

**CITY OF CRESCENT CITY, FLORIDA**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**CITY COMMISSION**

*Michele Myers, Mayor*

*Linda Moore*

*Lisa Kane DeVitto*

*William "B.J." Laurie*

*Cynthia Burton*

**CITY MANAGER**

*Derek Martin*

Prepared by:  
City of Crescent City Finance Department

**CITY OF CRESCENT CITY, FLORIDA  
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SEPTEMBER 30, 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commission, and City Manager,  
City of Crescent City, Florida:

### **Report on the Audit of the Financial Statements**

#### ***Qualified and Unmodified Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Crescent City, Florida, (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our (1) unmodified opinions on the General Fund, other governmental funds, business-type funds, and the aggregate remaining fund information; and (2) qualified opinion on the governmental activities and qualified opinion on the fiduciary funds.

#### ***Unmodified Opinions on the General Fund, other governmental funds, business-type funds, and the aggregate remaining fund information***

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the General Fund, other governmental funds, business-type funds, and aggregate remaining fund information for the City, as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Qualified Opinion on the Governmental Activities and the Police Officers Pension Fiduciary Fund***

In our opinion, except for the effects of the matters described in the Basis for Qualified and Unmodified Opinions section, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and fiduciary funds of the City as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Qualified and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Matters Giving Rise to Qualified Opinions on the Governmental Activities and Fiduciary Funds***

As discussed in Note (10)B to the financial statements, the City has not implemented the provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions*, for its Municipal Police Officers' Pension Plan. Accounting principles generally accepted in the United States of America require recording of an obligation for the net pension liability, and any associated deferred inflow and outflow related to the pension fund. This would increase liabilities, increase deferred inflows and outflows, decrease net position, and change the expenses in the governmental activities. The amounts by which these departures would affect the liabilities, deferred inflows, deferred outflows, net position, and expenses of the governmental activities has not been determined.

Further, as discussed in Note (10)B to the financial statements, the City's annuity investments reported with the Police Officers' Pension Trust Fund are recorded at cost rather than at fair value. Accounting principles generally accepted in the United States of America require such investments to be reported at fair value. The effects of this departure from generally accepted accounting principles on the fiduciary fund financial statements have not been determined.

### ***Responsibilities of Management for the Financial Statements***

The City'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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted the Municipal Police Officers' Pension Plan information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of state financial assistance as required by the audit requirements of Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

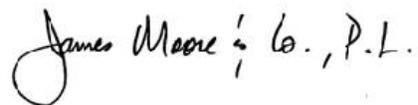
The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of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

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Water and Sewer Schedule of Revenues, Expenses, and Changes in Net Position but does not include the financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the City's internal control over financial reporting and compliance.



Daytona Beach, Florida  
December 5, 2025

**CITY OF CRESCENT CITY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

Crescent City's management of the City of Crescent City, Florida, we offer readers of the City of Crescent City, Florida's financial statements this narrative overview and analysis of the financial activities of the City of Crescent City, Florida for the fiscal year ended September 30, 2024.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Crescent City, Florida's basic financial statements. The City of Crescent City, Florida's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Crescent City, Florida's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Crescent City, Florida'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 of Crescent City, Florida is improving or deteriorating.

The *statement of activities* presents information showing how the government'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).

Both of the government-wide financial statements distinguish functions of the City of Crescent City, Florida 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 user fees and charges (*business-type activities*). The governmental activities of the City of Crescent City, Florida include general government, public safety, transportation, parks and recreation and community redevelopment. The business-type activities of the City of Crescent City, Florida include natural gas, water and sewer operations.

The government-wide financial statements can be found on pages 10 – 11 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 of Crescent City, Florida, 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 of Crescent City, Florida can be divided into two categories: governmental funds and proprietary funds.

**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*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**CITY OF CRESCENT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

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 of Crescent City, Florida adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12 – 15 of this report.

**Proprietary funds.** The City of Crescent City, Florida maintains a proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Crescent City, Florida uses enterprise funds to account for its natural gas, water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the natural gas, water and sewer operations, which are considered to be a major funds.

The basic proprietary fund financial statements can be found on pages 16 – 18 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Crescent City's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds.

The basic fiduciary fund financial statements can be found on pages 19 – 20 of this report.

**Notes to the 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 21 – 40 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Crescent City, Florida, assets and deferred outflows exceeded liabilities and deferred inflows by \$17,794,269 at the close of the most recent fiscal year.

By far the largest portion of the City of Crescent City, Florida's net position (82 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Crescent City, Florida uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City of Crescent City, Florida'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.

**CITY OF CRESCENT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

**City of Crescent City, Florida's Condensed Statement of Net Position**

	Governmental		Business-type		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 2,229,655	\$ 2,985,338	\$ 2,872,672	\$ 2,059,007	\$ 5,102,327	\$ 5,044,345
Capital assets	5,180,447	5,179,393	10,773,382	9,630,976	15,953,829	14,810,369
Total assets	7,410,102	8,164,731	13,646,054	11,689,983	21,056,156	19,854,714
Deferred Outflows	70,805	167,982	-	-	70,805	167,982
Long-term liabilities						
outstanding	44,710	42,188	1,439,058	1,886,764	1,483,768	1,928,952
Other liabilities	72,133	109,843	1,670,401	762,518	1,742,534	872,361
Total liabilities	116,843	152,031	3,109,459	2,649,282	3,226,302	2,801,313
Deferred Inflows	106,390	112,525	-	-	106,390	112,525
Net position:						
Net investment in capital						
assets	5,180,447	5,179,393	9,369,189	7,952,206	14,549,636	13,131,599
Restricted	829,869	1,161,495	844,744	1,005,151	1,674,613	2,166,646
Unrestricted	1,247,358	1,727,269	322,662	83,344	1,570,020	1,810,613
Total net position	<u>\$ 7,257,674</u>	<u>\$ 8,068,157</u>	<u>\$10,536,595</u>	<u>\$ 9,040,701</u>	<u>\$17,794,269</u>	<u>\$17,108,858</u>

An additional portion of the City of Crescent City, Florida's net position (9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$1,570,020) may be used to meet the government's ongoing obligations to citizens and creditors.

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

**Governmental activities.** Governmental activities decreased the City of Crescent City, Florida's net position by (\$465,271), this change in net position is due to an increase in salaries and transfers of discretionary sales surtax to the water and sewer funds for capital purchases.

**CITY OF CRESCENT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

**City of Crescent City, Florida's Condensed Statement of Activities**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 86,062	\$ 74,329	\$ 1,833,889	\$ 1,693,671	\$ 1,919,951	\$ 1,768,000
Operating grants and contributions	103,885	65,774	-	-	103,885	65,774
Capital grants and contributions	-	30,269	1,370,052	1,340,255	1,370,052	1,370,524
General revenues:						
Taxes	1,992,613	1,736,622	-	-	1,992,613	1,736,622
Other state-shared	90,893	86,558	-	-	90,893	86,558
Other	16,376	39,711	35,259	36,254	51,635	75,965
Total revenues	2,289,829	2,033,263	3,239,200	3,070,180	5,529,029	5,103,443
Expenses:						
General government	1,023,158	689,269	-	-	1,023,158	689,269
Public safety	714,617	707,589	-	-	714,617	707,589
Transportation	327,856	278,158	-	-	327,856	278,158
Parks and recreation	170,227	179,143	-	-	170,227	179,143
Community redevelopment	316,976	212,325	-	-	316,976	212,325
Gas	-	-	734,597	669,982	734,597	669,982
Water and sewer	-	-	1,210,975	1,280,915	1,210,975	1,280,915
Total expenses	2,552,834	2,066,484	1,945,572	1,950,897	4,498,406	4,017,381
Increase (decrease) in Net position before transfers	(263,005)	(33,221)	1,293,628	1,119,283	1,030,623	1,086,062
Transfers	(202,266)	(64,051)	202,266	64,051	-	-
Increase (decrease) in Net position	(465,271)	(97,272)	1,495,894	1,183,334	1,030,623	1,086,062
Net position, beginning of year	7,722,945	8,165,429	9,040,701	7,857,367	16,763,646	16,022,796
Net position, end of year	\$ 7,257,674	\$ 8,068,157	\$ 10,536,595	\$ 9,040,701	\$ 17,794,269	\$ 17,108,858

**Business-type activities.** Business-type activities increased the City of Crescent City, Florida's net position by \$1,495,334. This increase was due to capital grant revenues to fund infrastructure improvements.

**Financial Analysis of the Government's Funds**

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

**Governmental funds.** The focus of the City of Crescent City, Florida'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 of Crescent City, Florida'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.

**CITY OF CRESCENT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

The general fund is the chief operating fund of the City of Crescent City, Florida. At the end of the current fiscal year, unassigned fund balance and total fund balance of the general fund was \$1,257,941 and \$1,295,075, respectively. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 52 percent of total general fund expenditures, excluding capital outlay.

A discretionary sales tax of 1% was in place during the year also known as "Better Place Plan" and is being used to improve the City's infrastructure. The following future projects are being discussed to be included in the city capital improvement plan for this funding source:

- Purchase of a dump truck, ditch witch, sewer jet trailer and (2) work trucks.

The City has a Community Redevelopment Agency (CRA) fund that will be used for special projects such as landscaping and street improvements and other infrastructure improvements.

Variations occurred during the fiscal year between the general fund original and final budget and between the final budget and the actual revenue and expenses within the general fund. Factors effecting these variations included personnel turn over and the ability of the city to provide adequate staffing levels resulting in over time.

A small decrease in state revenues and an increase in capital asset acquisitions and increase in salaries generated a decrease of \$360,286 in the fund balance of the City's general fund during the 2024 fiscal year.

***Proprietary fund.*** The City of Crescent City, Florida's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

The gas fund net position increased by \$95,752 due to a transfer from general fund. The net position of the Water and Sewer fund increased by \$1,400,142 due to an increase in capital grants.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Crescent City, Florida's investment in capital assets for its governmental and business type activities as of September 30, 2024, amounts to \$15,953,829 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, infrastructure and other improvements, equipment and construction in process. The total increase in the City of Crescent City, Florida's investment in capital assets for the current fiscal year was \$1,143,460.

Major capital asset events during the current fiscal year included the following:

- Water Main Project

**CITY OF CRESCENT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

**City of Crescent City, Florida's Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 469,876	\$ 469,876	\$ 238,868	\$ 238,868	\$ 708,744	\$ 708,744
Buildings and improvements	1,148,574	1,145,820	2,653,904	2,653,904	3,802,478	3,799,724
Infrastructure and other improvements	6,011,003	6,005,753	14,732,570	10,115,175	20,743,573	16,120,928
Equipment	1,656,349	1,371,752	1,464,780	1,199,048	3,121,129	2,570,800
Construction in progress	-	-	1,475,448	4,854,532	1,475,448	4,854,532
Accumulated depreciation	(4,105,355)	(3,813,808)	(9,792,188)	(9,430,551)	(13,897,543)	(13,244,359)
Total	\$ 5,180,447	\$ 5,179,393	\$ 10,773,382	\$ 9,630,976	\$ 15,953,829	\$ 14,810,369

Additional information on the City of Crescent City, Florida's capital assets can be found in Note 7 on page 30 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Crescent City, Florida had total bonded debt outstanding of \$1,404,193. This debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**City of Crescent City, Florida's Outstanding Debt**  
**Loan Payable and Revenue Bonds**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Loan payable	\$ -	\$ -	\$ -	\$ 350,256	\$ -	\$ 350,256
Revenue bonds	-	-	1,404,193	1,496,489	1,404,193	1,496,489
Total	\$ -	\$ -	\$ 1,404,193	\$ 1,846,745	\$ 1,404,193	\$ 1,846,745

Additional information on the City of Crescent City, Florida's long-term debt can be found in Note 8 on page 31 of this report.

**Economic Factors and Next Year's Budgets and Rates**

Many factors are considered each year by the City Commission in its efforts to establish an operating budget, to evaluate its personnel needs, and to develop fees that are reasonable for its citizens. Some of the major factors considered in this process are the local economy, civilian labor force, unemployment rates, and inflation rates. Additional economic factors forecasted for the upcoming fiscal year include:

- Modest increases in property tax revenue due to improving property tax values
- Increase CRA revenue due to increased property values.

All of these factors were considered in preparing the City of Crescent City, Florida's budget for the upcoming fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Crescent City, Florida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City's Finance Department, Crescent City, Florida.

**CITY OF CRESCENT CITY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,285,825	\$ 246,908	\$ 1,532,733
Receivables, net	41,481	229,623	271,104
Lease receivable	33,759	-	33,759
Internal balances	(1,590)	1,590	-
Due from other governments	89,954	1,198,330	1,288,284
Inventories	-	87,698	87,698
Prepays	37,134	82,421	119,555
Net pension asset	286,593	-	286,593
Restricted assets:			
Cash and cash equivalents	456,499	1,026,102	1,482,601
Capital assets:			
Land	469,876	238,868	708,744
Buildings and improvements	1,148,574	2,653,904	3,802,478
Infrastructure and other improvements	6,011,003	14,732,570	20,743,573
Equipment	1,656,349	1,464,780	3,121,129
Construction in progress	-	1,475,448	1,475,448
Accumulated depreciation	(4,105,355)	(9,792,188)	(13,897,543)
Total assets	<u>7,410,102</u>	<u>13,646,054</u>	<u>21,056,156</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>70,805</u>	<u>-</u>	<u>70,805</u>
<b>LIABILITIES</b>			
Accounts payable	33,870	1,155,543	1,189,413
Accrued payroll and employee benefits	24,835	-	24,835
Customer deposits	-	177,167	177,167
Unearned revenue	-	333,500	333,500
Due to fiduciary funds	13,428	-	13,428
Accrued interest payable	-	4,191	4,191
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	-	95,593	95,593
Compensated absences	5,675	5,781	11,456
Due in more than one year:			
Bonds and notes payable	-	1,308,600	1,308,600
Compensated absences	17,025	17,344	34,369
Total OPEB liability	22,010	11,740	33,750
Total liabilities	<u>116,843</u>	<u>3,109,459</u>	<u>3,226,302</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	73,812	-	73,812
Deferred inflows related to leases	32,578	-	32,578
Total deferred inflows of resources	<u>106,390</u>	<u>-</u>	<u>106,390</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,180,447	9,369,189	14,549,636
Restricted for:			
Discretionary tax - infrastructure	371,466	-	371,466
Community redevelopment	171,810	-	171,810
Debt service	-	146,670	146,670
Renewal and replacement	-	698,074	698,074
Pensions	286,593	-	286,593
Unrestricted	1,247,358	322,662	1,570,020
Total net position	<u>\$ 7,257,674</u>	<u>\$ 10,536,595</u>	<u>\$ 17,794,269</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,023,158	\$ 62,126	\$ -	\$ -	\$ (961,032)	\$ -	\$ (961,032)
Public safety	714,617	6,540	-	-	(708,077)	-	(708,077)
Transportation	327,856	17,396	31,698	-	(278,762)	-	(278,762)
Parks and recreation	170,227	-	-	-	(170,227)	-	(170,227)
Community redevelopment	316,976	-	72,187	-	(244,789)	-	(244,789)
Total governmental activities	<u>2,552,834</u>	<u>86,062</u>	<u>103,885</u>	<u>-</u>	<u>(2,362,887)</u>	<u>-</u>	<u>(2,362,887)</u>
Business-type activities:							
Gas	734,597	644,874	-	-	-	(89,723)	(89,723)
Water and wastewater	1,210,975	1,189,015	-	1,370,052	-	1,348,092	1,348,092
Total business-type activities	<u>1,945,572</u>	<u>1,833,889</u>	<u>-</u>	<u>1,370,052</u>	<u>-</u>	<u>1,258,369</u>	<u>1,258,369</u>
Total primary government	<u>\$ 4,498,406</u>	<u>\$ 1,919,951</u>	<u>\$ 103,885</u>	<u>\$ 1,370,052</u>	<u>(2,362,887)</u>	<u>1,258,369</u>	<u>(1,104,518)</u>
General revenues:							
Property taxes					1,141,164	-	1,141,164
Sales and use taxes					393,578	-	393,578
Franchise fees					154,555	-	154,555
Public service utility taxes					303,316	-	303,316
State revenue sharing					90,893	-	90,893
Miscellaneous revenues					16,376	35,259	51,635
Transfers					(202,266)	202,266	-
Total general revenues and transfers					<u>1,897,616</u>	<u>237,525</u>	<u>2,135,141</u>
Change in net position					(465,271)	1,495,894	1,030,623
Net position - beginning, as restated					7,722,945	9,040,701	16,763,646
Net position - ending					<u>\$ 7,257,674</u>	<u>\$ 10,536,595</u>	<u>\$ 17,794,269</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024**

	<u>General</u>	<u>Discretionary Tax</u>	<u>Community Redevelopment Agency</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,285,825	\$ 330,196	\$ 126,303	\$ 1,742,324
Receivables, net	41,481	-	-	41,481
Lease receivable	33,759	-	-	33,759
Due from other governments	48,684	41,270	-	89,954
Due from other funds	1,660	-	47,194	48,854
Prepaid items	37,134	-	-	37,134
Total assets	<u>\$ 1,448,543</u>	<u>\$ 371,466</u>	<u>\$ 173,497</u>	<u>\$ 1,993,506</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 33,605	\$ -	\$ 265	\$ 33,870
Accrued payroll and employee benefits	23,413	-	1,422	24,835
Due to other funds	63,872	-	-	63,872
Total liabilities	<u>120,890</u>	<u>-</u>	<u>1,687</u>	<u>122,577</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to leases	<u>32,578</u>	<u>-</u>	<u>-</u>	<u>32,578</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	37,134	-	-	37,134
Restricted for:				
Discretionary tax - infrastructure	-	371,466	-	371,466
Community redevelopment	-	-	171,810	171,810
Unassigned	1,257,941	-	-	1,257,941
Total fund balances	<u>1,295,075</u>	<u>371,466</u>	<u>171,810</u>	<u>1,838,351</u>
Total liabilities and fund balances	<u>\$ 1,415,965</u>	<u>\$ 371,466</u>	<u>\$ 173,497</u>	<u>\$ 1,960,928</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024**

<b>Fund balances - total governmental funds</b>		\$ 1,838,351
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		
Total governmental capital assets	9,285,802	
Less: accumulated depreciation	<u>(4,105,355)</u>	5,180,447
On the governmental fund statements, a net pension liability/asset is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability/asset of the defined benefit pension plans is reported as a noncurrent asset. Additionally, deferred outflows and deferred inflows related to pensions are also reported.		
Net pension asset	286,593	
Deferred outflows related to pensions	70,805	
Deferred inflows related to pensions	<u>(73,812)</u>	283,586
On the governmental fund statements, total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's total OPEB liability is reported as a noncurrent liability.		
Total OPEB liability		(22,010)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of the following:		
Compensated absences		(22,700)
<b>Net position of governmental activities</b>		<u><u>\$ 7,257,674</u></u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>General</u>	<u>Discretionary Tax</u>	<u>Community Redevelopment Agency</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 1,543,105	\$ 219,323	\$ 141,940	\$ 1,904,368
Licenses and permits	40,267	-	-	40,267
Intergovernmental	221,643	-	72,187	293,830
Charges for services	232,798	-	-	232,798
Fines and forfeitures	2,018	-	-	2,018
Miscellaneous	16,484	-	-	16,484
<b>Total revenues</b>	<u>2,056,315</u>	<u>219,323</u>	<u>214,127</u>	<u>2,489,765</u>
<b>Expenditures</b>				
Current:				
General government	1,081,041	7,500	-	1,088,541
Public safety	695,015	-	-	695,015
Transportation	276,515	-	-	276,515
Parks and recreation	87,083	-	-	87,083
Community redevelopment	-	-	316,976	316,976
Capital outlay	139,053	153,548	-	292,601
<b>Total expenditures</b>	<u>2,278,707</u>	<u>161,048</u>	<u>316,976</u>	<u>2,756,731</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(222,392)</u>	<u>58,275</u>	<u>(102,849)</u>	<u>(266,966)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	137,894	137,894
Transfers out	(137,894)	(202,266)	-	(340,160)
<b>Total other financing sources (uses)</b>	<u>(137,894)</u>	<u>(202,266)</u>	<u>137,894</u>	<u>(202,266)</u>
<b>Net change in fund balances</b>	<u>(360,286)</u>	<u>(143,991)</u>	<u>35,045</u>	<u>(469,232)</u>
<b>Fund balances, beginning of year</b>	1,655,361	515,457	136,765	2,307,583
<b>Fund balances, end of year</b>	<u>\$ 1,295,075</u>	<u>\$ 371,466</u>	<u>\$ 171,810</u>	<u>\$ 1,838,351</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ (469,232)</b>
Differences in amounts reported for governmental activities in the statement of activities are:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Capital outlay expenditures	292,601
Depreciation expense	(291,547)
Governmental funds report contributions to defined benefit pension/OPEB plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension/OPEB plans reduces future net pension/Total OPEB liability (asset). Also included in pension/OPEB expense in the statement of activities are deferred inflow and deferred outflow amounts required to be amortized.	
Change in net pension liability and deferred inflows/outflows related to pensions	5,429
Change in total OPEB liability	3,039
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:	
Change in compensated absences liability	(5,561)
<b>Change in net position of governmental activities</b>	<b><u>\$ (465,271)</u></b>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2024**

	<u>Gas</u>	<u>Water and Sewer</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 100	\$ 246,808	\$ 246,908
Restricted cash and cash equivalents	261,546	764,556	1,026,102
Accounts receivable, net	66,982	162,641	229,623
Due from other governments	-	1,198,330	1,198,330
Inventories	57,849	29,849	87,698
Prepaid items	7,484	74,937	82,421
Due from other funds	3,250	37,074	40,324
Total current assets	<u>397,211</u>	<u>2,514,195</u>	<u>2,911,406</u>
Noncurrent assets:			
Capital assets:			
Land	37,720	201,148	238,868
Buildings and improvements	58,501	2,595,403	2,653,904
Infrastructure	6,969,158	7,763,412	14,732,570
Equipment	528,751	936,029	1,464,780
Construction in progress	-	1,475,448	1,475,448
Accumulated depreciation	(2,317,714)	(7,474,474)	(9,792,188)
Total noncurrent assets	<u>5,276,416</u>	<u>5,496,966</u>	<u>10,773,382</u>
Total assets	<u>5,673,627</u>	<u>8,011,161</u>	<u>13,684,788</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	7,846	1,147,697	1,155,543
Unearned revenue	-	333,500	333,500
Due to other funds	38,734	-	38,734
Compensated absences	3,708	2,073	5,781
Payable from restricted assets:			
Revenue bonds payable, current	32,000	63,593	95,593
Deposits	83,917	93,250	177,167
Accrued interest payable	2,075	2,116	4,191
Total current liabilities	<u>168,280</u>	<u>1,642,229</u>	<u>1,810,509</u>
Noncurrent liabilities:			
Revenue bonds payable	476,300	832,300	1,308,600
Compensated absences	11,125	6,219	17,344
Total OPEB liability	5,870	5,870	11,740
Total noncurrent liabilities	<u>493,295</u>	<u>844,389</u>	<u>1,337,684</u>
Total liabilities	<u>661,575</u>	<u>2,486,618</u>	<u>3,148,193</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,768,116	4,601,073	9,369,189
Restricted for:			
Debt service	60,110	86,560	146,670
Renewal and replacement	115,444	582,630	698,074
Unrestricted	68,382	254,280	322,662
Total net position	<u>\$ 5,012,052</u>	<u>\$ 5,524,543</u>	<u>\$ 10,536,595</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Gas</u>	<u>Water and Sewer</u>	<u>Total</u>
<b>Operating revenues</b>			
Charges for services	\$ 644,874	\$ 1,189,015	\$ 1,833,889
<b>Operating expenses</b>			
Personal services	221,716	249,570	471,286
Contractual services	21,886	248,770	270,656
Repairs and maintenance	15,976	85,075	101,051
Supplies	236,747	216,424	453,171
Utilities	-	56,754	56,754
Other expenses	40,884	137,166	178,050
Depreciation	171,000	190,637	361,637
Total operating expenses	<u>708,209</u>	<u>1,184,396</u>	<u>1,892,605</u>
<b>Operating income (loss)</b>	<u>(63,335)</u>	<u>4,619</u>	<u>(58,716)</u>
<b>Nonoperating revenues (expenses)</b>			
Other income (expense)	325	34,934	35,259
Interest and amortization expense	(26,388)	(26,579)	(52,967)
Total nonoperating revenues (expenses)	<u>(26,063)</u>	<u>8,355</u>	<u>(17,708)</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>(89,398)</u>	<u>12,974</u>	<u>(76,424)</u>
Capital grants	-	1,370,052	1,370,052
Transfers in	185,150	17,116	202,266
<b>Change in net position</b>	<u>95,752</u>	<u>1,400,142</u>	<u>1,495,894</u>
<b>Net position, beginning of year</b>	4,916,300	4,124,401	9,040,701
<b>Net position, end of year</b>	<u>\$ 5,012,052</u>	<u>\$ 5,524,543</u>	<u>\$ 10,536,595</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Gas</u>	<u>Water and Sewer</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 802,256	\$ 996,672	\$ 1,798,928
Cash paid to employees	(222,655)	(253,785)	(476,440)
Cash paid to suppliers	(332,373)	(681,883)	(1,014,256)
Other receipts (payments)	325	135,306	135,631
Net cash provided by (used in) operating activities	<u>247,553</u>	<u>196,310</u>	<u>443,863</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers from other funds	185,150	17,116	202,266
Interfund loans	(43,531)	(123,502)	(167,033)
Net cash provided by (used in) noncapital financing activities	<u>141,619</u>	<u>(106,386)</u>	<u>35,233</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets	(185,149)	(366,114)	(551,263)
Capital grants	-	71,350	71,350
Principal payments of long-term debt	(30,500)	(61,796)	(92,296)
Repayment of short-term debt	(350,256)	-	(350,256)
Interest paid	(26,726)	(26,880)	(53,606)
Net cash provided by (used in) capital and related financing activities	<u>(592,631)</u>	<u>(383,440)</u>	<u>(976,071)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(203,459)</u>	<u>(293,516)</u>	<u>(496,975)</u>
<b>Cash and cash equivalents, beginning of year</b>	465,105	1,304,880	1,769,985
<b>Cash and cash equivalents, end of year</b>	<u>\$ 261,646</u>	<u>\$ 1,011,364</u>	<u>\$ 1,273,010</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (63,335)	\$ 4,619	\$ (58,716)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:			
Depreciation	171,000	190,637	361,637
Other income (expense)	325	135,306	135,631
Changes in assets and liabilities:			
Accounts receivable	160,179	(21,126)	139,053
Inventories and prepaids	(9,893)	(74,437)	(84,330)
Accounts payable and accrued liabilities	(6,987)	136,743	129,756
Deposits	(2,797)	1,343	(1,454)
Unearned revenue	-	(172,560)	(172,560)
Compensated absences	(129)	(3,405)	(3,534)
Total OPEB liability	(810)	(810)	(1,620)
Net cash provided by (used in) operating activities	<u>\$ 247,553</u>	<u>\$ 196,310</u>	<u>\$ 443,863</u>
<b>Cash and cash equivalents classified as:</b>			
Unrestricted	\$ 100	\$ 246,808	\$ 246,908
Restricted	261,546	764,556	1,026,102
Total cash and cash equivalents	<u>\$ 261,646</u>	<u>\$ 1,011,364</u>	<u>\$ 1,273,010</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2024**

	<b>Municipal Police Officers' Pension Trust Fund</b>	<b>Municipal Firemen's Pension Trust Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents with trustee	\$ 11,706	\$ 8,919	\$ 20,625
Receivables			
Interest and dividends receivable	49	37	86
Due from other funds	-	13,428	13,428
Total receivables	<u>49</u>	<u>13,465</u>	<u>13,514</u>
Investments, at fair value			
Mutual funds - fixed income	93,381	277,285	370,666
Mutual funds - equity	216,264	626,461	842,725
Other assets	<u>293,469</u>	<u>-</u>	<u>293,469</u>
Total investments	603,114	903,746	1,506,860
Total assets	<u>614,869</u>	<u>926,130</u>	<u>1,540,999</u>
<b>LIABILITIES</b>			
Accounts payable	-	74	74
<b>NET POSITION</b>			
Restricted for pensions	<u>\$ 614,869</u>	<u>\$ 926,056</u>	<u>\$ 1,540,925</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<b>Municipal Police Officers' Pension Trust Fund</b>	<b>Municipal Firemen's Pension Trust Fund</b>	<b>Total</b>
<b>Additions</b>			
Contributions:			
Plan members	\$ -	\$ 3,906	\$ 3,906
State - insurance premium taxes	-	13,428	13,428
Total contributions	<u>-</u>	<u>17,334</u>	<u>17,334</u>
Investment earnings (loss):			
Interest and dividends	7,050	20,001	27,051
Net appreciation (depreciation) in fair value of investments	57,969	163,562	221,531
Total investment earnings	<u>65,019</u>	<u>183,563</u>	<u>248,582</u>
Less: investment expense	(7,850)	-	(7,850)
Net investment income (loss)	<u>57,169</u>	<u>183,563</u>	<u>240,732</u>
Total additions	<u>57,169</u>	<u>200,897</u>	<u>258,066</u>
<b>Deductions</b>			
Benefit payments	-	12,879	12,879
Administrative expenses	48	133	181
Total deductions	<u>48</u>	<u>13,012</u>	<u>13,060</u>
<b>Change in net position</b>	<u>57,121</u>	<u>187,885</u>	<u>245,006</u>
<b>Net position</b> , beginning of year	557,748	738,171	1,295,919
<b>Net position</b> , end of year	<u>\$ 614,869</u>	<u>\$ 926,056</u>	<u>\$ 1,540,925</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:**

The financial statements of the City of Crescent City, Florida (the City), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the City's significant accounting policies:

(a) **Reporting entity**—The City of Crescent City, Florida, established under Chapter 57-1244, House Bill 1672, of the State of Florida. The legislative branch of the City is composed of an elected five (5) member City Commission. All required by generally accepted accounting principles, the accompanying financial statements present the City as a primary government. Component units, if any, would also be presented.

Component units are organizations for which the City as the primary government is financially accountable. To be considered financially accountable, the organization must be fiscally dependent on the City or the City must appoint a majority of the board of the organization and either 1) be able to impose its will on the organization or 2) the relationship must have the potential for creating a financial benefit or imposing a financial burden of the City.

The accompanying financial statements present the financial position, results of operations and cash flows of the applicable funds controlled by or dependent on the City. In evaluating the City as a reporting entity, management has addressed all potential component units for which the entity may or may not be financially accountable and, as such, be included within the City's financial statements.

(b) **Blended component units**—Blended component units, although legally separate entities, are in substance part of the City's operations, and as a result, considered to be financially accountable. The Community Redevelopment Agency Fund is a special revenue fund used to account for the revenues of the redevelopment tax district. The Community Redevelopment Agency oversees operations of the taxing district. The Agency was organized under Ordinance No. 9504 of the City of Crescent City, Florida on November 9, 1995. The Agency's board is comprised of the City Commission. The Agency met the conditions described above.

(c) **Government-wide and fund financial statements**—The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis and are reflected, on a full accrual, economic resource basis, which incorporates long term assets and receivables as well as long term debt and obligations.

The government-wide statement of activities reflects both the gross and net costs per functional category (public safety, transportation, etc.), which are otherwise being supported by general government revenues (property, sales taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by the related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

**CITY OF CRESCENT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). This government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements emphasize the major funds in either the governmental or business-type categories. Non-major funds (by category) are summarized into a single column, if any.

The governmental funds' major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to demonstrate legal compliance and demonstrate how the City's actual experience conforms to the budgeted fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following the Governmental Funds – Balance Sheet and the Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The City's fiduciary funds are presented in the fund financial statements by type (pension). Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

As a general rule the effect of interfund City activities has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

(d) **Measurement focus and basis of accounting**—The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**CITY OF CRESCENT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

Taxes, intergovernmental revenue, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

(e) **Financial statement presentation**—The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB Codification sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City has one non-major fund, the Voluntary Fire Fund.

The City reports the following major governmental funds:

The **General Fund** is the principal fund of the City, which accounts for all transactions not accounted for in other funds. The majority of current operating expenditures of the City are financed through revenues received by the General Fund.

The **Special Revenue Major Funds** are used to account for the proceeds of specific revenue sources (other than special assessments, or capital projects), which are legally restricted to finance particular functions or activities of the City. These funds include the Community Redevelopment Agency Fund to finance the CRA and the Discretionary Tax Fund to finance improvements to the City's infrastructure.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** was established to account for the revenues and expenses associated with the provision of water, sewer services to the business and residents of the City.

The **Gas Fund** was established to account for revenues and expenses associated with providing gas services to the area.

Additionally, the City reports the following fiduciary funds:

The **Pension Trust Funds** account for the activities of the Municipal Police Officers Pension Plan and the Municipal Firemen's Pension Plan.

(f) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

**CITY OF CRESCENT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Budgets and budgetary accounting**—Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The proprietary funds' budgets are prepared on a full accrual basis of accounting. The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- i. Prior to the first day of the new fiscal year, the City Manager submits to the City Commission a budget for the ensuing fiscal year.
- ii. Budget workshop sessions are scheduled by the City Manager and City Commission as needed.
- iii. The general summary of the budget and notice of public hearing is published in the local newspaper.
- iv. Public hearings are conducted to obtain taxpayer comments.
- v. Prior to October 1, the budgets are legally enacted through passage of a resolution.
- vi. The City Commission, by ordinance, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated.
- vii. The level of classification detail at which expenditures may not legally exceed appropriations is the fund level.
- viii. Appropriations lapse at the close of the fiscal year to the extent they have not been expended. Reserved and designated fund balances are re-budgeted in the year of planned expenditure.
- ix. Budget for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The governmental funds have legally adopted annual budgets contained within a separate document.

(h) **Deposits and investments**—Cash consists of amounts held in demand deposits. Cash equivalents consist of short term investments having a maturity date of less than three months from the date acquired. Investments are reported at fair value.

(i) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered monthly. Unbilled accounts receivable are accrued by the City at year-end to recognize the sales revenues earned through the end of the fiscal year.

**CITY OF CRESCENT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Lease receivable**—When engaged in long-term leasing activity as the lessor, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable

(k) **Capital assets**—Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the City.

Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost, if purchased or constructed. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Maintenance and repairs of capital assets are charged to operating expenses. Donated assets are recorded at estimated acquisition value at the date of donation.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

Assets	Years
Buildings	20 – 40 years
Improvements other than buildings	10 – 30 years
Infrastructure	20 – 40 years
Equipment	3 – 30 years

**CITY OF CRESCENT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

(l) **Compensated absences**—It is the City's policy to grant employees vacation leave based upon the number of years of employment with the City. Vacation leave may be used as time off during the year. Full-time employees can accrue up to 480 hours of vacation leave to carry over to the subsequent year. Upon termination, employees receive a cash payment equal to 1/2 of the approved days carried over, based upon the applicable employee's current wage rate.

Sick leave is accumulated at a rate of 1.5 hours per week (480 hours maximum) per full-time employee and can be accumulated, but used only for illness.

The portion of employee's payroll costs paid subsequent to year-end attributable to services performed prior to year-end accumulated unpaid vacation, sick leave, and personal leave is recorded and recognized as current liabilities. The remainder of the liability for compensated absences payable beyond the current period is recorded as a long-term liability.

(m) **Long-term obligations**—In the government-wide financial statements and proprietary fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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.

(n) **Net position flow assumption**—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the City's policy to consider restricted net position to have been used before unrestricted net position is applied.

(o) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

**CITY OF CRESCENT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

*Restricted* - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e., when the government assesses, levies, charges, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* - Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Commission are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* - Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance, except for stabilization arrangements.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

For spendable resources, is the City's policy to use its resources in the following order as needed to fund expenses: restricted, committed, assigned, unassigned.

(p) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item, deferred outflows related to pensions, which qualify for reporting in this category. Deferred outflows related to pensions are discussed further in Note (10).

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has one item, deferred inflows related to pensions, which qualify for reporting in this category. Deferred inflows related to pensions are discussed further in Note (10).

(q) **Implementation of new accounting standards**—At September 30, 2024, and for the year then ended, the City has not implemented any significant new standards.

**CITY OF CRESCENT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(2) Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

**(3) Property Tax Calendar:**

Under Florida law, the assessment of all properties and collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The tax levy of the City is established by the City Commission prior to October 1 of each year and the Putnam County Property Appraiser incorporates the millages into the total tax levy, which includes the County, the School Board and other applicable taxing districts. The millage rate assessed by the City for the fiscal year ended September 30, 2024, was 8.5914 per \$1,000.

All property is reassessed by the County Property Appraiser according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of state statutes.

All real and tangible personal property taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year following the year in which the taxes were billed. Procedures for the collection of delinquent taxes are the responsibility of the county and are subject to Florida Law.

Property tax revenues are recognized when levied in accordance with the modified accrual basis of accounting. Delinquent taxes receivable that are measurable, but not available as of the end of the fiscal year are reflected as deferred inflows, if material.

**(4) Deposits and Investments:**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All of the bank balance is covered by Federal depository insurance or by collateral held by the City's custodial banks, which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act, Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

The City has no investments as of September 30, 2024. See Note (10) for Fiduciary Funds.

**CITY OF CRESCENT CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

(5) **Accounts Receivable:**

The City's accounts receivables consist of the following at September 30, 2024:

	<b>Gross Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Receivable</b>
Governmental Activities:			
General Fund	\$ 41,481	\$ -	\$ 41,481
Totals – Governmental Type Activities	41,481	-	41,481
Business-Type Activities			
Gas Fund	123,982	(57,000)	66,982
Water and Sewer Fund	232,641	(70,000)	162,641
Totals – Business-Type Activities	356,623	(127,000)	229,623
Totals	\$ 398,104	\$ (127,000)	\$ 271,104

In addition to accounts receivable, the City also recorded \$1,288,284 in due from other governments at September 30, 2024.

(6) **Leases Receivable:**

*General Fund*

The City has an ongoing lease agreement with the Putnam County Board of County Commissioners related to office space owned by the City. The lease was originally entered into on December 1, 2007, with an initial term of 60 months, and the City exercised the two renewals, with most recent one expiring on December 31, 2025.

The City recognized \$26,262 in lease revenue and \$1,141 in interest revenue during the fiscal year related September 30, 2024 to this lease. As of September 30, 2024, the City's receivable for lease payments was \$33,759. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term, which totaled \$32,578 at September 30, 2024.

**CITY OF CRESCENT CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

**(7) Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2024, is as follows:

***Governmental activities:***

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 469,876	\$ -	\$ -	\$ 469,876
Construction in progress	-	-	-	-
Total assets not being depreciated	<u>469,876</u>	<u>-</u>	<u>-</u>	<u>469,876</u>
Capital assets being depreciated:				
Building & improvements	1,145,820	2,754	-	1,148,574
Equipment	1,371,752	284,597	-	1,656,349
Infrastructure	1,724,315	5,250	-	1,729,565
Improvements other than building	4,281,438	-	-	4,281,438
Total assets being depreciated	<u>8,523,325</u>	<u>292,601</u>	<u>-</u>	<u>8,815,926</u>
Less: accumulated depreciation	<u>(3,813,808)</u>	<u>(291,547)</u>	<u>-</u>	<u>(4,105,355)</u>
Total capital assets being depreciated, net	<u>4,709,517</u>	<u>1,054</u>	<u>-</u>	<u>4,710,571</u>
Governmental activities capital assets, net	<u>\$ 5,179,393</u>	<u>\$ 1,054</u>	<u>\$ -</u>	<u>\$ 5,180,447</u>

***Business-type activities:***

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 238,868	\$ -	\$ -	\$ 238,868
Construction in progress	4,854,532	1,235,106	(4,614,190)	1,475,448
Total assets not being depreciated	<u>5,093,400</u>	<u>1,235,106</u>	<u>(4,614,190)</u>	<u>1,714,316</u>
Capital assets being depreciated:				
Building & improvements	2,653,904	-	-	2,653,904
Equipment	1,199,048	265,732	-	1,464,780
Infrastructure	10,002,485	4,617,395	-	14,619,880
Improvements other than buildings	112,690	-	-	112,690
Total assets being depreciated	<u>13,968,127</u>	<u>4,883,127</u>	<u>-</u>	<u>18,851,254</u>
Less: accumulated depreciation	<u>(9,430,551)</u>	<u>(361,637)</u>	<u>-</u>	<u>(9,792,188)</u>
Total capital assets being depreciated, net	<u>4,537,576</u>	<u>4,521,490</u>	<u>-</u>	<u>9,059,066</u>
Business-type activities capital assets, net	<u>\$ 9,630,976</u>	<u>\$ 5,756,596</u>	<u>\$ (4,614,190)</u>	<u>\$ 10,773,382</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General governmental	\$ 134,420
Community development	19,530
Public safety	49,146
Parks and recreation	88,451
Total depreciation expense - governmental activities	<u>\$ 291,547</u>
Business-type activities:	
Gas	\$ 171,000
Water and sewer	190,637
Total depreciation expense - business-type activities	<u>\$ 361,637</u>

**CITY OF CRESCENT CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

**(8) Long-Term Debt:**

A summary of the long-term liability transactions for the City for the fiscal year ended September 30, 2024, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Compensated absences	\$ 17,139	\$ 9,559	\$ (3,998)	\$ 22,700	\$ 5,675
Governmental activities – Total long-term liabilities	<u>\$ 17,139</u>	<u>\$ 9,559</u>	<u>\$ (3,998)</u>	<u>\$ 22,700</u>	<u>\$ 5,675</u>
<b>Business-type activities:</b>					
Bonds payable	\$ 1,496,489	\$ -	\$ (92,296)	\$ 1,404,193	\$ 95,593
Loan payable	350,256	-	(350,256)	-	-
Compensated absences	26,659	10,737	(14,271)	23,125	5,781
Business-type activities – Total long-term liabilities	<u>\$ 1,873,404</u>	<u>\$ 10,737</u>	<u>\$ (456,823)</u>	<u>\$ 1,427,318</u>	<u>\$ 101,374</u>

Annual debt service requirements to maturity for the City’s revenue bonds and loans payable are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 95,593	\$ 50,322	\$ 145,915
2026	99,018	46,909	145,927
2027	102,596	43,362	145,958
2028	106,328	39,677	146,005
2029	110,115	35,848	145,963
2030-2034	612,935	116,448	729,383
2035-2036	277,608	14,131	291,739
Total	<u>\$ 1,404,193</u>	<u>\$ 346,697</u>	<u>\$ 1,750,890</u>

Bonds and loan payables in the City’s business-type activities at September 30, 2024, are comprised of the following obligations:

Gas System Revenue Bonds series 1997A and 1997B, in the original amounts of \$700,000 and \$270,000, respectively, where the City pledges income derived from the constructed assets to pay debt service. Principal and interest is paid annually on September 1 and carry interest at 5% for series 1997A and 4.875% for series 1997B. Bonds mature in 2036. \$ 508,300

Water and Sewer Revenue Bonds series 2017, in the original amount of \$1,294,041, where the City pledges income derived from the constructed assets to pay debt service. Principal and interest is paid semiannually on March 1 and September 1 and carry interest at 2.85%. Bonds mature in 2036. 895,893

Total long-term debt, business-type activities \$ 1,404,193

**CITY OF CRESCENT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(9) Interfund Loans, Advances, Fees and Transfers:**

The outstanding balances between funds are short-term loans to cover short-term cash flow needs and expected to be repaid in full over the course of the next fiscal year. Individual fund interfund receivables and payables for the primary government at September 30, 2024, are comprised of the following:

	<b>Due From Other Funds</b>	<b>Due to Other Funds</b>
Government Activities:		
General Fund		
Gas Fund	\$ 1,660	\$ 3,250
CRA Fund	-	47,194
Fire Pension Fund		13,428
CRA Fund		
General Fund	47,194	-
Fire Pension Fund		
General Fund	13,428	-
	62,282	63,872
Business-Type Activities:		
Gas Fund		
General Fund	3,250	1,660
Water and Sewer Fund	-	37,074
Water and Sewer Fund		
Gas Fund	37,074	-
General Fund	-	-
	40,324	38,734
Total – All Funds	\$ 102,606	\$ 102,606

For the year ended September 30, 2024, interfund transfers consisted of the following:

	<b>Transfer From</b>	<b>Transfer To</b>
Governmental Activities		
General Fund:		
CRA Fund	\$ -	\$ 137,894
CRA Fund:		
General Fund	137,894	-
Discretionary Tax Fund:		
Gas Fund	-	185,150
Water and Sewer Fund		17,116
	137,894	340,160
Business-type Activities:		
Gas Fund:		
Discretionary Tax Fund	185,150	-
Water and Sewer Fund:		
Discretionary Tax Fund	17,116	-
	202,266	-
Totals – All Funds	\$ 340,160	\$ 340,160

Transfers are used to move revenues between funds to reflect the activities of the fund with the primary government. The primary government accounts for activities such as budgetary authorizations, subsidies or matching funds for various grant programs, and reimbursements to the general fund for services provided to other funds.

**CITY OF CRESCENT CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

**(10) Employees' Retirement Plans:**

The City sponsors and administers two retirement plans, which are accounted for in separate Pension Trust Funds.

**A. General Employee's Plan**

The City provided pension benefits for all full time City personnel who had completed one year of employment and were at least 21 years of age through this defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City was obligated under resolution #87-05 to contribute an amount equal to 5% of the employee's salary.

On May 1, 2000, the City passed a resolution amending and restating the then-existing plan. The current defined contribution plan is a money purchase plan qualified under Section 401(a) of the Internal Revenue Code. For each plan participant, the current plan established participant-directed investment accounts. Because of these changes, the City has minimal administrative responsibilities related to the plan and no longer has fiduciary accountability for assets in participant accounts. Therefore, those assets are not reported in the accompanying financial statements.

**B. Police Officer's Plan**

The Municipal Police Officers' Retirement Trust Fund is a single-employer defined benefit pension plan that provides pensions for qualified police officers pursuant to Florida Statute, Chapter 185. The City adopted a "chapter plan" that provides benefits based on years of service. The benefits are provided through a state contribution from collections of a Police Insurance Premium Tax. The City is required to participate only when the State contributions are insufficient to fund the plan.

The City has not implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statements No. 67 and 68 establishes standards for the measurement, recognition, and display of pension expense/expenditures and related liabilities, note disclosures, and required supplementary information.

**Annuity Investments Recorded at Cost – Departure from GAAP**

The Plan holds annuity contracts as part of its investment portfolio. These annuity investments are recorded at cost, which represents the original premium paid to the insurance carrier. Accounting principles generally accepted in the United States of America require such investments to be reported at fair value. Because the annuity contracts are reported at cost rather than at fair value, the Plan's financial statements depart from accounting principles generally accepted in the United States of America. The amount by which this departure would affect the fiduciary net position and the changes in fiduciary net position has not been determined.

**C. Firemen's Plan**

**Plan Description and Administration**

The City maintains a single-employer defined benefit pension plan for eligible firemen. The City of Crescent City Municipal Firemen's Pension Plan (the Plan) is administered by the Plan's Board of Trustees (the Board) and covers all eligible firemen. The Board is comprised of 2 members appointed by the City Commission, 2 members elected by the plan members, and a fifth member as elected by the other four members.

**CITY OF CRESCENT CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

(10) **Employees' Retirement Plans:** (Continued)

**Benefits Provided and Employees Covered**

The Plan provides retirement, disability and death benefits to plan participants and beneficiaries. Cost of living adjustments are provided to retirees and beneficiaries at the discretion of the City Commission. Benefits under the Plan vest after ten years of full-time employment. Current membership in the Plan was composed of the following at September 30, 2024:

	<b>Fire</b>
Inactive plan members or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	2
Active participants	14
Total current membership	18

Employees in the Fire Pension Plan attaining the age of 55 and the completion of 10 years of credited service or attaining the age of 52 and the completion of 25 years of credited service are entitled to annual benefits of 3% of their average final compensation for each year of credited service. Normal retirement benefits are payable for life and cease upon death with a guaranteed benefit period of 120 months. Employees attaining the age of 55 and the completion of the minimum years for credited service are eligible for early retirement at an accrued benefit rate this is reduced by 3% per year. In the line of duty disability benefits are equal to at least 42% of average final compensation. Non-service incurred disability benefits are only payable to participants with 10 or more years of credited service and are equal to minimum benefit of 25% of average final compensation.

**Financial Statements**

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The government's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Separate financial statements have not been prepared for the Plan.

**Contributions**

Legislature grants the authority to establish and amend the contribution requirements of the City and active employees to the Board of Trustees. The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the year ended September 30, 2024, the average active employee contribution was 5% of annual pay for Fire employees. For the year ended September 30, 2024, the City was not required to contribute to the firefighters pension plans.

Contributions to the City's pension plans for the year ended September 30, 2024, were as follows:

**CITY OF CRESCENT CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

(10) **Employees' Retirement Plans:** (Continued)

	<b>Fire Plan</b>
Employee contributions	\$ 3,906
City contributions	-
State contributions	13,428
Total contributions	\$ 17,334

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the Board of Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of September 30, 2024:

<b>Asset Class</b>	<b>Fire Target Allocation</b>
Domestic equity	50%
International equity	15%
Broad market fixed income	30%
Global fixed income	5%
Total	100%

**Concentrations**

The plan did not hold investments in any one organization that represent 5% or more of the Pension Plan's fiduciary net position.

**Reserves**

As of September 30, 2024, there are no amounts legally required to be reserved for the firefighter pension fund.

**Investment Balances**

The provision under Florida statutes limit investments to: investment in annuity and life insurance contracts of life insurance companies; time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or savings, building and loan association insured by the Savings Associations Insurance Fund which is administered by the Federal Deposit Insurance corporation or a state or federal chartered credit union with shares accounts insured by the National Credit Union Share Insurance Fund; Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States; Bonds issued by the State of Israel, Bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided that it meets the requirements of Chapter 185.06 (a) and (b) and Chapter 175.071 (a) and (b). The retirement funds measures it's investments using fair value measurement guidelines established by GASB No. 72. These guidelines recognize a three-tiered fair value hierarchy as follows:

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

At September 30, 2024, the City's pension plan had the following deposits and investments:

**CITY OF CRESCENT CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

(10) **Employees' Retirement Plans:** (Continued)

	<u>Fair Value</u>	<u>Maturities (in years) Less Than 1</u>	<u>Fair Value Hierarchy Level</u>
Cash	\$ 8,919	\$ 8,919	N/A
Mutual Funds – Fixed Income	277,285	277,285	1
Mutual Funds – Equity	626,461	626,461	1
Total Portfolio	<u>\$ 912,665</u>	<u>\$ 912,665</u>	

**Net Pension Liability**

The components of the net pension liability of the pension plans at September 30, 2024, were as follows:

	<u>Fire</u>
Total pension liability	\$ 632,083
Plan fiduciary net position	(918,676)
Net pension liability (asset)	<u>\$ (286,593)</u>
Plan fiduciary net position as percentage of total pension liability	145.34%

The total pension liability was determined by an actuarial valuation as of October 1, 2023, and measurement date of September 30, 2024, using the following actuarial assumptions to all measurement periods.

	<u>Fire</u>
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	6.50%
Mortality table	PUB-2010

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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class as of September 30, 2024 for the Fire Plan are summarized in the following table:

<u>Asset Class</u>	<u>Fire</u>
Domestic equity	7.50%
International equity	8.50%
Broad market fixed income	2.50%
Global fixed income	3.50%

*Discount rate:*

The discount rate used to measure the total pension liability was 6.50%. The discount rate used to measure the total pension liability varied as discussed on the following pages. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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 CRESCENT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(10) **Employees' Retirement Plans:** (Continued)

*Changes in net pension liability:*

Changes in plan's net pension liability were as follows:

	<b>Fire</b>		<b>Net Pension Liability (Asset) (a - b)</b>
	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	
Beginning Balance	\$ 529,802	\$ 738,171	\$ (208,369)
Changes for year:			
Service cost	18,112	-	18,112
Interest	38,971	-	38,971
Differences between expected/actual experience	52,154	-	52,154
Changes of assumptions	5,923	-	5,923
Contributions – city and state	-	13,428	(13,428)
Contributions – employee	-	4,409	(4,409)
Net investment income	-	183,555	(183,555)
Benefit payments, including refunds	(12,879)	(12,879)	-
Administrative expenses	-	(8,008)	8,008
Other	-	-	-
Net changes	<u>102,281</u>	<u>180,505</u>	<u>(78,224)</u>
Ending Balance	<u>\$ 632,083</u>	<u>\$ 918,676</u>	<u>\$ (286,593)</u>

*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 selected discount rates, as well as what the City's net pension asset (NPA) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPA with 1% Decrease</u>	<u>NPA at Current Discount Rate</u>	<u>NPA with 1% Increase</u>
Fire	6.50%	\$ (201,443)	\$ (286,593)	\$ (357,348)

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended September 30, 2024, the annual-money weighted rate of return pension plan investments, net of pension plan investment expense was as follows:

	<u>Fire Plan</u>
Annual money-weighted rate of return (loss)	25.04%

**Pension Expense and Deferred Outflows and Inflows of Resources Related to Pension**

For the year ended September 30, 2024, the City recognized pension expense (benefit) of \$7,999.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Fire Plan</b>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 62,445	\$ 8,794
Changes of assumptions	8,360	4,700
Net different between projected and actual investment earnings	-	60,318
	<u>\$ 70,805</u>	<u>\$ 73,812</u>

**CITY OF CRESCENT CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

**(10) Employees' Retirement Plans:** (Continued)

Amounts reported as deferred outflows and deferred inflows of resources related to pension being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	<b>Fire Plan</b>
2025	\$ (105)
2026	17,831
2027	(24,568)
2028	(14,944)
2029	9,781
Thereafter	8,998

**(11) Other Post-Employment Benefits (OPEB):**

**Plan Description**—The City of Crescent City, Florida, Post-Retirement Benefits Plan (the Plan) is a single-employer healthcare plan administered by the City. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the Plan to retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The Plan does not issue a publicly available financial report.

**Funding Policy**—The City pays 100% of the active employees insurance and retirees can choose to remain on the City's policy into retirement if they pay the entire premium. The insurance carrier charges actives and retirees the same premium rates.

**Benefits Provided**—The Other Post-Employment Benefit Plan is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee, known as the “implicit rate subsidy.”

**Plan Membership**—At September 30, 2023, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	20
Inactive Employees	0
	20

**Total OPEB Liability**—The City’s total OPEB liability of \$33,750 was measured as of September 30, 2024, and was determined by an actuarial valuation using the alternative measurement method for small plans as of that date.

**Actuarial Assumptions and Other Inputs**—The total OPEB liability in the September 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.50%
Discount rate	4.06%
Healthcare cost trend rate	7.00%
	Ultimate rate reached in 2075 4.00%
Retirees’ share of benefit-related costs	100.00%

**CITY OF CRESCENT CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

**(11) Other Post-Employment Benefits (OPEB):** (Continued)

The City does not have a dedicated Trust to pay retiree healthcare benefits. The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2024.

Mortality rates were based on the PubG-2010 Mortality Table for males and females with mortality improvement projected to the valuation date using Scale MP-2019.

For the fiscal year ended September 30, 2024, changes in the total OPEB liability were as follows:

Balance at September 30, 2023	<u>\$</u>	38,409
Changes for a year:		
Service cost		4,055
Interest		1,415
Differences between expected and actual experience		(6,715)
Changes of assumptions		1,569
Benefit payments		<u>(4,983)</u>
Net changes		<u>(4,659)</u>
Balance at September 30, 2024	<u>\$</u>	<u>33,750</u>

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the City calculated using the discount rate of 4.06%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 35,057	\$ 33,750	\$ 30,739

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:*

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.00%-3.00%) or 1% higher (8.00%-5.00%) than the current healthcare cost trend rates (7.00%-4.00%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 30,403	\$ 33,750	\$ 35,484

**OPEB Expense**

For the year ended September 30, 2024, the City recognized OPEB expense of \$1,924.

**(12) Risk Management:**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in coverage from the prior year.

**CITY OF CRESCENT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(12) **Risk Management:** (Continued)

The City is engaged in routine litigation incidental to the conduct of its municipal affairs. In the opinion of the City's legal counsel, no legal proceedings are pending which would have a material adverse effect on the financial position or results of operations of the City.

(13) **Discretionary Tax:**

The City receives funds from the additional one cent discretionary sales tax from Putnam County that was passed by referendum. The surtax is to be in effect until December 31, 2032, and to be used for roads, sidewalks, parks, improve drainage, resurface roads, improve land for public use, modernize libraries, build water/sewer systems, promote economic development, build or expand government buildings and community centers, improve law enforcement and fire protection systems and facilities, public transportation systems and waterfront assets and accessibility. The City accounts for this revenue source as a Special Revenue Fund.

(14) **Commitments and Contingencies:**

The City is engaged in routine litigation incidental to the conduct of its business and municipal affairs. In the opinion of its counsel, no legal proceedings are pending against them, not covered by insurance, which would inhibit the City's ability to perform its operations or materially affect its financial condition.

(15) **Prior Period Restatement:**

In FY 2024, management determined the Municipal Police Officers' Pension Plan amounts previously reported in governmental activities under GASB 68 should not have been recognized. Accordingly, beginning net position of governmental activities at October 1, 2023 decreased by \$345,212, comprised of removal of the Police Plan net pension asset (\$300,904) and deferred outflows (\$74,382), partially offset by removal of deferred inflows (\$30,074). Beginning net position, as restated, is \$7,722,945 for governmental activities and \$9,040,701 for business-type activities (total \$16,763,646).

(16) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City's financial statements:

- (a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends various provisions regarding the calculation methodology and required disclosures related to the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.
- (b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB Statement No. 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024.
- (c) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- (d) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CRESCENT CITY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,428,574	\$ 1,428,574	\$ 1,543,105	\$ 114,531
Licenses and permits	20,000	20,000	40,267	20,267
Intergovernmental	237,300	237,300	221,643	(15,657)
Charges for services	494,672	494,672	232,798	(261,874)
Fines and forfeitures	1,000	1,000	2,018	1,018
Miscellaneous	11,700	11,700	16,484	4,784
Total revenues	<u>2,193,246</u>	<u>2,193,246</u>	<u>2,056,315</u>	<u>(136,931)</u>
<b>Expenditures</b>				
Current:				
General government:				
Executive	66,627	67,627	68,330	(703)
Finance and administration	498,325	543,925	476,936	66,989
Legal	50,000	85,000	53,747	31,253
Utility billing expenditures	257,100	263,100	228,669	34,431
Planning and zoning	45,000	75,000	88,023	(13,023)
Other	84,745	169,745	165,336	4,409
Public safety:				
Fire	160,250	175,750	160,873	14,877
Police	494,825	494,825	494,825	-
Code enforcement	45,300	45,800	39,317	6,483
Transportation	252,800	300,200	276,515	23,685
Parks and recreation	100,390	105,390	87,083	18,307
Capital outlay	-	130,000	139,053	(9,053)
Total expenditures	<u>2,055,362</u>	<u>2,456,362</u>	<u>2,278,707</u>	<u>177,655</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>137,884</u>	<u>(263,116)</u>	<u>(222,392)</u>	<u>40,724</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(137,884)</u>	<u>(137,884)</u>	<u>(137,894)</u>	<u>(10)</u>
Total other financing sources (uses)	<u>(137,884)</u>	<u>(137,884)</u>	<u>(137,894)</u>	<u>(10)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(401,000)</u>	<u>(360,286)</u>	<u>40,714</u>
<b>Fund balances, beginning of year</b>	1,655,361	1,655,361	1,655,361	-
<b>Fund balances, end of year</b>	<u>\$ 1,655,361</u>	<u>\$ 1,254,361</u>	<u>\$ 1,295,075</u>	<u>\$ 40,714</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - DISCRETIONARY TAX FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 221,189	\$ 221,189	\$ 219,323	\$ (1,866)
Total revenues	<u>221,189</u>	<u>221,189</u>	<u>219,323</u>	<u>(1,866)</u>
<b>Expenditures</b>				
Current:				
General government:				
Human resources	-	-	7,500	(7,500)
Capital outlay	<u>621,022</u>	<u>621,022</u>	<u>153,548</u>	<u>467,474</u>
Total expenditures	<u>621,022</u>	<u>621,022</u>	<u>161,048</u>	<u>459,974</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(399,833)</u>	<u>(399,833)</u>	<u>58,275</u>	<u>458,108</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	<u>(399,833)</u>	<u>(399,833)</u>	<u>(143,991)</u>	<u>255,842</u>
<b>Fund balances, beginning of year</b>	515,457	515,457	515,457	-
<b>Fund balances, end of year</b>	<u>\$ 115,624</u>	<u>\$ 115,624</u>	<u>\$ 371,466</u>	<u>\$ 255,842</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COMMUNITY REDEVELOPMENT AGENCY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 144,426	\$ 144,426	\$ 141,940	\$ (2,486)
Intergovernmental	-	-	72,187	72,187
<b>Total revenues</b>	<u>144,426</u>	<u>144,426</u>	<u>214,127</u>	<u>69,701</u>
<b>Expenditures</b>				
Current:				
Community redevelopment	448,142	448,142	316,976	131,166
<b>Total expenditures</b>	<u>448,142</u>	<u>448,142</u>	<u>316,976</u>	<u>131,166</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(303,716)</u>	<u>(303,716)</u>	<u>(102,849)</u>	<u>200,867</u>
<b>Other financing sources (uses)</b>				
Transfers in	137,884	137,884	137,894	10
<b>Net change in fund balances</b>	<u>(165,832)</u>	<u>(165,832)</u>	<u>35,045</u>	<u>200,877</u>
<b>Fund balances, beginning of year</b>	136,765	136,765	136,765	-
<b>Fund balances, end of year</b>	<u>\$ (29,067)</u>	<u>\$ (29,067)</u>	<u>\$ 171,810</u>	<u>\$ 200,877</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA  
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SEPTEMBER 30, 2024**

The City adopts an annual budget for the General, Discretionary Tax, and Community Redevelopment Funds. The City generally follows these procedures in establishing the budgetary data reflected in the schedule:

1. Prior to September 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance.
4. Budgetary control is maintained at the department level. The fund is the legal level of control.
5. Appropriations lapse at the end of the fiscal year.
6. The budget amounts presented in the accompanying financial schedules were prepared on a basis that does not materially differ from the modified accrual basis of accounting.

CITY OF CRESCENT CITY, FLORIDA  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS  
(UNAUDITED)

	2024	2023	2022	2021	2020	2019
<b>Total OPEB Liability</b>						
Service cost	\$ 4,055	\$ 4,791	\$ 6,393	\$ 13,774	\$ 10,017	\$ 9,055
Interest	1,415	2,285	1,378	2,913	3,874	3,489
Difference between expected and actual experience	(6,715)	(683)	-	(52,220)	-	-
Changes of assumptions	1,569	(7,389)	(7,937)	(30,241)	15,788	3,942
Benefit payments	(4,983)	(7,332)	(6,820)	(5,688)	(5,291)	(4,922)
Net change in total OPEB liability	(4,659)	(8,328)	(6,986)	(71,462)	24,388	11,564
Total OPEB liability - beginning of year	38,409	46,737	53,723	125,185	100,797	89,233
<b>Total OPEB liability - end of year</b>	<b>\$ 33,750</b>	<b>\$ 38,409</b>	<b>\$ 46,737</b>	<b>\$ 53,723</b>	<b>\$ 125,185</b>	<b>\$ 100,797</b>
Covered-employee payroll	802,359	782,789	706,220	688,995	924,453	901,905
Total OPEB liability as a percentage of covered-employee payroll	4.21%	4.91%	6.62%	7.80%	13.54%	11.18%

**Notes to Schedule:**

Measurement date	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019
Valuation date	September 30, 2023	September 30, 2023	September 30, 2021	September 30, 2021	September 30, 2020	September 30, 2019
Discount rate	4.06%	4.87%	4.77%	2.43%	2.14%	3.58%

*Changes of assumptions:* Also reflected as assumption changes are updated mortality rates, updated health care costs and premiums, and updated health care cost trend rates. There are no assets accumulated in a trust that meets the criteria to pay related benefits for the OPEB plan.

*Benefit Payments:* The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2024. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

\* GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

**CITY OF CRESCENT CITY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**MUNICIPAL FIREMEN'S PENSION PLAN**  
**SEPTEMBER 30, 2024**  
**(UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Total Pension Liability</b>									
Service Cost	\$ 18,112	\$ 12,127	\$ 10,440	\$ 9,803	\$ 9,214	\$ 8,652	\$ 7,691	\$ 6,634	\$ 6,200
Interest	38,971	32,728	29,211	27,550	27,306	25,817	24,865	20,841	19,177
Changes in benefit terms	-	-	-	-	-	-	66,899	-	-
Difference between expected and actual experience	52,154	25,655	-	(10,701)	-	(6,191)	(47,712)	-	-
Changes of assumptions	5,923	-	-	(10,968)	-	-	49,016	-	9,861
Benefit payments including refunds of contributions	(12,879)	(12,879)	(12,879)	(11,999)	(11,370)	(12,872)	(12,490)	(11,370)	(12,409)
Net change in total pension liability	102,281	57,631	26,772	3,685	25,150	15,406	88,269	16,105	22,829
Total pension liability - beginning	529,802	472,171	445,399	441,714	416,564	401,158	312,889	296,784	273,955
<b>Total pension liability - ending (a)</b>	<u>\$ 632,083</u>	<u>\$ 529,802</u>	<u>\$ 472,171</u>	<u>\$ 445,399</u>	<u>\$ 441,714</u>	<u>\$ 416,564</u>	<u>\$ 401,158</u>	<u>\$ 312,889</u>	<u>\$ 296,784</u>
<b>Total Fiduciary Net Position</b>									
Contributions - employer and state	\$ 13,428	\$ 7,653	\$ 5,258	\$ 4,778	\$ 5,272	\$ 7,458	\$ 7,816	\$ 8,292	\$ 19,922
Contributions - employee	4,409	4,323	3,176	2,241	2,341	2,277	2,306	2,430	2,369
Net investment income	183,555	75,767	(159,182)	132,009	65,329	27,721	39,819	53,253	36,692
Benefit payments including refunds of contributions	(12,879)	(12,879)	(12,879)	(11,999)	(11,370)	(12,873)	(12,490)	(11,370)	(12,409)
Administrative expense	(8,008)	(987)	(318)	(875)	(875)	(875)	(875)	(2,875)	(7,385)
Other	-	-	1,709	-	-	-	-	-	-
Net change in plan fiduciary net position	180,505	73,877	(162,236)	126,154	60,697	23,708	36,576	49,730	39,189
Plan fiduciary net position - beginning	738,171	664,294	826,530	700,376	639,679	615,971	579,395	529,665	490,476
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 918,676</u>	<u>\$ 738,171</u>	<u>\$ 664,294</u>	<u>\$ 826,530</u>	<u>\$ 700,376</u>	<u>\$ 639,679</u>	<u>\$ 615,971</u>	<u>\$ 579,395</u>	<u>\$ 529,665</u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	<u>\$ (286,593)</u>	<u>\$ (208,369)</u>	<u>\$ (192,123)</u>	<u>\$ (381,131)</u>	<u>\$ (258,662)</u>	<u>\$ (223,115)</u>	<u>\$ (214,813)</u>	<u>\$ (266,506)</u>	<u>\$ (232,881)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	145.34%	139.33%	140.69%	185.57%	158.56%	153.56%	153.55%	185.18%	178.47%
Covered payroll	\$ 85,638	\$ 84,681	\$ 63,520	\$ 44,813	\$ 46,790	\$ 45,538	\$ 46,120	\$ 53,379	\$ 47,380
<b>Net pension liability as a percentage of covered payroll</b>	-334.66%	-246.06%	-302.46%	-850.49%	-552.81%	-489.95%	-465.77%	-499.27%	-491.52%
<b>Annual Money-Weighted Rate of Return</b>	25.04%	12.42%	-19.22%	19.44%	9.91%	4.44%	6.90%	10.10%	7.50%

\* 10 years of data will be presented as it becomes available

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
MUNICIPAL FIREMEN'S PENSION PLAN  
SEPTEMBER 30, 2024  
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contributions	\$ 8,307	\$ 8,214	\$ 5,190	\$ -	\$ -	\$ -	\$ 6,457	\$ 7,473	\$ 8,529
Contributions in relation to the actuarially determined contributions	13,428	7,653	5,258	4,778	5,272	7,458	7,816	8,292	19,922
Control deficiency (excess)	<u>\$ (5,121)</u>	<u>\$ 561</u>	<u>\$ (68)</u>	<u>\$ (4,778)</u>	<u>\$ (5,272)</u>	<u>\$ (7,458)</u>	<u>\$ (1,359)</u>	<u>\$ (819)</u>	<u>\$ (11,393)</u>
Covered payroll	\$ 85,638	\$ 84,681	\$ 63,520	\$ 44,813	\$ 46,790	\$ 45,538	\$ 46,120	\$ 53,379	\$ 47,380
Contributions as a percentage of covered payroll	15.68%	9.04%	8.28%	10.66%	11.27%	16.38%	16.95%	15.53%	42.05%

**Notes to Schedule:**

Valuation Date

Actuarially determined contribution rates are calculated as of October 1 - two years prior to the end of the fiscal year in which contributions are being reported.

**Methods and assumptions used to determine contribution rates:**

Actuarial Cost Method  
Asset Valuation Method  
Inflation  
Salary Increases  
Interest Rate  
Retirement Age  
Mortality

Aggregate  
Market Value

2.50%  
5.00%  
6.50%, net of investment related expenses

Varies by Age and Service

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

\* 10 years of data will be presented as it becomes available

The accompanying notes to financial statements are an integral part of this schedule.

## **SUPPLEMENTARY INFORMATION**

**CITY OF CRESCENT CITY, FLORIDA**  
**SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**WATER AND SEWER FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Operating revenues</b>			
Charges for services	\$ 651,675	\$ 537,340	\$ 1,189,015
<b>Operating expenses</b>			
Personal services	153,473	96,097	249,570
Contractual services	165,189	83,581	248,770
Repairs and maintenance	45,097	39,978	85,075
Supplies	136,282	80,142	216,424
Utilities	27,944	28,810	56,754
Other expenses	64,411	72,755	137,166
Depreciation	84,808	105,829	190,637
Total operating expenses	<u>677,204</u>	<u>507,192</u>	<u>1,184,396</u>
<b>Operating income (loss)</b>	<u>(25,529)</u>	<u>30,148</u>	<u>4,619</u>
<b>Nonoperating revenues (expenses)</b>			
Other income (expense)	30,884	4,050	34,934
Interest and amortization expense	-	(26,579)	(26,579)
Total nonoperating revenues (expenses)	<u>30,884</u>	<u>(22,529)</u>	<u>8,355</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>5,355</u>	<u>7,619</u>	<u>12,974</u>
Capital grants	1,370,052	-	1,370,052
Transfers in	17,116	-	17,116
<b>Change in net position</b>	<u>1,392,523</u>	<u>7,619</u>	<u>1,400,142</u>
<b>Net position, beginning of year</b>	1,519,659	2,604,742	4,124,401
<b>Net position, end of year</b>	<u>\$ 2,912,182</u>	<u>\$ 2,612,361</u>	<u>\$ 5,524,543</u>

The accompanying notes to financial statements are an integral part of this schedule.

**CITY OF CRESCENT CITY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<b>Federal Agency / Pass-Through Entity / Federal Program</b>	<b>CFDA Number</b>	<b>Contract / Grant Number</b>	<b>Expenditures</b>
<b>STATE FINANCIAL ASSISTANCE</b>			
<b>Florida Department of Environmental Protection</b>			
Direct:			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0500	\$ 697,519
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0501	142,886
Total Florida Recreation Development Assistance Program			<u>840,405</u>
Total Department of Environmental Protection			<u>840,405</u>
<b>Total State Financial Assistance</b>			<u><u>\$ 840,405</u></u>

The accompanying notes to the schedule of expenditures of state financial assistance are an integral part of this statement.

**CITY OF CRESCENT CITY, FLORIDA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of State Financial Assistance (the Schedule) includes the State grant awards activity of City of Crescent City, Florida (the City) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting.

(3) **De Minimis Indirect Cost Rate Election:**

The City has elected not to use the 10 percent de minimis indirect cost rate.

(4) **Subrecipients:**

During the year ended September 30, 2024, the City provided no grant awards to subrecipients

(5) **Contingency:**

Project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, all project expenditures included on the accompanying schedule are in compliance with the terms of the project agreements and applicable federal and state laws and regulations.

**CITY OF CRESCENT CITY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTION COSTS  
SEPTEMBER 30, 2024**

**A. Summary of Auditors' Results:**

***Financial Statements:***

Type of audit report issued on the financial statements: *Modified*

Internal control over financial reporting:

Material weakness(es) identified?   X   yes        no

Significant deficiency(ies) identified?   X   yes        none reported

Noncompliance material to financial statements noted?        yes   X   no

***State Awards:***

Internal control over major state projects:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

Type of auditors' report issued on compliance for major State projects: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550?        yes   X   none reported

Dollar threshold used to distinguish between type A and type B programs:   \$300,000  

Identification of major state project:

<b>Assistance Listing Number</b>	<b>Program Name</b>
37.039	Statewide Water Quality Restoration Projects

**B. Financial Statement Findings:**

**2024-001 – Reconciliation of account balances (Fifth-Year Repeat Comment)**

*Criteria:* 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 (“GAAP”).

*Condition:* Material adjustments were required to be made to the accounting records subsequent to the start of the audit process to be in accordance with GAAP.

*Cause:* Management relied on auditors to propose entries that had not been recorded prior to the start of the audit.

*Effect:* Incorrect recording of accounting records could lead to a material misstatement on the financial statements.

*Recommendation:* We recommend that management implement policies and procedures that would prevent material adjustments being proposed to the financial statements by auditors.

**2024-002 – Payroll Authorization and Documentation**

*Criteria:* Effective internal control procedures require that all employee pay rates, time sheets, and leave requests be properly authorized by management and adequately documented. Formal approval through standardized forms, such as Personnel Action Forms, and retention of such documentation provides assurance that payroll transactions are accurate, valid, and consistent with approved personnel actions.

*Condition:* During our testing of internal controls over payroll, we noted that the City is not currently utilizing Personnel Action Forms to document pay rate approvals. Additionally, documentation supporting pay rate changes, such as email approvals from management, was not readily available for review. Documentation of vacation and sick leave requests and approvals was also not consistently maintained.

*Cause:* The City has not fully implemented procedures to ensure that payroll-related authorizations and supporting documentation are consistently prepared, approved, and retained in accordance with effective internal control practices.

*Effect:* The absence of standardized documentation and formal approval increases the risk of unauthorized or inaccurate payroll transactions and limits the City’s ability to demonstrate compliance with established personnel and payroll control policies.

*Recommendation:* We recommend that the City implement formal procedures requiring the use of Personnel Action Forms or equivalent written documentation for all pay rate changes, time sheets, and leave approvals. All such documentation should be approved by appropriate management personnel and retained on file to provide evidence of review and authorization.

**2024-003 – Journal Entry Review (Third-Year Repeat Comment)**

*Criteria:* Internal control best practices require that journal entries be subject to segregation of duties such that the individual preparing or recording entries is not the same person responsible for their review and approval. Supporting documentation and evidence of approval should be maintained to demonstrate compliance with established procedures.

*Condition:* During our testing of journal entries, we noted that the Finance Director is both recording and approving journal entries. We also noted that the City was unable to provide supporting documentation and evidence of review and approval for individual journal entries in accordance with the City’s documented procedures.

*Cause:* The City has not implemented sufficient segregation of duties or formal review procedures to ensure independent review and approval of journal entries.

*Effect:* Lack of segregation of duties and review documentation increases the risk of unauthorized or inappropriate journal entries being posted without detection.

*Recommendation:* We recommend that the City implement processes to segregate the preparation and approval of journal entries and maintain supporting documentation evidencing review and approval to demonstrate that entries are properly authorized before posting.

**2024-004 – Proper Authorization of Disbursements (Third-Year Repeat Comment)**

*Criteria:* The City’s purchasing policy requires that all disbursements be properly authorized prior to payment. Depending on the dollar amount, certain disbursements must also be supported by additional procurement documentation such as purchase orders, competitive quotes, or formal bids. These internal control procedures are designed to ensure that all expenditures are properly approved, supported, and made in accordance with established City policies.

*Condition:* During our testing of cash disbursements, we noted instances where payments did not have corresponding purchase orders, and supporting documentation such as quotes or evidence of a formal bid process was not available for review. We also noted that approval documentation was not consistently maintained for all disbursements, including those requiring purchase orders or quotes.

*Cause:* Controls to ensure that all disbursements receive documented approval and comply with the City’s purchasing policy were not consistently applied.

*Effect:* The absence of required approvals and supporting documentation increases the risk of unauthorized or noncompliant disbursements and reduces assurance that expenditures are made in accordance with City policy and management authorization.

*Recommendation:* We recommend that the City strengthen its controls over purchasing and disbursements to ensure that all payments, regardless of amount, are approved by appropriate management personnel prior to payment. For disbursements subject to purchase order or quote requirements, all necessary procurement documentation should be obtained and retained on file to demonstrate compliance with the City’s purchasing policy.

**C. State Financial Assistance Findings and Questioned Costs:**

No findings or questioned costs were noted.

**D. Summary Schedule of Prior Audit Findings:**

Not applicable as no prior year findings were reported as part of a single audit.

**E. Corrective Action Plan:**

See Management’s Response to Findings, as listed in the table of contents.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Honorable Mayor and City Commissioners,  
City of Crescent City, Florida:

**Report on Compliance for Each Major State Project**

***Opinion on Each Major State Project***

We have audited City of Crescent City, Florida's (the City) compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2024. The City's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state project for the year ended September 30, 2024.

***Basis for Opinion on Each Major State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards and the Chapter 10.550, Rules of the Auditor General, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's state projects.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

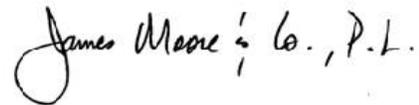
### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "James Moore & Co., P.L." The signature is written in black ink and is positioned to the right of the main text block.

Daytona Beach, Florida  
December 5, 2025

**INDEPENDENT AUDITORS' 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**

To the Honorable Mayor, City Commission, and City Manager,  
City of Crescent City, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 the City of Crescent City, Florida (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 5, 2025.

As discussed in the Independent Auditors' Report, the City has not implemented the provisions of Statement No. 67 *Financial Reporting for Pension Plans* and Statement No. 68 *Accounting and Financial Reporting for Pensions*, for its Municipal Police Officers' Pension Plan. Accounting principles generally accepted in the United States of America require recording of an obligation for the net pension liability, and any associated deferred inflow and outflow related to the pension fund. This would increase liabilities, increase deferred inflows and outflows, decrease net position, and change the expenses in the governmental activities.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as items 2024-001 and 2024-002 that we considered to be material weaknesses and 2024-003 and 2024-004 that we consider to be significant deficiencies.

### ***Report on Compliance and Other Matters***

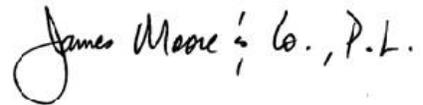
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

### **City of Crescent City, Florida's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our engagement and described in the letter titled Management's Response to the Auditors' Comments, as listed in the table of contents. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Daytona Beach, Florida  
December 5, 2025



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA  
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Commission, and City Manager,  
City of Crescent City, Florida:

**Report on the Financial Statements**

We have audited the basic financial statements of City of Crescent City, Florida (the City), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated December 5, 2025.

**Auditors' Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 5, 2025, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Three findings and recommendations from the prior year's audit (2023-001, 2023-003, and 2023-004) have been repeated for two or more years and have not yet been fully corrected. The following summarizes the status of prior year findings and recommendations:

**2023-001 Reconciliation of Account Balances** – Corrective action not taken. See fifth-year repeat comment 2024-001.

**2023-002 Bank Reconciliations** – Corrective action taken.

**2023-003 Journal Entries Review** – Corrective action not taken. See third-year repeat comment 2024-003.

**2023-004 Proper Authorization of Disbursements** – Corrective action not taken. See third-year repeat comment 2024-004.

**2023-005 City Budget and Budgetary Compliance** - Corrective action taken.

**2023-006 Other Post Employment Benefits (OPEB) Report** - Corrective action taken.

## **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government of the reporting entity is disclosed in Note 1 of the basic financial statements.

## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had the following recommendation:

**2024-005 – Debt Compliance** – During our testing of debt compliance requirements, we noted that the City is not in compliance with one of the gas bonds requirements as the balance in Gas Renewal and Replacement restricted cash account is below the amount required by the Gas Bonds Agreement and as required by Ordinance 96-02. Further, the balance in unrestricted cash in gas fund is insufficient to make a reclassification to correct this noncompliance. We recommend correcting this noncompliance by transferring sufficient funds into Gas Renewal and Replacement restricted cash account.

## **Property Assessed Clean Energy (PACE) Programs**

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the City did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the City's geographical boundaries during the fiscal year under audit.

## **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the Crescent City Community Redevelopment Agency (the CRA) have been reported in the separately-issued audited financial statements of each CRA.

### **Additional Matters**

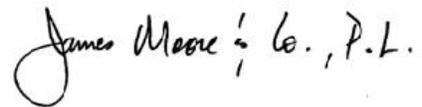
Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **City of Crescent City, Florida's Response to Findings**

The City's responses to the findings identified in our audit are described in the letter titled Management's Response to the Auditors' Comments, as listed in the table of contents. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and State granting agencies, the City Commission, management, and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
December 5, 2025

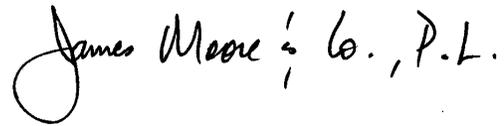
## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

We have examined the City of Crescent City, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2024. The City's management is responsible for the City's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating the City's compliance against Section 218.415, Florida Statutes, *Local Government Investment Policies*, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating the City's compliance against Section 218.415, Florida Statutes, *Local Government Investment Policies*, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the City's compliance for the year ended September 30, 2024. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that the City's compliance was not in accordance with the aforementioned requirements, in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the City of Crescent City, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.



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Daytona Beach, Florida  
December 5, 2025

**City of Crescent City, Florida**  
**Management Response to the Audit Findings**  
**Fiscal Year ending September 30, 2024**

**City Response:**

The City of Crescent City (the City) has experienced staffing changes and shortages in the finance department for the last few years. They have hired an outside CPA firm to assist with developing, implementing and performing the proper accounting procedures and to provide additional expertise and continuity. Many of the repeat comments are a result of the City's delinquent audits and the inability to properly implement the procedures to correct the findings in a more timely fashion

**2024-001- Reconciliation of account balances (Fourth-Year Repeat Comment)**

The City of Crescent City concurs with the finding. The City continues to experience staffing challenges with changes in the finance director's position and staff shortages. The City has hired an outside CPA firm to assist and train the staff and to develop procedures to ensure that all journal entries are properly recorded.

**2024-002- Payroll Authorization and Documentation**

The City of Crescent City concurs with the finding. The City now requires all pay rate changes be documented using the Personnel Action Form before processing. Time sheets, leave approvals and Personnel Action Forms are also required to be signed by appropriate management and retained on file.

**2024-003- Journal Entry Review (Third-Year Repeat Comment)**

The City of Crescent City concurs with the finding. Internal control is a challenge in a small organization and the City is working on improving the process and to include supporting documentation to each journal entry.

**2024-004 – Journal Entry Review (Third-Year Repeat Comment)**

The City of Crescent City concurs with the finding. The City now requires an approved Purchase Order for all disbursements. The current purchasing policy approved by the City Commission in Section 7.08 discusses bids, contracts, and expenditures and focuses on expenditures made without competitive bidding but must have commission approval for work done in the operation of any city department. The city believes this is the case. Improved reviews and attention to the process will be a focus.

**2024-005- Debt Compliance**

The City of Crescent City concurs with the finding. In an effort to rectify the problem, the City has raised rates the prior two years to generate significant funds to properly fund the Gas Renewal and Replacement Fund.