$ -	\$ -	\$ -
Sales Tax	1,437,273	-	-	-	-	479,091
Franchise Taxes	211,044	-	13,430	-	-	-
Occupancy Taxes	-	-	72,143	-	-	-
Customers	-	-	-	575,467	78,669	-
Court Fines	238,206	-	-	-	-	-
Other	9,349	-	18,655	1,558	-	-
Gross Receivables	1,969,886	21,984	104,228	577,025	78,669	479,091
Less: Allowance for Uncollectibles	(193,457)	(4,397)	-	(116,507)	-	-
Net Total Receivables	<u>\$ 1,776,429</u>	<u>\$ 17,587</u>	<u>\$ 104,228</u>	<u>\$ 460,518</u>	<u>\$ 78,669</u>	<u>\$ 479,091</u>

NOTE 4 -- PROPERTY TAX

Taxes are levied on and payable as of October 1. The City has contracted with the Bexar County Tax Assessor/Collector to collect taxes on its behalf. Current year taxes become delinquent February 1. Current year delinquent taxes not paid by July 1 are turned over to attorneys for collection action. For fiscal year 2021, the assessed tax rate for the City was \$0.412217 per \$100 on an assessed valuation of \$1.84 billion. This is broken out as \$0.313911 per \$100 for maintenance and operations and \$0.098306 per \$100 for debt retirement. Total tax levy for fiscal year 2020 (tax year 2020) is \$6.21 million. As of September 30, 2021, the delinquent current taxes for 2021 were \$33,809.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 5 -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Transfers	Disposals	Ending Balance
Governmental Activities:					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$ 1,170,381	\$ -	\$ 8,770	\$ -	\$ 1,179,151
Water Rights	647,021	-	-	-	647,021
Construction in Progress	149,154	160,784	-	-	309,938
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,966,556</u>	<u>160,784</u>	<u>8,770</u>	<u>-</u>	<u>2,136,110</u>
<i>Capital Assets, Being Depreciated:</i>					
Buildings and Improvements	14,166,783	7,590	-	-	14,174,373
Streets and Infrastructure	14,429,370	-	-	-	14,429,370
Machinery and Equipment	8,892,128	328,811	(39,791)	(610,149)	8,570,999
<i>Total Capital Assets Being Depreciated</i>	<u>37,488,281</u>	<u>336,401</u>	<u>(39,791)</u>	<u>(610,149)</u>	<u>37,174,742</u>
<i>Accumulated Depreciation:</i>					
Buildings and Improvements	(8,198,700)	(518,788)	-	-	(8,717,488)
Streets and Infrastructure	(7,535,753)	(658,180)	-	-	(8,193,933)
Machinery and Equipment	(6,730,729)	(728,495)	9,948	610,149	(6,839,127)
<i>Total Accumulated Depreciation</i>	<u>(22,465,182)</u>	<u>(1,905,463)</u>	<u>9,948</u>	<u>610,149</u>	<u>(23,750,548)</u>
Total Capital Assets Being Depreciated, Net	<u>15,023,099</u>	<u>(1,569,062)</u>	<u>(29,843)</u>	<u>-</u>	<u>13,424,194</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,989,655</u>	<u>\$ (1,408,278)</u>	<u>\$ (21,073)</u>	<u>\$ -</u>	<u>\$ 15,560,304</u>
Business-Type Activities:					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$ 8,770	\$ -	\$ (8,770)	\$ -	\$ -
Water Rights	1,443,075	608,037	-	-	2,051,112
<i>Total Assets Not Being Depreciated</i>	<u>1,451,845</u>	<u>608,037</u>	<u>(8,770)</u>	<u>-</u>	<u>2,051,112</u>
<i>Capital Assets, Being Depreciated:</i>					
Waster/Wastewater System	10,496,025	-	-	-	10,496,025
Machinery and Equipment	1,740,973	18,655	39,791	(18,555)	1,780,864
<i>Total Capital Assets Being Depreciated</i>	<u>12,236,998</u>	<u>18,655</u>	<u>39,791</u>	<u>(18,555)</u>	<u>12,276,889</u>
<i>Accumulated Depreciation:</i>					
Waster/Wastewater System	(6,746,811)	(226,741)	-	-	(6,973,552)
Machinery and Equipment	(1,585,145)	(45,535)	(9,948)	18,555	(1,622,073)
<i>Total Accumulated Depreciation</i>	<u>(8,331,956)</u>	<u>(272,276)</u>	<u>(9,948)</u>	<u>18,555</u>	<u>(8,595,625)</u>
Total Capital Assets Being Depreciated, Net	<u>3,905,042</u>	<u>(253,621)</u>	<u>29,843</u>	<u>-</u>	<u>3,681,264</u>
Business-Type Activities Capital Assets, Net	<u>\$ 5,356,887</u>	<u>\$ 354,416</u>	<u>\$ 21,073</u>	<u>\$ -</u>	<u>\$ 5,732,376</u>

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 5 -- CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Deletions	Deletions	Ending Balance
Discrete Component Unit					
Live Oak Economic Development Corporation					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$ 44,513	\$ -	\$ -	\$ -	\$ 44,513
<i>Total Assets Not Being Depreciated</i>	<u>44,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,513</u>
<i>Capital Assets, Being Depreciated:</i>					
Machinery and Equipment	26,330	-	-	-	26,330
<i>Total Capital Assets Being Depreciated</i>	<u>26,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,330</u>
<i>Accumulated Depreciation:</i>					
Machinery and Equipment	(26,330)	-	-	-	(26,330)
<i>Total Accumulated Depreciation</i>	<u>(26,330)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,330)</u>
Total Capital Assets Being Depreciated, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ 44,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,513</u>

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

General Government	\$ 151,136
Public Safety	884,728
Public Works	857,653
Recreation	11,946
<i>Total Depreciation Expense - Governmental Activities</i>	<u>\$ 1,905,463</u>
<i>Business-Type Activities:</i>	
Water and Sewer System	\$ 258,848
Storm Water Utility	13,428
<i>Total Depreciation Expense - Business Type Activities</i>	<u>\$ 272,276</u>

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 6 -- LONG-TERM LIABILITIES

Long-term liabilities at September 30, 2021 were comprised of the following items:

	Balance 9/30/2020	Additions	Reductions	Balance 9/30/2021	Due Within One Year
<i>Governmental Activities:</i>					
Bonds and Related Premiums	\$ 14,295,797	\$ -	\$ (1,976,118)	\$ 12,319,679	\$ 1,870,000
Compensated Absences	381,391	273,051	(95,348)	559,094	139,774
Net Pension Liability	5,097,782	568,684	(1,202,367)	4,464,099	-
Other Postemployment Benefit Liability	332,161	82,116	(5,309)	408,968	-
<i>Total Governmental Activities</i>	<u>20,107,131</u>	<u>923,851</u>	<u>(3,279,142)</u>	<u>17,751,840</u>	<u>2,009,774</u>
<i>Business-Type Activities</i>					
Net Pension Liability	630,063	82,442	(163,959)	548,546	-
Other Postemployment Benefit Liability	41,053	10,604	(724)	50,933	-
Compensated Absences	45,064	18,478	(11,266)	52,276	13,069
<i>Total Business-Type Activities</i>	<u>716,180</u>	<u>111,524</u>	<u>(175,949)</u>	<u>651,755</u>	<u>13,069</u>
<i>Total Primary Government</i>	<u>\$20,823,311</u>	<u>\$ 1,035,375</u>	<u>\$ (3,455,091)</u>	<u>\$ 18,403,595</u>	<u>\$ 2,022,843</u>

Compensated absences and other postemployment benefit obligations for governmental activities are generally liquidated by the general fund.

NOTE 7 -- BONDS PAYABLE

The City has two outstanding bond issues:

General Obligation Refunding Bonds, Series 2010 were issued in December 2010 for a face amount of \$3.4 million. The bonds mature serially through 2022 and bear interest at 3.064%. The bonds were issued to refund Series 2002 bonds.

General Obligation and Refunding Bonds, Series 2014 were issued in July 2014 for a face amount of \$19.515 million. The bonds were used to finance streets, bridges, sidewalks and park improvements as well as refunding portions of Series 2004 and Series 2005 outstanding bonds. The bonds mature serially through 2034 and bear interest at 4%.

These bonds are primarily secured by future property tax levies. General obligation bonds, combination tax and revenue bonds, and certificates of obligation are subject to the provisions of the Internal Revenue Code of 1986 related to arbitrage and interest income tax regulations under those provisions. The City does not have any arbitrage as of September 30, 2021.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 7 -- BONDS PAYABLE (CONTINUED)

Changes in the bonds for the year ending September 30, 2021 were as follows:

	Balance 9/30/2020	Additions	Reductions	Balance 9/30/2021	Due Within One Year
<i>Governmental Activities:</i>					
Public Offerings:					
2010 General Obligation Bonds	\$ 715,000	\$ -	\$ (350,000)	\$ 365,000	\$ 365,000
Private Placements:					
2014 General Obligation Bonds	12,475,000	-	(1,445,000)	11,030,000	1,505,000
Unamortized Premium	1,105,797	-	(181,118)	924,679	-
<i>Total Governmental Activities</i>	<u>\$ 14,295,797</u>	<u>\$ -</u>	<u>\$ (1,976,118)</u>	<u>\$ 12,319,679</u>	<u>\$ 1,870,000</u>

The annual debt service requirements on these bonds as of September 30, 2021 are as follows:

Year Ending September 30,	Governmental Activities				
	Public Offering Bonds		Private Placement Bonds		Total
	Principal	Interest	Principal	Interest	
2022	\$ 365,000	\$ 11,185	\$ 1,505,000	\$ 441,200	\$ 2,322,385
2023	-	-	1,565,000	381,000	1,946,000
2024	-	-	1,625,000	318,400	1,943,400
2025	-	-	850,000	253,400	1,103,400
2026	-	-	520,000	219,400	739,400
2027-2031	-	-	2,920,000	768,400	3,688,400
2032-2034	-	-	2,045,000	165,800	2,210,800
Total	<u>\$ 365,000</u>	<u>\$ 11,185</u>	<u>\$ 11,030,000</u>	<u>\$ 2,547,600</u>	<u>\$ 13,953,785</u>

NOTE 8 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM

A. Plan Description

The City participates as one of 895 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

CITY OF LIVE OAK
 BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2021

NOTE 8 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (CONTINUED)

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the member’s benefit is calculated based on the sum of the member’s contributions, with interest, and the City-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member's contributions and interest.

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit	82
Inactive Employees Entitled to but Not Yet Receiving Benefits	80
Active Employees	115
	277
	277

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of member’s total compensation, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city’s contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The City matches employee contributions 2 to 1. The contribution rates for the City were 18.26% and 18.14% for calendar years 2020 and 2021 respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$1,366,326, and were equal to the required contributions.

D. Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 8 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (CONTINUED)

E. Actuarial Assumptions

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall Payroll Growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 8 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (CONTINUED)

E. Actuarial Assumptions (Continued)

The target allocation and best estimates of 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 (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
	<u>100.00%</u>	

F. Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 8 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (CONTINUED)

G. Changes in Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 46,596,098	\$ 40,868,253	\$ 5,727,845
Changes for the year:			
Service Cost	1,345,179	-	1,345,179
Interest	3,138,460	-	3,138,460
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(94,234)	-	(94,234)
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,484,831	(1,484,831)
Contributions - Employee	-	534,711	(534,711)
Net Investment Income	-	3,105,921	(3,105,921)
Benefit Payments, Including Refunds of Employee Contributions	(1,545,975)	(1,545,975)	-
Administrative Expense	-	(20,073)	20,073
Other Changes	-	(785)	785
Net Changes	2,843,430	3,558,630	(715,200)
Balance at December 31, 2020	\$ 49,439,528	\$ 44,426,883	\$ 5,012,645

H. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability	\$ 12,023,981	\$ 5,012,645	\$ (749,299)

I. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

J. Pension Expense

For the year ended September 30, 2021, the City recognized pension expense of \$879,996.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 8 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (CONTINUED)

K. Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2021, 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
Differences between Expected and Actual Economic Experience	\$ 2,353	\$ -
Changes in Actuarial Assumptions	-	61,657
Differences Between Projected and Actual Investment Earnings	-	1,154,217
Contributions Subsequent to the Measurement Date	978,822	-
	\$ 981,175	\$ 1,215,874

The City reported \$978,822 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (December 31, 2020) will be recognized as a reduction of the net pension liability for the year ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended December 31,	
2021	\$ (419,750)
2022	(16,599)
2023	(704,744)
2024	(72,428)
Thereafter	-
	\$ (1,213,521)

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 9 -- OTHER POST EMPLOYMENT BENEFITS (OPEB)

The City also participates in the cost sharing multiple-employer defined benefit group- term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other post-employment benefit,” or OPEB. Membership in the plan at December 31, 2020, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	50
Inactive Employees Entitled to but Not Yet Receiving Benefits	20
Active Employees	115
	185

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees’ entire careers. The following key assumptions were used in developing the actuarial valuation:

Inflation	2.50%	
Salary Increases	3.50% to 11.50% Including Inflation	
Discount Rate	2.0% (Fidelity Index’s 20-Year Municipal GO AA Index)	
Administrative Expenses		All administrative expenses are paid thro the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees		2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees		2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In additional, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 9 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

The City's contributions to TMRS were \$15,365 for the fiscal year ended September 30, 2021 and were equal to the required contributions. The SDBF required contribution rates were as follows:

Calendar Year	Total SDBF Contribution Rate	Retiree Portion to SDBF Contribution Rate
2021	0.21%	0.10%
2020	0.19%	0.03%

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2020 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2019	\$ 373,215
Changes for the year:	
Service Cost	21,388
Interest	10,526
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(7,483)
Changes of Assumptions	64,548
Benefit Payments	(2,293)
Net Changes	86,686
Balance at December 31, 2020	\$ 459,901

There is no separate trust maintained to fund this Total OPEB Liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The following presents the TOL of the City, calculated using the discount rate of 2% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower and 1-percentage point higher than the current rate:

	Discount Rate 1.0%	Discount Rate 2.0%	Discount Rate 3.0%
Total OPEB Liability	\$ 568,868	\$ 459,901	\$ 376,677

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 9 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

For the year ended September 30, 2021, the City recognized OPEB expense of \$49,297. Also as of September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	
Difference Between Expected and Actual Experience	\$ -	\$ 25,852	
Changes in Actuarial Assumptions	91,496	-	
Contributions Subsequent to the Measurement Date	5,396	-	
	\$ 96,892	\$ 25,852	

Deferred outflows of resources in the amount of \$5,396 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the plan year ended December 31, 2020 (fiscal year ended September 30, 2021). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended December 31,	
2021	\$ 17,383
2022	16,992
2023	12,672
2024	9,087
2025	9,510
Thereafter	-
	\$ 65,644

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 10 -- TRANSFERS BETWEEN FUNDS

Transfers during the fiscal year ending September 30, 2021 consisted of the following:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
<i>Cash Transfers</i>			
Water & Sewer	General Fund	\$ 122,500	Payment in Lieu of Taxes
Storm Water	General Fund	105,722	Payment in Lieu of Taxes
Storm Water	Water & Sewer	29,500	Supplement Other Sources
Water & Sewer	Utility Replacement	310,000	Savings for Future Projects
Water & Sewer	Debt Service	170,502	Funding for Debt Service
Nonmajor Governmental General Fund	General Fund	20,000	Administrative Overhead
General Fund	Nonmajor Governmental	6,500	Supplement Other Sources
General Fund	Storm Water	18,657	Supplement Other Sources
<i>Noncash Transfers</i>			
Water & Sewer	Governmental Activities	8,770	Capital Asset Transfer
Governmental Activities	Storm Water	29,843	Capital Asset Transfer
		<u>\$ 821,994</u>	

NOTE 11 -- CONTINGENCIES

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

NOTE 12 -- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2021 were \$272 thousand. There were no significant changes in coverage during fiscal year 2021.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 13 -- COMMITMENTS

Long-term Contracts

Under a contract with the San Antonio River Authority, the river authority is to provide transportation, treatment and disposal of sewage for the portion of the City of Live Oak located on the east side of Interstate Highway 35. The contract is ongoing with rates negotiated annually.

A separate contract with the Cibolo Creek Municipal Authority provides for the municipal authority to provide transportation, treatment and disposal of sewage for that area of the City located on the west side of Interstate Highway 35. There are no connections to that system due to the sparse development in that area. The contract began June 9, 1983, and is for a period of fifty (50) years or until the system "debt" is paid off, whichever is longer.

The City contracts with the San Antonio Water System (SAWS) to provide water service and sewer service billing for the area of the City of Live Oak south of Toepperwein Road. The original agreement began in 1977 and was for a period of twenty-five (25) years with a twenty-five (25) year option at SAWS sole discretion. It covers an area east of the City Public Service (CPS) right-of-way just west of Avery Road. A second agreement began in 1979 and is for a period of twenty-five (25) years with a twenty-five (25) year option by mutual consent and buy-out of facilities at the termination at current replacement cost less two-percent (2%) annual depreciation allowance. It covers an area west of the CPS right-of-way to Interstate Highway 35.

NOTE 14 -- LITIGATION

The City is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the City's liability in these cases, if decided adversely to the City, will not have a material effect on the City's financial position.

NOTE 15 -- TAX ABATEMENTS

The City entered into an agreement on December 15, 2015 with a business in the community in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code to promote state or local economic development and to stimulate business and commercial activity in the City. The agreement is to provide a reimbursement of property taxes paid for personal and real property in excess of a base value prior to the improvements. The payments are conditional on employment growth and staff wage requirements being maintained. The agreement commenced on January 1, 2019, the first full tax year after the facilities were fully developed, and 12 years thereafter until fiscal year 2031 with a maximum benefit of \$1,500,000 in reimbursable property taxes. During the year ended September 30, 2021, the City reimbursed the business \$46,018. As of September 30, 2021, the City has a potential abatement commitment remaining of \$1,422,045.

CITY OF LIVE OAK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE 15 -- TAX ABATEMENTS (CONTINUED)

The City entered into an agreement on September 8, 2014 with a business (Hotel) who constructed a hotel and conference center. This agreement is a one-time initiative to incentivize the Hotel to construct and maintain a conference center within the City. The agreement is in accordance with Section 351.101(a) of the Texas Tax Code which provides in pertinent part that revenue from the “municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following: (1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both (2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants; and (3) advertising and conducting solicitations and promotion programs to attract tourist and convention delegates or registrants to the municipality or its vicinity”. The agreement provides for the payment of hotel occupancy taxes (HOT) to the Hotel to support the maintenance and operations of the hotel and conference center. The terms of the agreement call for a payment of \$270,000 annually of HOT revenues collected by the City from sources other than the Hotel for a period of no less than ten years or until the Hotel achieves \$6,000,000 in gross room revenues with a maximum period of 20 years. In addition, the City will pay 100% of all HOT revenue collected from the Hotel until \$7,646,730 is paid up to a maximum period of 20 years. The Hotel began operations during the 2017 fiscal year and the City paid a total of \$455,281 of HOT revenues collected during the year ending September 30, 2021. As of September 30, 2021, the City has a potential commitment remaining of \$6,419,264.

The City entered into an agreement on January 31, 2017, with a business and developer in the community in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code to promote state or local economic development and to stimulate business and commercial activity in the City. The agreement is to provide a reimbursement of a property taxes paid for personal and real property associated with a public improvements project over a base levy. The business will also get a sales tax reimbursement based on increases in sales tax attributable to the project. The agreement commenced in 2019, the first year of the incentives, and 20 years thereafter until 2039 with a maximum benefit of \$19,100,000 in reimbursable property and sales taxes. During the year ending September 30, 2021, the City rebated \$121,346 in personal and real property taxes and \$579,861 in sales tax. As of September 30, 2021, the City has a remaining potential commitment of \$17,327,875.

The Live Oak Economic Development Corporation (EDC) entered into an agreement on April 3, 2017, with a business and developer in the community in accordance with Chapter 501 and 505 of the Texas Local Government Code to promote state or local economic development and to stimulate business and commercial activity in the EDC. The agreement is to provide a reimbursement of a percentage sales taxes associated with increases in sales tax attributable to a public improvements projects. The agreement commenced in 2019, the first year of the incentives, and 20 years thereafter until 2039 with a maximum benefit of \$7,900,000. During the year ending September 30, 2021, the EDC rebated \$289,930 in sales tax. As of September 30, 2021, the EDC has a remaining potential commitment of \$6,374,611.

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REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the CASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - General Fund
- Schedule of Changes in Net Pension Liability and Related Ratios - Last 10 Plan Years
- Schedule of Contributions - Last 10 Fiscal Years
- Schedule of Changes in Total Other Post-Employment Benefit Liability and Related Ratios

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CITY OF LIVE OAK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		2021 Actual Amounts	Variance With	2020 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Property Taxes	\$ 4,578,476	\$ 4,578,476	\$ 4,617,307	\$ 38,831	\$ 4,318,837
Sales and Mixed Beverage Taxes	6,589,708	6,589,708	7,581,891	992,183	6,505,174
Franchise Taxes	1,090,000	1,090,000	1,092,601	2,601	1,026,377
Licenses and Permits	361,100	361,100	846,269	485,169	322,894
Grants and Donations	63,185	63,185	85,219	22,034	152,555
Charges for Services	263,500	263,500	256,924	(6,576)	208,179
Fines and Forfeitures	476,000	476,000	519,210	43,210	445,457
Investment Earnings	215,000	215,000	12,506	(202,494)	251,050
Miscellaneous	212,200	212,200	218,250	6,050	282,864
TOTAL REVENUES	13,849,169	13,849,169	15,230,177	1,381,008	13,513,387
EXPENDITURES					
<i>General Government</i>					
Council	239,330	239,330	7,829	231,501	107,669
City Manager	288,400	288,400	264,989	23,411	252,801
City Secretary	491,775	491,775	456,698	35,077	416,408
Municipal Court	342,065	342,065	287,945	54,120	266,314
Finance	636,630	616,630	587,498	29,132	585,821
Emergency Management Office	16,835	16,835	9,399	7,436	8,965
Planning and Zoning	161,375	156,375	138,151	18,224	165,600
Development Services	385,035	410,035	411,619	(1,584)	315,851
Information Technology	340,400	340,400	303,513	36,887	294,943
<i>Total General Government</i>	<u>2,901,845</u>	<u>2,901,845</u>	<u>2,467,641</u>	<u>434,204</u>	<u>2,414,372</u>
<i>Public Safety</i>					
Police	4,683,051	4,683,051	4,398,591	284,460	4,225,471
Communication Services	759,042	759,042	683,152	75,890	685,709
Fire and EMS	2,781,058	2,781,058	2,614,332	166,726	2,493,689
<i>Total Public Safety</i>	<u>8,223,151</u>	<u>8,223,151</u>	<u>7,696,075</u>	<u>527,076</u>	<u>7,404,869</u>
<i>Public Works</i>					
General Service	1,132,898	1,132,898	864,773	268,125	845,987
Street Maintenance	576,565	576,565	464,554	112,011	438,821
Animal Control	287,727	287,727	242,509	45,218	254,374
Parks Maintenance	606,100	606,100	498,210	107,890	448,098
<i>Total Public Works</i>	<u>2,603,290</u>	<u>2,603,290</u>	<u>2,070,046</u>	<u>533,244</u>	<u>1,987,280</u>
<i>Recreation</i>	<u>284,300</u>	<u>284,300</u>	<u>226,089</u>	<u>58,211</u>	<u>214,835</u>
<i>Capital Outlay</i>	<u>583,522</u>	<u>583,522</u>	<u>307,343</u>	<u>276,179</u>	<u>672,979</u>
TOTAL EXPENDITURES	14,596,108	14,596,108	12,767,194	1,828,914	12,694,335
Excess (Deficiency) of Revenues Over (Under) Expenditures	(746,939)	(746,939)	2,462,983	3,209,922	819,052
OTHER FINANCING SOURCES (USES)					
Sales of Capital Assets	10,000	10,000	52,881	42,881	35,322
Transfers In	1,040,226	1,040,226	248,222	(792,004)	245,540
Transfers Out	(6,500)	(6,500)	(25,157)	(18,657)	(993,526)
TOTAL OTHER FINANCING SOURCES (USES)	1,043,726	1,043,726	275,946	(767,780)	(712,664)
Net Change in Fund Balance	296,787	296,787	2,738,929	2,442,142	106,388
Fund Balances, Beginning	14,863,257	14,863,257	14,863,257	-	14,756,869
Fund Balances, Ending	\$ 15,160,044	\$ 15,160,044	\$ 17,602,186	\$ 2,442,142	\$ 14,863,257

CITY OF LIVE OAK
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN PLAN YEARS*

	Total Pension Liability			
	2014	2015	2016	2017
Service Cost	\$ 1,011,607	\$ 1,059,135	\$ 1,086,530	\$ 1,125,289
Interest (on the Total Pension Liability)	2,168,610	2,329,533	2,395,426	2,587,229
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	(136,236)	(466,676)	298,495	399,593
Change of Assumptions	-	142,698	-	-
Benefit Payments, Including Refunds of Employee Contributions	(749,226)	(788,473)	(950,786)	(965,840)
Net Change in Total Pension Liability	2,294,755	2,276,217	2,829,665	3,146,271
Total Pension Liability - Beginning	30,848,951	33,143,706	35,419,923	38,249,588
Total Pension Liability - Ending	<u>\$ 33,143,706</u>	<u>\$ 35,419,923</u>	<u>\$ 38,249,588</u>	<u>\$ 41,395,859</u>
	Plan Fiduciary Net Position			
	2014	2015	2016	2017
Contributions - Employer	\$ 1,082,444	\$ 1,189,471	\$ 1,188,375	\$ 1,212,063
Contributions - Employee	422,371	428,304	436,358	451,405
Net Investment Income	1,447,711	40,569	1,916,181	4,286,046
Benefit Payments, Including Refunds of Employee Contributions	(749,226)	(788,473)	(950,786)	(965,840)
Administrative Expense	(15,112)	(24,707)	(21,626)	(22,195)
Other	(1,242)	(1,220)	(1,165)	(1,125)
Net Change in Plan Fiduciary Net Position	2,186,946	843,944	2,567,337	4,960,354
Plan Fiduciary Net Position - Beginning	25,302,742	27,489,688	28,333,632	30,900,969
Plan Fiduciary Net Position - Ending	<u>\$ 27,489,688</u>	<u>\$ 28,333,632</u>	<u>\$ 30,900,969</u>	<u>\$ 35,861,323</u>
Net Pension Liability - Ending	\$ 5,654,018	\$ 7,086,291	\$ 7,348,619	\$ 5,534,536
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.94%	79.99%	80.79%	86.63%
Covered Payroll	\$ 6,033,684	\$ 6,118,632	\$ 6,233,680	\$ 6,448,645
Net Pension Liability as a Percentage of Covered Payroll	93.71%	115.81%	117.89%	85.82%

*GASB 68 requires 10 years of data to be provided in this schedule. The City will develop the schedule prospectively as data becomes available.

Total Pension Liability		
2018	2019	2020
\$ 1,137,393	\$ 1,209,051	\$ 1,345,179
2,784,093	2,954,026	3,138,460
-	-	-
(36,322)	79,572	(94,234)
	(120,659)	-
(1,437,472)	(1,369,443)	(1,545,975)
2,447,692	2,752,547	2,843,430
41,395,859	43,843,551	46,596,098
<u>\$ 43,843,551</u>	<u>\$ 46,596,098</u>	<u>\$ 49,439,528</u>

Plan Fiduciary Net Position		
2018	2019	2020
\$ 1,251,580	\$ 1,327,871	\$ 1,484,831
457,572	482,735	534,711
(1,075,277)	5,422,735	3,105,921
(1,437,472)	(1,369,443)	(1,545,975)
(20,761)	(30,606)	(20,073)
(1,085)	(919)	(785)
(825,443)	5,832,373	3,558,630
35,861,323	35,035,880	40,868,253
<u>\$ 35,035,880</u>	<u>\$ 40,868,253</u>	<u>\$ 44,426,883</u>

\$ 8,807,671	\$ 5,727,845	\$ 5,012,645
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79.91%	87.71%	89.86%
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\$ 6,536,742	\$ 6,885,257	\$ 7,638,722
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134.74%	83.19%	65.62%
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CITY OF LIVE OAK
 SCHEDULE OF CITY PENSION CONTRIBUTIONS
 LAST TEN FISCAL YEARS*

Fiscal Year Ending September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,094,224	\$ 1,187,234	\$ (93,010)	\$ 6,104,168	19.4%
2016	1,143,310	1,233,310	(90,000)	6,458,084	19.1%
2017	1,113,480	1,203,480	(90,000)	6,379,408	18.9%
2018	1,156,712	1,246,712	(90,000)	6,543,573	19.1%
2019	1,196,447	1,286,447	(90,000)	6,681,856	19.3%
2020	1,337,617	1,427,617	(90,000)	7,356,642	19.4%
2021	1,366,326	1,366,326	-	7,518,669	18.2%

*GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will develop the schedule prospectively as data becomes available.

CITY OF LIVE OAK
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY
AND RELATED RATIOS
LAST TEN PLAN YEARS*

	Total OPEB Liability			
	2017	2018	2019	2020
Service Cost	\$ 12,897	\$ 15,035	\$ 14,459	\$ 21,388
Interest on Total OPEB Liability	9,901	10,256	13,245	10,526
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	-	47,457	(65,907)	(7,483)
Change of Assumptions or Other Inputs	25,673	(23,260)	62,653	64,548
Benefit Payments	(1,290)	(1,961)	(2,066)	(2,292)
Net Change in Total OPEB Liability	47,181	47,527	22,384	86,687
Total OPEB Liability - Beginning	256,122	303,303	350,830	373,214
Total OPEB Liability - Ending	<u>\$ 303,303</u>	<u>\$ 350,830</u>	<u>\$ 373,214</u>	<u>\$ 459,901</u>
 Covered-Employee Payroll	 \$ 6,448,645	 \$ 6,536,742	 \$ 6,885,257	 \$ 7,638,722
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 4.70%	 5.37%	 5.42%	 6.02%

*GASB Statement No. 75 requires 10 years of data to be provided in this schedule. The City will develop the schedule prospectively as data becomes available.

No assets are accumulated in a trust that meets the criteria in of GASB Codification P22.101 or P52.101 to pay related benefits.

CITY OF LIVE OAK
 SCHEDULE OF CITY OTHER POSTEMPLOYMENT BENEFIT CONTRIBUTIONS
 LAST TEN FISCAL YEARS*

Fiscal Year Ending September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 10,795	\$ 10,795	\$ -	\$ 6,543,573	0.16%
2019	11,864	11,864	-	6,681,856	0.18%
2020	13,794	13,794	-	7,356,642	0.19%
2021	6,033	6,033	-	7,518,669	0.08%

*GASB 75 requires 10 fiscal years of data to be provided in this schedule. The City will develop the schedule prospectively as data becomes available.

CITY OF LIVE OAK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

Budgetary Information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. Annual budgets are adopted for all governmental funds except the capital projects funds. Project-length financial plans are adopted for capital projects funds.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. The city manager may transfer budgeted amounts within departments within any fund; however, transfers between departments and funds must be approved by City Council.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be reappropriated and honored during the subsequent year.

Pension Plan

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (13) months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10 Year Smoothed Market; 12% Soft Corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% Including Inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information

Notes There were no benefit changes during the year.

CITY OF LIVE OAK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
SEPTEMBER 30, 2021

Other Postemployment Benefit

Inflation	2.50%
Salary Increases	3.50% to 11.50% Including Inflation
Discount Rate	2.0% (Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid throe the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In additional, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

SUPPLEMENTARY INFORMATION

Supplementary information includes combining nonmajor individual fund statements which are not required by the GASB, nor a part of the basic financial statements.

Such statements and schedules include:

- Combining Statements – Nonmajor Governmental Funds
- Individual Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Funds with Legally Adopted Budgets
- Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Discretely Presented Component Unit – Economic Development Corporation
- Comparative Statements – General Fund

LiveOak
THE CITY OF LIVE OAK TEXAS

CITY OF LIVE OAK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues and expenditures that are legally restricted for a specific purpose.

- **Forfeiture Fund** - Accounts for revenues from seized assets and the allowed expenditure of that revenue for public safety.
- **Child Safety Fund** - Accounts for the drug awareness and prevention program, school crossing guards, and other child safety programs.
- **Court Technology** - Accounts for a portion of municipal fines that are allocated to court technology and the allowed expenditures.
- **Court Security Fund** - Accounts for a portion of municipal fines that are allocated to building security and the allowed expenditures.
- **Emergency Radio** – Accounts for revenues received from the rental of the Live Oak radio system by other agencies and the expenditures necessary to manage and enhance the emergency radio system.
- **Public Education** - Accounts franchise fees restricted for capital expenditures associated with public, educational and governmental facilities.
- **Alamo Area Swat** – Accounts for revenues received from participating entities of the Alamo Regional SWAT team, and the expenditures necessary to fund the training and equipment needs of the SWAT team.
- **Hotel Motel Occupancy** – Accounts for collections of occupancy taxes in the City restricted for tourism development.

CAPITAL PROJECTS FUND

- **Capital Projects** – Accounts for proceeds from bond issues and other sources restricted or committed for capital expenditures.

CITY OF LIVE OAK
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	Special Revenue Funds			
	Forfeiture	Child Safety	Court Technology	Court Security
ASSETS				
Cash and Cash Equivalents	\$ 113,555	\$ 121,219	\$ 125,806	\$ 58,523
Receivables (net of allowances):				
Other	-	1,350	-	-
	-	1,350	-	-
TOTAL ASSETS	\$ 113,555	\$ 122,569	\$ 125,806	\$ 58,523
 LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ 1,192	\$ 584	\$ 181
Accrued Wages	-	-	-	694
<i>Total Liabilities</i>	-	1,192	584	875
 <i>Fund Balance:</i>				
Restricted For:				
Municipal Court	-	-	125,222	57,648
Tourism Development	-	-	-	-
Public Safety	113,555	121,377	-	-
Public Education	-	-	-	-
Committed For:				
Capital Projects	-	-	-	-
<i>Total Fund Balances</i>	113,555	121,377	125,222	57,648
TOTAL LIABILITIES AND FUND BALANCES	\$ 113,555	\$ 122,569	\$ 125,806	\$ 58,523

Special Revenue Funds					
Emergency Radio	Public Education	Alamo Area SWAT	Hotel Motel Tax	Capital Projects	Total Nonmajor Funds
\$ 114,050	\$ 366,224	\$ 30,969	\$ 1,298,593	\$ 738,369	\$ 2,967,308
<u>17,305</u>	<u>13,430</u>	<u>-</u>	<u>72,143</u>	<u>-</u>	<u>104,228</u>
<u>\$ 131,355</u>	<u>\$ 379,654</u>	<u>\$ 30,969</u>	<u>\$ 1,370,736</u>	<u>\$ 738,369</u>	<u>\$ 3,071,536</u>
\$ 32,135	\$ -	\$ 7,274	\$ 116,757	\$ -	\$ 158,123
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>694</u>
<u>32,135</u>	<u>-</u>	<u>7,274</u>	<u>116,757</u>	<u>-</u>	<u>158,817</u>
-	-	-	-	-	182,870
-	-	-	1,253,979	-	1,253,979
99,220	-	23,695	-	-	357,847
-	379,654	-	-	-	379,654
-	-	-	-	738,369	738,369
<u>99,220</u>	<u>379,654</u>	<u>23,695</u>	<u>1,253,979</u>	<u>738,369</u>	<u>2,912,719</u>
<u>\$ 131,355</u>	<u>\$ 379,654</u>	<u>\$ 30,969</u>	<u>\$ 1,370,736</u>	<u>\$ 738,369</u>	<u>\$ 3,071,536</u>

CITY OF LIVE OAK
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds			
	Forfeiture	Child Safety	Court Technology	Court Security
REVENUES				
Franchise Taxes	\$ -	\$ -	\$ -	\$ -
Occupancy Tax	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	9,053	-	10,272	10,796
Investment Earnings	51	54	58	25
Miscellaneous	-	17,286	-	-
TOTAL REVENUES	<u>9,104</u>	<u>17,340</u>	<u>10,330</u>	<u>10,821</u>
EXPENDITURES				
<i>Current:</i>				
General Government	-	-	6,608	5,768
Public Safety	-	3,699	-	-
Public Works	-	2,020	-	-
<i>Capital Outlay</i>	-	-	990	-
TOTAL EXPENDITURES	<u>-</u>	<u>5,719</u>	<u>7,598</u>	<u>5,768</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,104</u>	<u>11,621</u>	<u>2,732</u>	<u>5,053</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	9,104	11,621	2,732	5,053
Fund Balances, Beginning	<u>104,451</u>	<u>109,756</u>	<u>122,490</u>	<u>52,595</u>
Fund Balances, Ending	<u>\$ 113,555</u>	<u>\$ 121,377</u>	<u>\$ 125,222</u>	<u>\$ 57,648</u>

Special Revenue Funds

Emergency Radio	Public Education	Alamo Area SWAT	Hotel Motel Occupancy	Capital Projects	Total Nonmajor Funds
\$ -	\$ 37,815	\$ -	\$ -	\$ -	\$ 37,815
-	-	-	521,757	-	521,757
26,935	-	-	-	-	26,935
-	-	-	-	-	30,121
47	165	-	629	534	1,563
-	-	39,000	-	-	56,286
<u>26,982</u>	<u>37,980</u>	<u>39,000</u>	<u>522,386</u>	<u>534</u>	<u>674,477</u>
-	-	-	476,390	-	488,766
563	-	11,254	-	-	15,516
-	-	-	-	-	2,020
-	-	57,011	-	383,759	441,760
<u>563</u>	<u>-</u>	<u>68,265</u>	<u>476,390</u>	<u>383,759</u>	<u>948,062</u>
<u>26,419</u>	<u>37,980</u>	<u>(29,265)</u>	<u>45,996</u>	<u>(383,225)</u>	<u>(273,585)</u>
-	-	6,500	-	-	6,500
<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
<u>(20,000)</u>	<u>-</u>	<u>6,500</u>	<u>-</u>	<u>-</u>	<u>(13,500)</u>
6,419	37,980	(22,765)	45,996	(383,225)	(287,085)
<u>92,801</u>	<u>341,674</u>	<u>46,460</u>	<u>1,207,983</u>	<u>1,121,594</u>	<u>3,199,804</u>
<u>\$ 99,220</u>	<u>\$ 379,654</u>	<u>\$ 23,695</u>	<u>\$ 1,253,979</u>	<u>\$ 738,369</u>	<u>\$ 2,912,719</u>

CITY OF LIVE OAK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	\$ 52,000	\$ 52,000	\$ 9,053	\$ (42,947)	\$ 18,701
Investment Earnings	260	260	51	(209)	1,078
TOTAL REVENUES	<u>52,260</u>	<u>52,260</u>	<u>9,104</u>	<u>(43,156)</u>	<u>19,779</u>
EXPENDITURES					
<i>Current:</i>					
Public Safety	60,000	60,000	-	60,000	43,500
<i>Capital Outlay</i>	10,000	10,000	-	10,000	-
TOTAL EXPENDITURES	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>43,500</u>
Net Change in Fund Balance	(17,740)	(17,740)	9,104	26,844	(23,721)
FUND BALANCE, BEGINNING	<u>104,451</u>	<u>104,451</u>	<u>104,451</u>	<u>-</u>	<u>128,172</u>
FUND BALANCE, ENDING	<u>\$ 86,711</u>	<u>\$ 86,711</u>	<u>\$ 113,555</u>	<u>\$ 26,844</u>	<u>\$ 104,451</u>

CITY OF LIVE OAK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CHILD SAFETY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Investment Earnings	\$ 1,000	\$ 1,000	\$ 54	\$ (946)	\$ 831
Miscellaneous	16,000	16,000	17,286	1,286	16,418
TOTAL REVENUES	<u>17,000</u>	<u>17,000</u>	<u>17,340</u>	<u>340</u>	<u>17,249</u>
EXPENDITURES					
<i>Current:</i>					
Public Safety	6,000	6,000	3,699	2,301	2,642
Public Works	16,800	16,800	2,020	14,780	-
TOTAL EXPENDITURES	<u>22,800</u>	<u>22,800</u>	<u>5,719</u>	<u>17,081</u>	<u>2,642</u>
Net Change in Fund Balance	(5,800)	(5,800)	11,621	17,421	14,607
FUND BALANCE, BEGINNING	<u>109,756</u>	<u>109,756</u>	<u>109,756</u>	<u>-</u>	<u>95,149</u>
FUND BALANCE, ENDING	<u>\$ 103,956</u>	<u>\$ 103,956</u>	<u>\$ 121,377</u>	<u>\$ 17,421</u>	<u>\$ 109,756</u>

CITY OF LIVE OAK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
COURT TECHNOLOGY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	\$ 13,000	\$ 13,000	\$ 10,272	\$ (2,728)	\$ 9,801
Investment Earnings	1,500	1,500	58	(1,442)	1,144
TOTAL REVENUES	<u>14,500</u>	<u>14,500</u>	<u>10,330</u>	<u>(4,170)</u>	<u>10,945</u>
EXPENDITURES					
<i>Current:</i>					
General Government	10,640	10,640	6,608	4,032	5,444
<i>Capital Outlay</i>	9,375	9,375	990	8,385	5,742
TOTAL EXPENDITURES	<u>20,015</u>	<u>20,015</u>	<u>7,598</u>	<u>12,417</u>	<u>11,186</u>
Net Change in Fund Balance	(5,515)	(5,515)	2,732	8,247	(241)
FUND BALANCE, BEGINNING	<u>122,490</u>	<u>122,490</u>	<u>122,490</u>	<u>-</u>	<u>122,731</u>
FUND BALANCE, ENDING	<u>\$ 116,975</u>	<u>\$ 116,975</u>	<u>\$ 125,222</u>	<u>\$ 8,247</u>	<u>\$ 122,490</u>

CITY OF LIVE OAK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
COURT SECURITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 10,796	\$ 796	\$ 8,349
Investment Earnings	750	750	25	(725)	416
TOTAL REVENUES	<u>10,750</u>	<u>10,750</u>	<u>10,821</u>	<u>71</u>	<u>8,765</u>
EXPENDITURES					
<i>Current:</i>					
General Government	17,700	17,700	5,768	11,932	6,915
<i>Capital Outlay</i>	5,000	5,000	-	5,000	-
TOTAL EXPENDITURES	<u>22,700</u>	<u>22,700</u>	<u>5,768</u>	<u>16,932</u>	<u>6,915</u>
Net Change in Fund Balance	(11,950)	(11,950)	5,053	17,003	1,850
FUND BALANCE, BEGINNING	<u>52,595</u>	<u>52,595</u>	<u>52,595</u>	<u>-</u>	<u>50,745</u>
FUND BALANCE, ENDING	<u>\$ 40,645</u>	<u>\$ 40,645</u>	<u>\$ 57,648</u>	<u>\$ 17,003</u>	<u>\$ 52,595</u>

CITY OF LIVE OAK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
EMERGENCY RADIO FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Charges for Services	\$ 37,000	\$ 37,000	\$ 26,935	\$ (10,065)	\$ 35,400
Investment Earnings	750	750	47	(703)	644
TOTAL REVENUES	<u>37,750</u>	<u>37,750</u>	<u>26,982</u>	<u>(10,768)</u>	<u>36,044</u>
EXPENDITURES					
<i>Current:</i>					
Public Safety	21,515	21,515	563	20,952	2,578
<i>Capital Outlay</i>	2,500	2,500	-	2,500	-
TOTAL EXPENDITURES	<u>24,015</u>	<u>24,015</u>	<u>563</u>	<u>23,452</u>	<u>2,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13,735</u>	<u>13,735</u>	<u>26,419</u>	<u>12,684</u>	<u>33,466</u>
OTHER SOURCES (USES)					
Transfers Out	(20,000)	(20,000)	(20,000)	-	(15,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>(15,000)</u>
Net Change in Fund Balance	(6,265)	(6,265)	6,419	12,684	18,466
FUND BALANCE, BEGINNING	<u>92,801</u>	<u>92,801</u>	<u>92,801</u>	<u>-</u>	<u>74,335</u>
FUND BALANCE, ENDING	<u>\$ 86,536</u>	<u>\$ 86,536</u>	<u>\$ 99,220</u>	<u>\$ 12,684</u>	<u>\$ 92,801</u>

CITY OF LIVE OAK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
PUBLIC EDUCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Franchise Taxes	\$ 40,000	\$ 40,000	\$ 37,815	\$ (2,185)	\$ 38,336
Investment Earnings	5,000	5,000	165	(4,835)	2,758
TOTAL REVENUES	<u>45,000</u>	<u>45,000</u>	<u>37,980</u>	<u>(7,020)</u>	<u>41,094</u>
EXPENDITURES					
<i>Current:</i>					
General Government	-	-	-	-	-
<i>Capital Outlay</i>	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	45,000	45,000	37,980	(7,020)	41,094
FUND BALANCE, BEGINNING	<u>341,674</u>	<u>341,674</u>	<u>341,674</u>	<u>-</u>	<u>300,580</u>
FUND BALANCE, ENDING	<u>\$ 386,674</u>	<u>\$ 386,674</u>	<u>\$ 379,654</u>	<u>\$ (7,020)</u>	<u>\$ 341,674</u>

CITY OF LIVE OAK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
ALAMO AREA SWAT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Miscellaneous	\$ 39,000	\$ 39,000	\$ 39,000	\$ -	\$ 39,000
TOTAL REVENUES	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>-</u>	<u>39,000</u>
EXPENDITURES					
<i>Current:</i>					
Public Safety	10,585	10,585	11,254	(669)	10,207
<i>Capital Outlay</i>	4,450	56,988	57,011	(23)	2,285
TOTAL EXPENDITURES	<u>15,035</u>	<u>67,573</u>	<u>68,265</u>	<u>(692)</u>	<u>12,492</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>23,965</u>	<u>(28,573)</u>	<u>(29,265)</u>	<u>(692)</u>	<u>26,508</u>
OTHER SOURCES (USES)					
Transfers In	6,500	6,500	6,500	-	6,500
Transfers Out	-	-	-	-	(4,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>-</u>	<u>2,500</u>
Net Change in Fund Balance	30,465	(22,073)	(22,765)	(692)	29,008
FUND BALANCE, BEGINNING	<u>46,460</u>	<u>46,460</u>	<u>46,460</u>	<u>-</u>	<u>17,452</u>
FUND BALANCE, ENDING	<u>\$ 76,925</u>	<u>\$ 24,387</u>	<u>\$ 23,695</u>	<u>\$ (692)</u>	<u>\$ 46,460</u>

CITY OF LIVE OAK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance With Final Budget - Positive (Negative)	2020 Actual
	Original	Final			
REVENUES					
Property Taxes	\$ 1,405,198	\$ 1,405,198	\$ 1,416,718	\$ 11,520	\$ 1,439,727
Grants and Contributions	736,710	736,710	736,710	-	738,729
Investment Earnings	5,000	5,000	376	(4,624)	6,148
TOTAL REVENUES	<u>2,146,908</u>	<u>2,146,908</u>	<u>2,153,804</u>	<u>6,896</u>	<u>2,184,604</u>
EXPENDITURES					
<i>Debt Service:</i>					
Principal	1,795,000	1,795,000	1,795,000	-	1,735,000
Interest and Fiscal Charges	522,410	522,410	522,408	2	588,625
TOTAL EXPENDITURES	<u>2,317,410</u>	<u>2,317,410</u>	<u>2,317,408</u>	<u>2</u>	<u>2,323,625</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(170,502)</u>	<u>(170,502)</u>	<u>(163,604)</u>	<u>6,898</u>	<u>(139,021)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	170,502	170,502	170,502	-	171,068
TOTAL OTHER FINANCING SOURCES (USES)	<u>170,502</u>	<u>170,502</u>	<u>170,502</u>	<u>-</u>	<u>171,068</u>
Net Change in Fund Balance	-	-	6,898	6,898	32,047
FUND BALANCE - BEGINNING	<u>431,503</u>	<u>431,503</u>	<u>431,503</u>	<u>-</u>	<u>399,456</u>
FUND BALANCE - ENDING	<u>\$ 431,503</u>	<u>\$ 431,503</u>	<u>\$ 438,401</u>	<u>\$ 6,898</u>	<u>\$ 431,503</u>

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THE CITY OF LIVE OAK TEXAS

CITY OF LIVE OAK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DISCRETELY PRESENTED COMPONENT UNIT
ECONOMIC DEVELOPMENT CORPORATION
MODIFIED ACCRUAL BASIS OF ACCOUNTING
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR 2020)

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
REVENUES					
Sales Tax	\$ 2,073,083	\$ 2,073,083	\$ 2,406,538	\$ 333,455	\$ 2,072,865
Investment Earnings	50,000	50,000	2,419	(47,581)	45,350
Miscellaneous	-	-	12,474	12,474	255,421
TOTAL REVENUES	<u>2,123,083</u>	<u>2,123,083</u>	<u>2,421,431</u>	<u>298,348</u>	<u>2,373,636</u>
EXPENDITURES					
<i>Current:</i>					
General Government	487,575	487,575	335,267	152,308	542,698
Contributions to Primary Government					
For Administrative Overhead	150,000	150,000	150,000	-	150,000
In Support of Debt Service	736,710	736,710	736,710	-	738,729
In Support of Capital Outlay	463,185	763,185	671,222	91,963	63,185
TOTAL EXPENDITURES	<u>1,837,470</u>	<u>2,137,470</u>	<u>1,893,199</u>	<u>244,271</u>	<u>1,494,612</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>285,613</u>	<u>(14,387)</u>	<u>528,232</u>	<u>542,619</u>	<u>879,024</u>
OTHER SOURCES (USES)					
Sales of Capital Assets	-	-	-	-	145,363
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,363</u>
Net Change in Fund Balance	285,613	(14,387)	528,232	542,619	1,024,387
FUND BALANCE, BEGINNING	<u>4,017,334</u>	<u>4,017,334</u>	<u>4,017,334</u>	<u>-</u>	<u>2,992,947</u>
FUND BALANCE, ENDING	<u>\$ 4,302,947</u>	<u>\$ 4,002,947</u>	<u>\$ 4,545,566</u>	<u>\$ 542,619</u>	<u>\$ 4,017,334</u>

CITY OF LIVE OAK
 COMPARATIVE BALANCE SHEETS
 GENERAL FUND
 SEPTEMBER 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 15,300,855	\$ 11,294,080
Investments	2,601,931	3,724,510
Receivables (net of allowances):		
Property Taxes	59,211	48,108
Sales Tax	1,437,273	1,255,919
Other	279,945	416,018
Accrued Interest	4,800	16,432
Prepaid Items	32,456	17,082
TOTAL ASSETS	\$ 19,716,471	\$ 16,772,149
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 989,662	\$ 870,056
Accrued Wages	229,828	183,593
Deposits	4,320	1,395
<i>Total Liabilities</i>	<i>1,223,810</i>	<i>1,055,044</i>
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	59,211	48,108
Unavailable Sales Tax Revenue	771,713	651,694
Unavailable Warrants Revenue	59,551	154,046
<i>Total Deferred Inflows of Resources</i>	<i>890,475</i>	<i>853,848</i>
 <i>Fund Balances:</i>		
Nonspendable:		
Prepaid Items	32,456	17,082
Committed For:		
Asset Replacement	4,956,921	4,462,775
Weed Abatement	11,021	10,883
Assigned For:		
Public Safety	-	88,778
Unassigned	12,601,788	10,283,739
<i>Total Fund Balances</i>	<i>17,602,186</i>	<i>14,863,257</i>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
	\$ 19,716,471	\$ 16,772,149

CITY OF LIVE OAK
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES
 GENERAL FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
REVENUES		
Property Taxes	\$ 4,617,307	\$ 4,318,837
Sales and Mixed Beverage Taxes	7,581,891	6,505,174
Franchise Taxes	1,092,601	1,026,377
Licenses and Permits	846,269	322,894
Grants and Donations	85,219	152,555
Charges for Services	256,924	208,179
Fines and Forfeitures	519,210	445,457
Investment Earnings	12,506	251,050
Miscellaneous	218,250	282,864
TOTAL REVENUES	15,230,177	13,513,387
EXPENDITURES		
<i>Current</i>		
General Government	2,467,641	2,414,372
Public Safety	7,696,075	7,404,869
Public Works	2,070,046	1,987,280
Recreation	226,089	214,835
<i>Capital Outlay</i>	307,343	672,979
TOTAL EXPENDITURES	12,767,194	12,694,335
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,462,983	819,052
OTHER FINANCING SOURCES (USES)		
Sales of Capital Assets	52,881	35,322
Transfers In	248,222	245,540
Transfers Out	(25,157)	(993,526)
TOTAL OTHER FINANCING SOURCES (USES)	275,946	(712,664)
Net Change in Fund Balance	2,738,929	106,388
Fund Balances, Beginning	14,863,257	14,756,869
Fund Balances, Ending	\$ 17,602,186	\$ 14,863,257

LiveOak
THE CITY OF LIVE OAK TEXAS

STATISTICAL SECTION

This part of the City of Live Oak's 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 (Tables 1 through 4)

Net Position by Component
Change in Net Position
Fund Balances - Governmental Funds
Changes in Fund Balances - Governmental Funds

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

Revenue Capacity (Tables 5 through 10)

Tax Revenues by Source - Governmental Funds
Assessed Value and Estimated Actual Value of Taxable Property
Direct and Overlapping Property Tax Rates
Principal Property Taxpayers
Property Tax Levies and Collections
Top 20 Sales Tax Providers by Business Class

These schedules contain information to help readers assess the factors affecting the City's ability to generate its property and sales tax.

Debt Capacity (Tables 11 through 14)

Ratios of Outstanding Debt by Type
Ratios of General Bonded Debt Outstanding
Direct and Overlapping Governmental Activities Debt
Debt Margin Information

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 (Tables 15 through 16)

Demographic and Economic Statistics
Principal Employers

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

Operating Information (Tables 17 through 19)

Full-time Equivalent City Government Employees by Function
Operating Indicators by Function/Program
Capital Asset Statistics by Function/Program

These schedules contain information about the City's operations and resources 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

	Fiscal Year			
	2012*	2013*	2014*	2015*
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$ 8,073,159	\$ 8,441,921	\$ 7,684,247	\$ 10,047,544
Restricted	1,160,105	3,018,682	3,179,395	1,884,219
Unrestricted	9,741,537	10,129,923	10,791,866	5,221,828
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 18,974,801</u>	<u>\$ 21,590,526</u>	<u>\$ 21,655,508</u>	<u>\$ 17,153,591</u>
<i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 5,264,573	\$ 5,095,397	\$ 5,025,941	\$ 5,209,804
Restricted	-	-	-	-
Unrestricted	2,100,154	2,373,622	2,233,452	1,871,554
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 7,364,727</u>	<u>\$ 7,469,019</u>	<u>\$ 7,259,393</u>	<u>\$ 7,081,358</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$ 13,337,732	\$ 13,537,318	\$ 12,710,188	\$ 11,471,565
Restricted	1,160,105	3,018,682	3,179,395	1,884,219
Unrestricted	11,841,691	12,503,545	13,025,318	7,093,382
<i>Total Primary Government Net Position</i>	<u>\$ 26,339,528</u>	<u>\$ 29,059,545</u>	<u>\$ 28,914,901</u>	<u>\$ 20,449,166</u>

**Years 2016 and prior included the Live Oak Economic Development Corporation as a blended component unit. These years have not been restated for the change on this schedule.*

TABLE 1

Fiscal Year					
2016*	2017	2018	2019	2020	2021
\$ 2,498,042	\$ 337,900	\$ 1,410,757	\$ 1,722,478	\$ 2,804,778	\$ 3,330,278
1,944,020	2,083,220	2,425,330	2,491,719	2,520,596	2,553,132
9,903,047	8,980,757	8,797,162	11,150,185	10,966,166	13,653,948
<u>\$ 14,345,109</u>	<u>\$ 11,401,877</u>	<u>\$ 12,633,249</u>	<u>\$ 15,364,382</u>	<u>\$ 16,291,540</u>	<u>\$ 19,537,358</u>
\$ 5,263,431	\$ 5,054,357	\$ 5,058,875	\$ 5,568,799	\$ 5,356,887	\$ 5,732,376
-	-	-	-	-	-
1,626,416	1,239,452	1,298,275	1,108,878	1,223,156	629,538
<u>\$ 6,889,847</u>	<u>\$ 6,293,809</u>	<u>\$ 6,357,150</u>	<u>\$ 6,677,677</u>	<u>\$ 6,580,043</u>	<u>\$ 6,361,914</u>
\$ 7,761,473	\$ 5,392,257	\$ 6,469,632	\$ 7,291,277	\$ 8,161,665	\$ 9,062,654
1,944,020	2,083,220	2,425,330	2,491,719	2,520,596	2,553,132
11,529,463	10,220,209	10,095,437	12,259,063	12,189,322	14,283,486
<u>\$ 21,234,956</u>	<u>\$ 17,695,686</u>	<u>\$ 18,990,399</u>	<u>\$ 22,042,059</u>	<u>\$ 22,871,583</u>	<u>\$ 25,899,272</u>

CITY OF LIVE OAK
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2012*	2013*	2014*	2015*
Expenses				
<i>Governmental Activities</i>				
General Government	\$ 3,145,186	\$ 2,894,648	\$ 3,247,132	\$ 5,914,432
Public Safety	6,190,610	6,082,404	6,176,238	6,716,420
Public Works	2,633,267	2,645,246	2,496,790	2,574,042
Recreation	231,477	168,400	194,147	177,765
Interest and Fiscal Agent Fees	749,670	714,076	883,904	683,723
<i>Total Governmental Activities Expenses</i>	<u>12,950,210</u>	<u>12,504,774</u>	<u>12,998,211</u>	<u>16,066,382</u>
<i>Business-Type Activities</i>				
Water/Wastewater Utilities	2,869,242	2,967,953	3,112,081	3,284,037
Storm Water Utility	422,827	408,917	398,244	397,259
Utility Renewal and Replacement	150,435	227,632	495,952	33,563
<i>Total Business-Type Activities</i>	<u>3,442,504</u>	<u>3,604,502</u>	<u>4,006,277</u>	<u>3,714,859</u>
Total Primary Government Expenses	<u>\$ 16,392,714</u>	<u>\$ 16,109,276</u>	<u>\$ 17,004,488</u>	<u>\$ 19,781,241</u>
Program Revenues				
<i>Governmental Activities</i>				
Charges for Service:				
General Government	\$ 458,595	\$ 583,196	\$ 68,028	\$ 208,017
Public Safety	621,369	635,248	734,979	531,948
Public Works	269,836	270,191	220,522	281,317
Recreation	48,986	55,676	58,118	63,496
Operating Grants and Contributions	175,935	3,095	15,635	77,500
Capital Grants and Contributions	-	413,886	-	-
<i>Total Governmental Activities</i>	<u>1,574,721</u>	<u>1,961,292</u>	<u>1,097,282</u>	<u>1,162,278</u>
<i>Program Revenues</i>	<u>1,574,721</u>	<u>1,961,292</u>	<u>1,097,282</u>	<u>1,162,278</u>
<i>Business-Type Activities</i>				
Charges for Service:				
Water/Wastewater Utilities	3,278,597	3,427,956	3,480,567	3,550,228
Storm Water Utility	538,236	548,990	550,201	552,245
Utility Renewal and Replacement	4,017	2,339	14,922	-
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	-	-
<i>Total Business-Type Activities</i>	<u>3,820,850</u>	<u>3,979,285</u>	<u>4,045,690</u>	<u>4,102,473</u>
<i>Program Revenues</i>	<u>3,820,850</u>	<u>3,979,285</u>	<u>4,045,690</u>	<u>4,102,473</u>
Total Primary Government				
Program Revenues	<u>\$ 5,395,571</u>	<u>\$ 5,940,577</u>	<u>\$ 5,142,972</u>	<u>\$ 5,264,751</u>

TABLE 2

		Fiscal Year									
		2016*	2017	2018	2019	2020	2021				
\$	8,380,379	\$	5,832,574	\$	3,957,565	\$	3,531,774	\$	3,115,843	\$	3,237,399
	6,548,599		7,141,799		7,208,670		7,968,939		8,627,416		8,446,080
	2,680,500		2,724,691		2,785,890		2,924,373		2,833,678		2,988,661
	201,719		236,786		244,312		217,299		226,927		233,671
	684,213		633,911		579,660		530,842		488,674		353,002
	<u>18,495,410</u>		<u>16,569,761</u>		<u>14,776,097</u>		<u>15,173,227</u>		<u>15,292,538</u>		<u>15,258,813</u>
	3,226,920		3,322,107		3,679,114		3,959,766		3,904,880		4,105,442
	580,855		477,189		509,026		499,022		527,844		520,732
	183,331		383,704		228,145		278,735		519,822		906,941
	<u>3,991,106</u>		<u>4,183,000</u>		<u>4,416,285</u>		<u>4,737,523</u>		<u>4,952,546</u>		<u>5,533,115</u>
\$	<u>22,486,516</u>	\$	<u>20,752,761</u>	\$	<u>19,192,382</u>	\$	<u>19,910,750</u>	\$	<u>20,245,084</u>	\$	<u>20,791,928</u>
\$	53,086	\$	1,028,765	\$	46,408	\$	37,393	\$	30,323	\$	1,308,041
	672,712		669,876		897,738		795,870		763,135		219,695
	167,563		200,946		291,422		581,828		278,556		10,957
	57,689		63,893		65,127		68,502		28,999		36,442
	32,500		44,845		974,452		1,063,034		1,047,285		924,949
	-		270,000		-		-		-		39,000
	<u>983,550</u>		<u>2,278,325</u>		<u>2,275,147</u>		<u>2,546,627</u>		<u>2,148,298</u>		<u>2,539,084</u>
	3,351,518		3,285,822		4,027,254		3,990,018		4,098,610		4,282,722
	557,942		526,365		592,047		565,855		605,410		614,169
	-		-		-		-		-		-
	-		-		-		-		-		158,000
	-		147,337		197,698		839,295		-		608,037
	<u>3,909,460</u>		<u>3,959,524</u>		<u>4,816,999</u>		<u>5,395,168</u>		<u>4,704,020</u>		<u>5,662,928</u>
\$	<u>4,893,010</u>	\$	<u>6,237,849</u>	\$	<u>7,092,146</u>	\$	<u>7,941,795</u>	\$	<u>6,852,318</u>	\$	<u>8,202,012</u>

CITY OF LIVE OAK
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year			
	2012*	2013*	2014*	2015*
Net (Expenses)/Revenue				
Governmental Activities	\$ (11,375,489)	\$ (10,543,482)	\$ (11,900,929)	\$ (14,904,104)
Business-Type Activities	378,346	374,783	39,413	387,614
Total Primary Government Net Expenses	<u>\$ (10,997,143)</u>	<u>\$ (10,168,699)</u>	<u>\$ (11,861,516)</u>	<u>\$ (14,516,490)</u>
Governmental Revenues and Other Changes in Net Position				
<i>Governmental Activities</i>				
Taxes:				
Property Taxes	\$ 3,657,100	\$ 3,728,011	\$ 3,877,655	\$ 4,770,375
Sales and Mixed Beverage Taxes	6,267,815	6,339,452	6,607,876	7,515,505
Franchise Taxes	852,464	818,781	1,060,879	1,179,497
Occupancy Taxes	244,018	345,329	403,004	436,420
Interest and Investment Earnings	33,704	58,912	37,346	69,873
Miscellaneous	21,595	1,595,998	39,380	54,254
Transfers	351,150	272,724	249,785	103,803
<i>Total Governmental Activities</i>	<u>11,427,846</u>	<u>13,159,207</u>	<u>12,275,925</u>	<u>14,129,727</u>
<i>Business-Type Activities</i>				
Interest and Investment Earnings	2,453	2,233	746	1,105
Miscellaneous	-	-	-	-
Transfers	(351,150)	(272,724)	(249,785)	(103,803)
<i>Total Business-Type Activities</i>	<u>(348,697)</u>	<u>(270,491)</u>	<u>(249,039)</u>	<u>(102,698)</u>
Total Primary Government	<u>\$ 11,079,149</u>	<u>\$ 12,888,716</u>	<u>\$ 12,026,886</u>	<u>\$ 14,027,029</u>
Changes In Net Position				
Government Activities	\$ 52,357	\$ 2,615,725	\$ 374,996	\$ (774,377)
Business-Type Activities	29,649	104,292	(209,626)	284,916
Total Primary Government	<u>\$ 82,006</u>	<u>\$ 2,720,017</u>	<u>\$ 165,370</u>	<u>\$ (489,461)</u>

*Years 2016 and prior included the Live Oak Economic Development Corporation as a blended component unit.

These years have not been restated for the change on this schedule.

TABLE 2 (Continued)

Fiscal Year					
2016*	2017	2018	2019	2020	2021
\$ (17,511,860)	\$ (14,291,436)	\$ (12,500,950)	\$ (12,626,600)	\$ (13,144,240)	\$ (12,719,729)
(81,646)	(223,476)	400,714	657,645	(248,526)	129,813
<u>\$ (17,593,506)</u>	<u>\$ (14,514,912)</u>	<u>\$ (12,100,236)</u>	<u>\$ (11,968,955)</u>	<u>\$ (13,392,766)</u>	<u>\$ (12,589,916)</u>
\$ 4,816,434	\$ 5,302,619	\$ 5,405,636	\$ 5,683,767	\$ 5,763,038	\$ 6,045,605
7,855,281	5,942,495	6,110,869	6,895,667	6,556,209	7,629,564
1,170,417	1,143,688	1,140,210	1,136,462	1,064,713	1,202,761
540,765	596,882	592,016	631,720	360,884	521,757
162,719	158,707	215,721	413,511	286,389	14,499
41,487	29,296	93,879	182,194	160,583	192,367
116,275	397,898	402,016	414,412	(120,418)	358,994
<u>14,703,378</u>	<u>13,571,585</u>	<u>13,960,347</u>	<u>15,357,733</u>	<u>14,071,398</u>	<u>15,965,547</u>
6,410	16,534	36,099	70,578	17,307	872
-	8,802	56,641	6,716	13,167	10,180
(116,275)	(397,989)	(402,016)	(414,412)	120,418	(358,994)
<u>(109,865)</u>	<u>(372,653)</u>	<u>(309,276)</u>	<u>(337,118)</u>	<u>150,892</u>	<u>(347,942)</u>
<u>\$ 14,593,513</u>	<u>\$ 13,198,932</u>	<u>\$ 13,651,071</u>	<u>\$ 15,020,615</u>	<u>\$ 14,222,290</u>	<u>\$ 15,617,605</u>
\$ (2,808,482)	\$ (719,851)	\$ 1,459,397	\$ 2,731,133	\$ 927,158	\$ 3,245,818
(191,511)	(596,129)	91,438	320,527	(97,634)	(218,129)
<u>\$ (2,999,993)</u>	<u>\$ (1,315,980)</u>	<u>\$ 1,550,835</u>	<u>\$ 3,051,660</u>	<u>\$ 829,524</u>	<u>\$ 3,027,689</u>

CITY OF LIVE OAK
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2013	2014	2015
<i>General Fund:</i>				
Nonspendable	\$ 19,307	\$ 18,730	\$ 10,127	\$ 10,022
Restricted	12,323	8,827	10,416	15,465
Committed	1,572,184	1,625,100	1,846,355	1,978,705
Assigned	-	-	-	-
Unassigned	6,565,155	6,516,011	6,816,883	7,536,197
<i>Total General Fund</i>	<u>\$ 8,168,969</u>	<u>\$ 8,168,668</u>	<u>\$ 8,683,781</u>	<u>\$ 9,540,389</u>
<i>All Other Governmental Funds:</i>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	1,147,782	3,009,855	13,477,756	10,237,843
Committed	396,086	598,290	419,239	748,666
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total All Other Governmental Funds</i>	<u>\$ 1,543,868</u>	<u>\$ 3,608,145</u>	<u>\$ 13,896,995</u>	<u>\$ 10,986,509</u>

TABLE 3

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 15,458	\$ 114,631	\$ 17,800	\$ 21,300	\$ 17,082	\$ 32,456
13,523	6,747	3,660	19,989	10,883	-
1,943,738	2,482,170	2,553,151	2,970,258	4,462,775	4,967,942
-	-	-	-	88,778	-
8,617,515	9,346,943	10,044,706	11,745,322	10,283,739	12,601,788
<u>\$ 10,590,234</u>	<u>\$ 11,950,491</u>	<u>\$ 12,619,317</u>	<u>\$ 14,756,869</u>	<u>\$ 14,863,257</u>	<u>\$ 17,602,186</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,157,188	2,529,428	2,421,670	2,471,730	2,509,713	2,612,807
928,678	1,207,089	788,234	1,297,881	1,121,594	738,369
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,085,866</u>	<u>\$ 3,736,517</u>	<u>\$ 3,209,904</u>	<u>\$ 3,769,611</u>	<u>\$ 3,631,307</u>	<u>\$ 3,351,176</u>

CITY OF LIVE OAK
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2013	2014	2015
REVENUES				
Taxes	\$ 9,413,627	\$ 9,695,429	\$ 10,258,025	\$ 12,086,031
Fines and Forfeitures	385,970	439,717	507,975	470,667
Licenses and Permits	323,162	324,816	260,592	329,905
Charges for Services	500,795	284,374	124,020	126,610
Grants and Donations	378,691	473,950	121,648	213,157
Investment Earnings	32,521	57,927	36,398	62,677
Miscellaneous	25,165	42,780	87,284	76,125
TOTAL REVENUES	<u>11,059,931</u>	<u>11,318,993</u>	<u>11,395,942</u>	<u>13,365,172</u>
EXPENDITURES				
Current:				
General Government	2,674,427	2,446,405	2,773,943	5,502,218
Public Safety	5,601,217	5,570,275	5,599,405	6,055,839
Public Works	1,847,754	1,824,433	1,689,321	1,792,428
Recreation	231,477	168,400	194,147	178,235
Capital Outlay	1,218,894	431,970	499,420	1,123,191
Debt Service:				
Principal	1,070,000	1,115,000	1,155,000	1,550,000
Interest and Fiscal Agent Fees	762,438	705,915	801,003	791,505
Bond Issue Costs	-	-	133,226	-
TOTAL EXPENDITURES	<u>13,406,207</u>	<u>12,262,398</u>	<u>12,845,465</u>	<u>16,993,416</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,346,276)</u>	<u>(943,405)</u>	<u>(1,449,523)</u>	<u>(3,628,244)</u>
OTHER FINANCING SOURCES (USES)				
Sales of Capital Assets	-	1,628,272	-	68
Transfers In	1,623,341	1,888,552	1,534,275	2,048,548
Transfers Out	(222,558)	(509,443)	(170,300)	(474,250)
Debt Issuance	550,000	-	19,515,000	-
Bond Premium	-	-	1,538,966	-
Payments to Refunding Escrow Agent	-	-	(10,164,455)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,950,783</u>	<u>3,007,381</u>	<u>12,253,486</u>	<u>1,574,366</u>
NET CHANGE IN FUND BALANCE	<u>\$ (395,493)</u>	<u>\$ 2,063,976</u>	<u>\$ 10,803,963</u>	<u>\$ (2,053,878)</u>
Debt Service as a Percentage of Noncapital Expenditures	14.7%	15.1%	14.4%	15.6%

TABLE 4

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	12,637,054	\$	12,939,413	\$	13,217,790	\$	14,251,690	\$	13,689,336	\$	15,268,089
	466,763		446,246		580,805		598,291		498,726		549,331
	220,009		248,451		341,623		619,216		311,189		846,269
	134,278		140,784		133,876		143,585		86,886		283,859
	162,500		1,442,844		1,165,176		1,156,657		1,160,914		821,929
	108,984		158,707		215,721		413,511		286,389		14,501
	84,658		134,192		95,655		291,071		255,954		274,536
	<u>13,814,246</u>		<u>15,510,637</u>		<u>15,750,646</u>		<u>17,474,021</u>		<u>16,289,394</u>		<u>18,058,514</u>
	7,855,639		5,576,329		3,783,937		3,269,456		2,949,970		2,956,407
	5,898,901		6,129,095		6,452,232		6,837,579		7,721,922		7,711,591
	1,833,522		1,870,241		2,020,134		2,039,282		2,012,575		2,072,066
	201,719		233,257		239,247		208,943		214,835		226,089
	831,073		682,087		1,112,806		514,931		977,965		749,103
	1,625,000		1,675,000		1,725,000		1,695,000		1,735,000		1,795,000
	782,038		731,618		677,093		625,983		588,625		522,408
	-		-		-		-		-		-
	<u>19,027,892</u>		<u>16,897,627</u>		<u>16,010,449</u>		<u>15,191,174</u>		<u>16,200,892</u>		<u>16,032,664</u>
	<u>(5,213,646)</u>		<u>(1,386,990)</u>		<u>(259,803)</u>		<u>2,282,847</u>		<u>88,502</u>		<u>2,025,850</u>
	-		-		-		-		-		52,881
	1,893,100		890,383		910,101		887,912		892,108		425,224
	(530,252)		(492,485)		(508,085)		(473,500)		(1,012,526)		(45,157)
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	<u>1,362,848</u>		<u>397,898</u>		<u>402,016</u>		<u>414,412</u>		<u>(120,418)</u>		<u>432,948</u>
\$	<u>(3,850,798)</u>	\$	<u>(989,092)</u>	\$	<u>142,213</u>	\$	<u>2,697,259</u>	\$	<u>(31,916)</u>	\$	<u>2,458,798</u>
	13.1%		14.8%		16.1%		15.8%		15.3%		17.5%

CITY OF LIVE OAK
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year	Property	Sales & Use Mixed Beverage	Occupancy	Franchise	Total Taxes
2012	\$ 3,599,513	\$ 4,717,632	\$ 244,018	\$ 852,464	\$ 9,413,627
2013	3,758,211	4,773,108	345,329	818,781	9,695,429
2014	3,814,512	4,979,630	403,004	1,060,879	10,258,025
2015	4,808,043	5,662,071	436,420	1,179,497	12,086,031
2016	5,006,176	5,919,696	540,765	1,170,417	12,637,054
2017	5,256,348	5,942,495	596,882	1,143,688	12,939,413
2018	5,402,347	6,083,217	592,016	1,140,210	13,217,790
2019	5,674,876	6,808,632	631,720	1,136,462	14,251,690
2020	5,758,565	6,505,174	360,884	1,064,713	13,689,336
2021	6,034,025	7,581,891	521,757	1,130,416	15,268,089

CITY OF LIVE OAK
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

TABLE 6

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2012	\$ 462,465,883	\$ 510,152,136	\$ 159,775,982	\$ 812,842,037	0.477291
2013	476,696,234	537,299,352	157,838,602	856,156,984	0.463155
2014	499,621,822	574,309,145	158,629,313	915,301,654	0.445401
2015	560,159,849	586,655,656	178,346,971	968,468,534	0.510000
2016	618,580,846	682,811,268	193,678,796	1,107,713,318	0.467691
2017	651,413,768	748,015,483	182,210,553	1,217,218,698	0.446837
2018	705,864,315	772,575,189	202,211,523	1,276,227,981	0.443475
2019	738,730,967	833,932,717	211,536,410	1,361,127,274	0.437087
2020	790,222,690	935,482,894	243,208,157	1,482,497,427	0.414686
2021	850,823,455	988,088,341	279,224,463	1,559,687,333	0.412217

Source: Bexar County Appraisal District

NOTES: Property in the City of Live Oak is reassessed every year at estimated actual value. For this reason, assessed value is equal to estimated actual value. Tax rates are per \$100 of assessed value. Total taxable assessed value is before any applicable freeze adjustments.

CITY OF LIVE OAK
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 7

Fiscal Year	City Direct Rates			Overlapping Rates	
	General Fund	Debt Service	Total Direct	Judson ISD	Northeast ISD
2012	0.378511	0.098780	0.477291	1.4250	1.4250
2013	0.367903	0.095252	0.463155	1.4250	1.4406
2014	0.356360	0.089041	0.445401	1.4250	1.4406
2015	0.356363	0.153637	0.510000	1.4250	1.4406
2016	0.330927	0.136764	0.467691	1.4200	1.4150
2017	0.322620	0.124217	0.446837	1.4700	1.3850
2018	0.324175	0.119300	0.443475	1.4250	1.3650
2019	0.324394	0.112693	0.437087	1.4400	1.3600
2020	0.311410	0.103276	0.414686	1.3584	1.2900
2021	0.313911	0.098306	0.412217	1.2749	1.2684

Fiscal Year	Overlapping Rates				
	Alamo Community College	San Antonio River Authority	Bexar County	Bexar County Flood	University Health System Flood
2012	0.14915	0.01737	0.29619	0.03068	0.27624
2013	0.14915	0.01780	0.29619	0.03068	0.27624
2014	0.14915	0.17500	0.28382	0.03068	0.27624
2015	0.14915	0.01750	0.28382	0.03068	0.27624
2016	0.14915	0.01729	0.29750	0.01700	0.27624
2017	0.14915	0.01729	0.29325	0.01570	0.29325
2018	0.14915	0.01729	0.29123	0.01287	0.27624
2019	0.14915	0.01858	0.27743	0.02367	0.27624
2020	0.14915	0.01858	0.27743	0.02367	0.27624
2021	0.14915	0.01858	0.27743	0.02367	0.27624

Source: Bexar County Tax Offices

NOTE: Overlapping rates are those of local and county governments that apply within the City of Live Oak. Not all overlapping rates apply to all City of Live Oak property owners.

CITY OF LIVE OAK
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO

TABLE 8

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Randolph Brooks FCU	\$ 78,564,630	1	5.04%	\$ 36,225,337	2	4.46%
Methodist Healthcare System	67,563,790	2	4.33%	40,561,780	1	4.99%
IKEA Property Inc	54,570,740	3	3.50%			
GPIF Mira Loma LLC	46,500,000	4	2.98%	31,900,000	3	3.92%
Continental 136 Fund	36,800,000	5	2.36%	24,400,000	5	3.00%
CFH Heritage LP	34,600,000	6	2.22%			
MCN Villas-SA LLC	33,700,000	7	2.16%			
SA Development Company LP	27,301,454	8	1.75%	14,738,515	7	1.81%
LOTG Holdings Ltd	22,535,040	9	1.44%	9,475,770	10	1.17%
Aspire at Live Oak MF LLC	22,180,740	10	1.42%			
Redus TX Properties, LLC				26,114,050	4	3.21%
MBS-Colonade Ltd				23,639,000	6	2.91%
Target Corporation				11,921,318	8	1.47%
Jordan Ford, Inc.				10,614,630	9	1.31%
TOTALS	\$ 424,316,394		27.21%	\$ 229,590,400		16.75%
TOTAL TAXABLE ASSESSED VALUE	\$ 1,559,687,333			\$ 812,842,037		

Source: Bexar County Appraisal District

LiveOak
THE CITY OF LIVE OAK TEXAS

CITY OF LIVE OAK
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 9

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	% of Levy		Amount	% of Levy
2012	\$ 3,823,938	\$ 3,799,510	99.36%	\$ 21,613	\$ 3,821,123	99.93%
2013	3,919,285	3,904,807	99.63%	11,125	3,915,932	99.91%
2014	4,053,449	3,978,852	98.16%	70,524	4,049,376	99.90%
2015	4,863,092	4,848,896	99.71%	9,152	4,858,048	99.90%
2016	5,069,178	4,990,227	98.44%	74,345	5,064,572	99.91%
2017	5,320,407	5,247,854	98.64%	67,927	5,315,781	99.91%
2018	5,510,833	5,422,439	98.40%	81,149	5,503,588	99.87%
2019	5,731,799	5,646,854	98.52%	64,735	5,711,589	99.65%
2020	5,841,744	5,811,636	99.48%	4,718	5,816,354	99.57%
2021	6,210,081	6,176,273	99.46%	-	6,176,273	99.46%

Source: Bexar County Appraisal District

CITY OF LIVE OAK
TOP TWENTY SALES TAX PROVIDERS BY BUSINESS CLASS
LAST TEN FISCAL YEARS
(UNAUDITED)

Business Class	Fiscal Year							
	2021		2020		2019		2018	
	Rank	Percent of Total	Rank	Percent of Total	Rank	Percent of Total	Rank	Percent of Total
Furniture Sales	1	17.6	1	17.6	1	17.1	6	5.5
Home Centers	2	13.8	2	13.4	2	10.9	1	12.3
Full-Service Restaurant	3	16.2	3	7.8	4	7.8	3	8.0
General Merchandise Stores	4	7.3	4	7.2	5	6.8	4	7.5
Radio, TV & Electronic Stores	5	6.5	5	6.4	3	7.9	2	9.7
Clothing Accessories Stores	6	3.4	16	1.7	12	2.0	12	2.5
General Medical & Surgical Hospitals	7	2.5	8	2.9	8	3.2	10	3.0
All Other Home Furnishing Stores	8	2.2	11	2.0	14	1.8	9	3.2
Jewelry Stores	9	2.2	14	1.8	11	2.1	11	2.6
Beer, Wine and Liquor Stores	10	2.1	9	2.3	15	1.8	17	1.6
Wireless Telecommunications	11	2.1	13	1.9	10	2.6	7	5.2
Department Stores	12	2.1	10	2.1	9	2.7	8	3.4
New Car Dealers	13	1.8	12	2.0	13	1.9	15	2.1
Gasoline Station Convenience Stores	14	1.6	15	1.8	19	1.3		
Business to Business Electronic Markets	15	1.6	19	0.9				
Automotive Parts, Access and Tires	16	1.2	17	1.7	17	1.6	16	1.8
Miscellaneous Retailer	17	1.2			18	1.5		
Automotive Repair	18	1.1					19	1.3
Outdoor Power Equipment	19	1.1	18	1.1	20	1.0	20	1.1
Undefined	20	1.1	7	4.8	7	3.3		
Limited-Service Restaurants			6	5.6	6	5.6	5	6.3
Electric Pwer Generators			20	0.9				
Motion Picture Theaters					16	1.7	13	2.4
Other Appliances							14	2.3
Construction							18	1.3
Electronics, Applications, Computers								
Shoe Stores								
Wholesalers Durable								
Amusement, Gambling, Recreation								
Direct Selling Establishment								
Total		<u>88.7</u>		<u>85.9</u>		<u>84.6</u>		<u>83.1</u>

Source: Muniservices

Texas Tax Code 321.3022(c) declares specific information on vendor and amounts to be confidential and is not subject to public inspection. The City of Live Oak understands the value of this information and determined that presentation by business class is the best way to convey this information.

TABLE 10

Fiscal Year											
2017		2016		2015		2014		2013		2012	
Rank	Percent of Total	Rank	Percent of Total	Rank	Percent of Total	Rank	Percent of Total	Rank	Percent of Total	Rank	Percent of Total
6	5.4	6	5.7	5	6.3	16	1.7	19	1.1	15	1.3
1	12.6	1	12.0	1	11.0	2	10.9	2	11.3	2	10.7
3	8.3	3	8.5	4	8.4	4	8.2	4	8.8	4	9.2
4	7.3	4	7.8	3	8.4	3	9.1	3	9.8	3	10.0
2	9.5	2	9.4	2	10.4	1	11.2	1	12.2	1	12.4
12	2.5	12	2.6	14	2.5	12	2.9	12	3.1	12	3.1
10	3.0	14	2.5	12	2.9	11	3.0	13	2.6	13	2.3
8	3.6	9	3.5	10	3.4	9	3.5	8	3.8	8	4.0
11	2.8	10	3.3	9	3.6	8	3.7	9	3.7	10	3.3
19	1.2			18	1.3						
7	5.4	7	5.4	6	5.2	6	5.1	7	4.3	7	4.3
9	3.4	8	3.7	8	4.3	5	5.1	5	6.0	5	6.3
15	2.2	15	2.1	16	1.7	15	2.0	11	3.2	11	3.3
16	1.9	16	1.9	15	2.0	14	2.0	14	2.1	14	2.0
		17	1.2								
20	1.1							17	1.2	18	1.2
5	6.2	5	5.8	7	4.7	7	5.1	6	5.5	6	5.2
18	1.2	18	1.2	20	1.1	19	1.2	16	1.3	17	1.2
13	2.5	11	2.7	13	2.8	10	3.2	10	3.6	9	3.5
14	2.3	13	2.6	11	3.2	13	2.1				
17	1.6										
		19	1.0	19	1.2						
		20	1.0			18	1.3				
				17	1.3	17	1.4	15	1.5	16	1.2
						20	1.2	20	1.0	20	1.0
								18	1.1	19	1.1
	<u>84.0</u>		<u>83.9</u>		<u>85.7</u>		<u>83.9</u>		<u>87.2</u>		<u>86.6</u>

CITY OF LIVE OAK
RATIOS OF DEBT OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS

TABLE 11

Fiscal Year	Governmental Activities			Business-Type	Total Primary Government	Percent of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Tax Notes			
2012	\$ 11,944,203	\$ 3,795,000	\$ 470,000	\$ 485,000	\$ 16,694,203	5.28%	1,241
2013	11,112,764	3,570,000	395,000	365,000	15,442,764	4.91%	1,161
2014	23,876,889	765,000	320,000	245,000	25,206,889	7.31%	1,709
2015	22,541,707	520,000	240,000	125,000	23,426,707	6.13%	1,550
2016	21,141,525	265,000	160,000	-	21,566,525	4.74%	1,405
2017	19,701,343	-	80,000	-	19,781,343	3.97%	1,256
2018	17,946,161	-	-	-	17,946,161	3.43%	1,134
2019	16,140,979	-	-	-	16,140,979	3.23%	1,015
2020	14,295,797	-	-	-	14,295,797	2.82%	811
2021	12,319,679	-	-	-	12,319,679	2.43%	765

NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 6 for the City's property tax value data. City population data can be found in Table 15.

CITY OF LIVE OAK
RATIOS OF GENERAL BONDED DEBT OUSTANDING
CURRENT YEAR

TABLE 12

Fiscal Year	General Bonded Debt Outstanding					Less Resources Restricted for Debt Service	Net Debt Outstanding	Percentage of Taxable Value of Property	Per Capita
	Governmental			Business-Type					
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Tax Notes	Total				
2012	\$ 11,944,203	\$ 3,795,000	\$ 470,000	\$ 485,000	\$ 16,694,203	\$ (271,763)	\$ 16,422,440	2.02%	1,241
2013	11,112,764	3,570,000	395,000	365,000	15,442,764	(282,742)	15,160,022	1.77%	1,161
2014	23,876,889	765,000	320,000	245,000	25,206,889	(279,438)	24,927,451	2.72%	1,709
2015	22,541,707	520,000	240,000	125,000	23,426,707	(351,067)	23,075,640	2.38%	1,550
2016	21,141,525	265,000	160,000	-	21,566,525	(364,915)	21,201,610	1.91%	1,405
2017	19,701,343	-	80,000	-	19,781,343	(372,025)	19,409,318	1.59%	1,256
2018	17,946,161	-	-	-	17,946,161	(380,881)	17,565,280	1.38%	1,134
2019	16,140,979	-	-	-	16,140,979	(399,456)	15,741,523	1.16%	1,015
2020	14,295,797	-	-	-	14,295,797	(431,503)	13,864,294	0.94%	811
2021	12,319,679	-	-	-	12,319,679	(378,726)	11,940,953	0.77%	765

NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 6 for the City's property tax value data. City population data can be found in Table 15.

CITY OF LIVE OAK
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
CURRENT YEAR

TABLE 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
<i>Debt repaid with property taxes:</i>			
Alamo CCD	\$ 578,325,000	0.87%	\$ 5,031,428
Bexar County	1,896,160,000	0.87%	16,496,592
Bexar County Hospital District	902,130,000	0.87%	7,848,531
Judson ISD	580,839,085	9.69%	56,283,307
North East ISD	1,328,420,000	1.01%	13,417,042
Subtotal, Overlapping Debt			99,076,900
City Direct Debt			12,319,679
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 111,396,579

NOTES: The overlapping debt was received from the Municipal Advisory Council of Texas. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

Overlapping debt is the proportionate share of the debts of local jurisdictions located wholly or in part within the limits of the City of Live Oak. This schedule is intended to demonstrate the total debt that the City of Live Oak property tax payers will be expected to repay. The amount of debt applicable to the City of Live Oak is computed by (a) determining what portion of total assessed value of the overlapping jurisdiction lies within the limits of the City and (b) applying this percentage to the total governmental activities debt of the overlapping jurisdiction.

CITY OF LIVE OAK
DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

TABLE 14

Assessed Value		\$ 1,559,687,333
Debt Limit - Texas statues do not provide a legal debt limit for cities; however, through accepted practice a practical "economic" debt limit is considered to be 10% of the assessed value.		\$ 155,968,733
Amount of Applicable Debt:		
Outstanding Debt	\$ 12,319,679	
Less Debt Service Net Position	<u>(378,726)</u>	<u>11,940,953</u>
DEBT MARGIN		<u><u>\$ 144,027,780</u></u>
Total Net Debt as a Percentage of Debt Margin		8.29%

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Debt Margin</u>
2012	\$ 81,284,204	\$ (16,178,237)	\$ 65,105,967
2013	85,615,698	(14,567,258)	71,048,440
2014	91,530,165	(24,682,451)	66,847,714
2015	96,846,853	(23,227,774)	73,619,079
2016	110,771,332	(21,201,610)	89,569,722
2017	121,721,870	(19,409,318)	102,312,552
2018	127,622,798	(17,565,280)	110,057,518
2019	135,112,727	(15,741,523)	119,371,204
2020	148,249,743	(13,864,294)	134,385,449

CITY OF LIVE OAK
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

TABLE 15

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2012	13,455	\$ 316,300,000	\$ 23,508	35.5	6,849	7.1%
2013	13,301	314,582,000	23,651	35.5	6,982	5.9%
2014	14,751	345,026,000	23,390	35.5	6,997	4.7%
2015	15,116	382,223,000	25,286	37.4	6,999	3.2%
2016	15,346	454,971,000	29,648	37.9	7,272	3.9%
2017	15,749	498,755,000	31,669	38.6	7,197	3.2%
2018	15,820	522,993,000	33,059	38.3	8,215	3.2%
2019	15,908	499,925,000	31,426	38.6	7,327	2.8%
2020	16,104	506,084,000	31,426	35.6	7,986	6.7%
2021	17,749	533,804,000	30,075	35.1	7,959	6.7%

Sources: Population, personal income, median age and education level information are provided by the United States Census Bureau. School enrollment information is provided by the Judson Independent School District and Alamo Colleges. Unemployment data is provided by the Texas Workforce Commission.

CITY OF LIVE OAK
TOP TEN PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE 16

SAN ANOTNIO EMPLOYERS	2021			2012		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Joint Base San Antonio	73,707	1	6.56%	100,578	1	7.38%
H-E-B Food Stores	22,000	2	1.96%	14,588	3	1.07%
USAA	19,400	3	1.73%	15,000	2	1.10%
Northside ISD	13,498	4	1.20%	12,751	4	0.93%
City of San Antonio	11,185	5	0.99%	9,145	6	0.67%
Methodist Healthcare	9,620	6	0.86%	7,747	7	0.56%
North East ISD	8,386	7	0.75%	10,522	5	0.77%
San Antonio ISD	7,338	8	0.65%	7,000	8	0.51%
Baptist Health Systems	6,383	9	0.57%			
JPMorgan Chase	5,152	10	0.46%			
Bill Miller Bar-B-Q				4,190	9	0.30%
Frost Bank				3,982	10	0.29%
Total	<u>176,669</u>		<u>15.73%</u>	<u>185,503</u>		<u>13.58%</u>

LIVE OAK EMPLOYERS	2021		2013	
	EMPLOYEES	RANK	EMPLOYEES	RANK
Randolph Brooks FCU	1,348	1	763	1
Northeast Methodist Hospital	744	2	750	2
Judson ISD	362	3	331	4
Jordan Ford	250	4	233	6
NE Lakeview College	208	5	322	3
Target	203	6	150	5
Ikea Home Furnishings	195	7		
Best Buy	150	8		8
Home Depot	148	9	130	7
World Car	145	10	150	9
Gunn Chevrolet			201	
Kohls			154	
Total	<u>3,753</u>		<u>3,184</u>	

Source: City of Live Oak Economic Development Corporation and the San Antonio Economic Development Foundation.

Note: The City of Live Oak is a suburb of the City of San Antonio, where a significant portion of Live Oak residents commute to work. Information is presented for San Antonio. The City has begun collecting information for Live Oak employers and will present information for nine years ago as it become available.

LiveOak
THE CITY OF LIVE OAK TEXAS

CITY OF LIVE OAK
 FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

TABLE 17

<u>Function</u>	<u>Full-Time Equivalent Employees as of September 30,</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>General Government</u>										
Business Office	12.0	10.0	9.0	9.0	9.3	9.3	9.3	7.3	7.3	8.0
Finance	5.0	5.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0	6.0
Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Development	3.5	3.5	3.5	3.5	4.0	4.0	4.0	4.0	4.0	4.0
<u>Public Safety</u>										
Police										
Officers	32.0	32.0	32.0	32.0	32.0	32.0	32.0	35.0	35.0	35.0
Civilians	15.0	15.0	15.0	15.0	18.0	16.0	16.0	16.0	16.0	16.0
Fire										
Civilians	1.5	1.5	1.5	1.5	1.0	0.0	0.0	0.0	0.0	0.0
Firefighters and Officers	20.0	20.0	20.0	20.0	20.0	20.0	20.0	21.0	22.0	22.0
<u>Public Works</u>										
General Services	11.0	10.0	11.0	11.0	7.0	7.0	7.0	8.0	8.0	8.0
Parks	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<u>Civic Center</u>	3.0	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Water and Sewer</u>	13	16	16	16	13	13	13	13	13	13
TOTAL	124.0	124.5	119.0	119.0	117.3	114.3	114.3	117.3	118.3	119.0

Source: City Adopted Budgets

Note Full-time equivalent is based on the schedule hours of positions to a 40 hour work week.

CITY OF LIVE OAK
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function</u>	<u>Fiscal Year</u>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Police</u>				
Traffic Violations	4,367	2,425	8,706	5,494
Arrests	534	545	545	411
<u>Fire</u>				
Fire Calls	284	373	308	436
EMS Calls	1,197	1,166	1,128	1,017
Inspections	239	206	415	923
<u>Public Works</u>				
Streets Resurfacing (Miles)	0.5	0.1	0.0	0.0
Sidewalk Construction (Feet)	2,890	1,906	155	1,056
<u>Water</u>				
Service Connections	2,689	2,696	2,731	2,777
Average Daily Consumption in Gallons:				
Pumpage	1,042,873	1,057,638	1,026,292	1,226,056
Billing	1,029,259	1,039,478	1,015,011	1,037,195
Average	1,036,066	1,048,558	1,020,652	1,131,626
<u>Sewer</u>				
Service Connections	4,550	4,589	4,710	4,713
Average Daily Treatment in Gallons	1,134,022	1,203,647	1,266,534	761,108

Source: Various City Departments.

TABLE 18

Fiscal Year					
2016	2017	2018	2019	2020	2021
4,110	4,345	6,319	5,772	5,087	4,458
305	242	620	399	672	606
594	673	290	282	546	721
1,011	43	1,579	1,549	1,174	1,470
1,083	1,043	651	761	1,005	1,156
1.2	1.2	14.2	5.2	0.0	0.0
1,056	-	-	12,660	12,810	1,000
2,885	2,876	2,928	2,940	2,957	2,915
1,386,816	1,200,000	1,325,802	1,088,196	1,365,003	980,597
1,236,047	1,040,341	1,041,742	935,647	1,104,140	1,026,732
1,311,432	1,120,171	1,183,772	1,011,922	1,234,572	1,003,665
4,716	4,720	4,853	4,865	4,882	4,920
1,236,046	1,200,000	1,320,356	1,079,259	1,124,707	1,158,475

CITY OF LIVE OAK
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 19

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Police</u>										
Stations	1	1	1	1	1	1	1	1	1	1
Officers	35	38	36	35	35	35	36	36	36	36
<u>Fire</u>										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Fighters	22	22	22	22	22	22	21	21	22	22
<u>Recreation</u>										
Community Centers	1	1	1	1	1	1	1	1	1	1
Parks	3	3	3	3	3	3	3	3	3	3
Swimming Pools	1	1	1	1	1	1	1	1	1	1
<u>Public Works</u>										
Miles of Streets	45.2	45.2	45.0	45.0	45.5	45.5	45.5	46.3	48.1	48.3
<u>Water</u>										
Water Mains (Miles)	35.0	35.0	35.0	35.0	35.0	55.0	55.0	55.5	57.4	57.7
Number of Hydrants	436	436	436	440	440	440	497	532	537	564
<u>Sewer</u>										
Sanitary Sewers (Miles)	43	43	43	43	43	60	60	61	63	63
<u>Storm Water</u>										
Storm Sewers (Feet)	13,400	13,400	13,400	13,400	13,400	13,400	13,400	19,400	21,577	21,577

Source: Various City Departments

COMPLIANCE SECTION



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

To the City Council and management
City of Live Oak

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Live Oak as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise City of Live Oak's basic financial statements, and have issued our report thereon dated December 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Live Oak's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Live Oak's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Live Oak's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Live Oak's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armstrong, Vaughan & Associates, P.C.

December 10, 2021

LiveOak
THE CITY OF LIVE OAK TEXAS