

City of Cedar Key  
Commission Meeting Agenda  
809 6<sup>th</sup> Street  
July 15, 2025, 5:00 PM

PLEASE TAKE NOTICE AND BE ADVISED, that if any interested person desires to appeal any decision of the Cedar Key Commission, with respect to any matter considered at this meeting, such interested person will need a record of the proceeding, and for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. People with disabilities requiring accommodation to participate in the meeting should contact the City Clerk at (352) 543-5132 at least 48 hours in advance to request accommodation.

- Call to Order
- Pledge of Allegiance
- Roll Call:
  - Jolie Davis, Commissioner Seat 1
  - Jim Wortham, Commissioner Seat 3
  - Mel Beckham, Commissioner Seat 5
  - Nancy Sera, Commissioner Seat 2
  - Jeff Webb, Commissioner Seat 4
- **ACTION ITEM:** Acceptance of the Meeting Agenda as presented
- **ACTION ITEM:** Consent Agenda: May 20, 2025 – Commission Meeting Minutes  
June 17, 2025 – Commission Meeting Minutes
- Public Comment:
- Purvis Gray – Barbara Boyd: 2023-24 Final Audit Presentation
- Discussion: Mayor’s Notes/Actions:
  - Monthly Activity Summary
  - City Budget Status
  - Energy Transitions Initiative Partnership Project (ETIPP) Application
  - Levy County offer to transfer the Dock Street Pier (“Big Dock”) to the City of Cedar Key
- Important Dates:
  - Budget Workshop: July 22, 2025, 5pm
  - CRA Meeting: July 24, 2025, 5pm
- Non-Government Organizations
  - Cedar Key Woman’s Club:
  - Chamber of Commerce:
  - Cedar Key Aquaculture Assoc.:
  - Nature Coast Biological Station/NCBS:
  - Cedar Key Arts Center:
  - Cedar Key Non-Profit Organizations:
- Cedar Key Water & Sewer District: General Managers Report



City of Cedar Key  
Commission Meeting Agenda  
809 6<sup>th</sup> Street  
July 15, 2025, 5:00 PM

- **ACTION ITEM:** City Clerk Position – Candidate selections for Interviews
- **ACTION ITEM:** Comm. Beckham: Ms. Anne Osteen – 4<sup>th</sup> Street ROW/Easement
- Attorney Items:
- Clerk's Office and Administration:
  - **ACTION ITEM:**  
1<sup>st</sup> Reading, Ordinance 559: **AN ORDINANCE OF THE CITY OF CEDAR KEY, FLORIDA, PURSUANT TO PETITION NO. ANX 25-03 RELATING TO VOLUNTARY ANNEXATION; MAKING FINDINGS; ANNEXING CERTAIN REAL PROPERTY LOCATED IN LEVY COUNTY, FLORIDA, WHICH IS REASONABLY COMPACT, AND CONTIGUOUS TO THE BOUNDARIES OF THE CITY OF CEDAR KEY, FLORIDA, INTO THE BOUNDARIES OF THE CITY OF CEDAR KEY, FLORIDA; PROVIDING SEVERABILITY; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING AN EFFECTIVE DATE**
- Public Works:
- Public Safety:
  - Fire Department/Emergency Management –
  - Police Department –
  - **ACTION ITEM:** School Zone Cameras – Issue RFP and create City Ordinance
  - **ACTION ITEM:** Parking across multiple parking spaces – Create City Ordinance
- Discussion: Commissioner Focus Areas:
  - Environmental and Shoreline Restoration/Protection - Commissioner Wortham
  - City Processes and Process Improvement - Commissioner Davis
  - Financial and Economic Development – Commissioner Beckham
  - Public Relations and Community Engagement – Commissioner Sera
- Discussion: Commissioners Concerns/Information:

Meeting Adjourned \_\_\_\_\_PM



City of Cedar Key  
Commission Meeting Minutes  
May 20, 2025  
5:00 p.m.

PLEASE TAKE NOTICE AND BE ADVISED that if any interested person desires to appeal any decision of the Cedar Key Commission concerning any matter considered at this meeting, such interested person will need a record of the proceeding and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Persons with disabilities requiring accommodations to participate in the meeting should contact the City Clerk at (352) 543-5132 at least 48 hours in advance to request accommodations.

Commission Meeting

1.) Call to Order at 5:00

- Invocation: Commissioners discussed the inclusion of prayer in the meetings. **Commissioner Beckham Motioned to Begin All of the Commission Meetings with an Invocation. Seconded by Commissioner Davis.** Commissioners discussed the legalities of public prayer and the past actions of the commission. Public comments. **Motion Carries 3-2 with Commissioner Wortham and Commissioner Sera Dissenting.** Invocation by Church of Christ Minister, Gopher Lopina
- Pledge of Allegiance

2.) Roll Call:

Jolie Davis, Commissioner Seat 1	Nancy Sera, Commissioner Seat 2
Jim Wortham, Commissioner Seat 3	Jeff Webb, Commissioner Seat 4
Mel Beckham, Commissioner Seat 5	

3.) **ACTION ITEM:** Acceptance of the Meeting Agenda as presented. **Commissioner Davis Motioned to Accept the Agenda as Presented with the Addition of the Guardians of the Gulf. Seconded by Commissioner Sera. Motion Carries Unanimously.**

4.) **ACTION ITEM:** Consent Agenda Commissioner Wortham Objected to the Meeting Minutes. Commission discussed modification of the language under Commissioners' Concerns at Item 24 to reflect 3 in favor of the Invocation and 1 against. **Commissioner Davis Motioned to Accept the Commission Meeting Minutes as Written with the Modification of 3 In Favor of the Invocation and 1 Against. Seconded by Commissioner Wortham. Motion Carries Unanimously.**

- April 15, 2025, Commission Meeting Minutes

5.) Public Comment: Mandy Offerle, Deb Soldatos – Steamer’s building code enforcement violation.

6.) **Discussion:** Mayor’s Notes/Actions: Mayor Webb shared updates on City Events (Tiki-Fest, Small Boat Meet, Blood Drive). Working with the Army Corps of Engineers to identify the High Water Marks, working with the Pilots Association, meeting with the Mayor of Horseshoe Beach, and working on resilient technology grant opportunities. Met with the Cedar Key School. The Wave Attenuation status has been moved to Tier 2, and Levy County will not be funding that project this year. Met with FEMA and other agencies.

7.) Important Dates: May 26, Memorial Day  
May 29, Hurricane Prep and Hazardous Waste Day  
June 7, Potential Fly-In

8.) Non-Government Organizations:

- Cedar Key School Guardians of the Gulf Presentation on Conservation Club Projects and proposed **three environmental projects**:
  - **Marine trash discard bins** near public boat ramps
  - **Interactive educational trail** on marine life and conservation
  - **Seagrass growth zones** in collaboration with UF Marine Animal Rescue and the Safe Manatee Club
- Cedar Key Woman’s Club: No remarks
- Chamber of Commerce: Tara Barney
- Cedar Key Aquaculture Association: No remarks
- Nature Coast Biological Station/NCBS: No remarks
- Cedar Key Non-Profit Organizations: No remarks
- Cedar Key Arts Center: No remarks

9.) Cedar Key Water & Sewer District: John Rittenhouse discussed the progress on the lift stations

10.) **Discussion:** Parking on G Street: The Commission discussed parking and getting signs at G Street and 1<sup>st</sup> Street down across from Beachfront (sunset row).

11.) Attorney Items:

- **Discussion:** Lawsuit(s): Attorney Fugate discussed two lawsuits involving a police vehicle.

12.) Clerk’s Office and Administration:



- **ACTION ITEM:** Chamber Rent: Prorate for displacement due to hurricane? Commissioners discussed. **Commissioner Wortham Motioned to Prorate the Rent for the Chamber of Commerce for the Period of Time when they did Not Have Access to a Structure. Seconded by Commissioner Beckham. Motion Carries Unanimously.**
- **ACTION ITEM:** Letter of request for Voluntary Annexation (13141 SW 166<sup>th</sup> Ct). **Commissioner Davis Motioned to Accept Mr. Sykes Letter and Proceed with the Annexation Procedure. Seconded by Commissioner Wortham. Motion Carries Unanimously.**

13.) Public Works: Jamie McCain requested approval of \$179.00 for the overage cost of the Kiosk building, discussed the fish cleaning station. The Commissioners discussed the Kiosks, the need for leases, maintenance responsibilities, and ensuring uniform aesthetics. The Commission will return with a more detailed plan on the kiosks.

- **ACTION ITEM:** Kiosk/Fish Cleaning Station/Dock to be paid from Marina Funds. **Commissioner Webb Motioned for Approval of \$5,179.00 for the Current Kiosk Which is \$179.00 Over the Non-Approval Limit. Seconded by Commissioner Beckham. Motion Carried Unanimously.**

**Commissioner Wortham Motioned to No Longer Pursue a Fish Cleaning Station. Seconded by Commissioner Sera.** Commissioners discussed. Public comments. **Motion is Lost with 1 vote for and 4 Votes Against.**

14.) Public Safety:

- Fire Department/Emergency Management: Robert Robinson discussed Hurricane Hazardous Waste Day, projects,
- Police Department: Edwin Jenkins discussed the raffle for the tasing of Mayor Webb, who volunteered his services, school zone flashing signs, and request to have new school zones printed.

15.) **Discussion:** Commissioner Focus Areas

- Environmental and Shoreline Restoration/Protection/Airport – fly-in June 7th – Commissioner Wortham
- City Processes and Process Improvement – Commissioner Davis
- Financial and Economic Development – Commissioner Beckham
- Public Relations and Community Engagement – Commissioner Sera

16.) Commissioners Concerns/Information:

Commissioners discuss the fly-in scheduled for June 7<sup>th</sup>, Rock the Dock Street Party tentatively scheduled for August 23<sup>rd</sup>, re-entry evac procedures, seeking additional funding to save the old city hall, EV charging station kiosk, kiosk in city hall for payments, Sunset Isle RV Park, marketing campaigns, the status of the Tiki Bar

Adjourned at 7:24 p.m.

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Mayor Webb/Commissioner

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Attest, Prepared by Heather Lang

City of Cedar Key  
Commission Meeting Minutes  
June 17, 2025  
5:00 p.m.

PLEASE TAKE NOTICE AND BE ADVISED that if any interested person desires to appeal any decision of the Cedar Key Commission concerning any matter considered at this meeting, such interested person will need a record of the proceeding and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Persons with disabilities requiring accommodations to participate in the meeting should contact the City Clerk at (352) 543-5132 at least 48 hours in advance to request accommodations.

Commission Meeting

1.) Call to Order at 5:00 p.m.

- Invocation
- Pledge of Allegiance

2.) Roll Call:

***Jolie Davis, Commissioner Seat 1 (not present)***

Jim Wortham, Commissioner Seat 3

Mel Beckham, Commissioner Seat 5

Nancy Sera, Commissioner Seat 2

Jeff Webb, Commissioner Seat 4

3.) **ACTION ITEM:** Acceptance of the Meeting Agenda as presented. City Attorney Fugate requested to add a previously confidential settlement of a lawsuit that could not be placed on the agenda until now. **Commissioner Wortham Motioned to Add this Item to the Agenda as Presented. Seconded by Commissioner Sera. Motion Carries Unanimously.** The additional item will be presented after the Mayor's Notes and Actions.

4.) **ACTION ITEM:** Consent Agenda

- ❖ February 4, 2025, Commission Workshop Minutes
- ❖ April 8, 2025, Special Commission Meeting Minutes
- ❖ May 20, 2025, Commission Meeting Minutes

**Commissioner Sera Motioned to Accept the Consent Agenda. Commissioner Wortham Seconded the Motion.** Commissioner Beckham stated that he did not recall Commissioner Davis accepting the Nomination for Vice-Mayor at the April 8, 2025, Special Commission Meeting Minutes. Mayor Webb said with the amendment that portion of the minutes and asked if the Commission would accept the rest of

the minutes as part of a consent agenda with the adjustment of the one portion regarding Commissioner Davis accepting the nomination. The Commission Voted and the **Motion Carried Unanimously.**

5.) Public Comment: No remarks.

6.) Discussion: Mayor's Notes/Actions: Mayor Webb.

Commissioner Wortham inquired about the status of the meeting with FEMA regarding the Bulkhead Project. Mayor Webb stated that the reimbursement for the bulkhead project remains uncertain, as FEMA was only going to cover the cost of backfill. Ongoing communications with FEMA representatives continue. Initially, FEMA denied reimbursement, but it was later clarified that the COBRA zone status was not applicable.

7.) City Attorney Fugate:

Settlement of Lawsuit (Police Vehicle Accident)

- The Insurance company recommended a settlement of \$200,000 (to be paid by the insurance).
- **Commissioner Wortham Motioned to Accept the Insurance Company's Recommendation and Proceed with Settlement for the Maximum Amount of \$200,000.00 or Less. Seconded by Commissioner Sera. Motion Carries Unanimously.**

8.) Important Dates: June 19, CRA Meeting  
June 24, Budget Workshop & Re-Entry Policy Discussion

9.) Tammy Jones, Levy County Supervisor of Elections:

o Future Levy County Supervisor of Elections Support of Municipal Elections

- Election Proposal 2026
- 2025 Cedar Key Election Agreement
- Agreement Cedar Key 2026

Tammy Jones discussed the Proposal to have the county fully handle municipal elections.

- ❖ Would not increase cost.

- ❖ Vote-by-mail ballots, canvassing board processes, and voter communication were discussed at length.
- ❖ The Commissioners expressed interest and will place on the July 2025 Agenda. The City Attorney said that ordinance changes need to be made prior to any motions being made.

#### 10.) Non-Government Organizations:

- ❖ Cedar Key Woman's Club: No remarks
- ❖ Chamber of Commerce: Adam Stites
  - ❖ Urged enforcement of Florida Building Code regarding unsafe/damages structures post-Hurricane.
  - ❖ Showed visual evidence of blighted properties and called for targeted enforcement.
- ❖ Cedar Key Aquaculture Association: No remarks
- ❖ Nature Coast Biological Station/NCBS: Mike Allen
  - ❖ Hosted minorities in the shark science program
  - ❖ Plans to rebuild the Marine Lab as a solar-powered, resilient outdoor research facility.
  - ❖ Currently fundraising with a goal of \$350,000.00.
- ❖ Cedar Key Non-Profit Organizations: Susan Rosenthal, Lions Club
  - ❖ Proposed to repaint vendor space numbers for upcoming festivals at no cost to the city. The Lions Club and the Arts Center will be paying for the painting.
- ❖ Cedar Key Arts Center: No remarks

#### 11.) Cedar Key Water & Sewer District: John Rittenhouse

- ❖ They are at 99% completion of lift station project.
- ❖ Upcoming chemical cleaning of water tower; the public is asked to reduce water usage temporarily.

#### 12.) Attorney Items: ACTION ITEMS

- Resolution 490 – A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF CEDAR KEY, FLORIDA, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE FLORIDA DEPARTMENT OF COMMERCE FOR FUNDING UNDER THE SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.  
\$517,500 for housing/economic development

- Resolution 491 – A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF CEDAR KEY, FLORIDA, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM \$750,000 for Town Hall Commercial Development Restoration
- Resolution 492 – A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF CEDAR KEY, FLORIDA, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE FLORIDA DEPARTMENT OF COMMERCE FOR FUNDING UNDER THE SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM \$750,000 for the Pocket Parks Development Project.

**Commissioner Wortham Motioned to Accept Resolution 490, 491 & 492. Seconded by Commissioner Sera. Discussion. Motion Carried Unanimously.**

13.) Clerk's Office and Administration:

- ❖ Reminder – Form 1/Form 6 Filing Due Date is no later than July 01, 2025.  
\*\*File electronically through the Florida Commission on Ethics

14.) Public Works: ACTION ITEMS

- EV Charger Location Determination
  - ❖ Discussed that the downtown area is preferred but noted there were logistics and safety concerns.
- Additional Inner Marina Kiosk approval – build a third Kiosk for \$4,500.00.

**Commissioner Motioned to Accept the Bid of \$4,500.00 for Building a Kiosk for the Inner Marina using the City Standard Contract and Paying with Funds from the Marina Fund. Seconded by Mayor Webb. Motion Carries Unanimously.**

15.) Public Safety:

Fire Department/Emergency Management –

- ❖ Update on budget approval for light truck.
- ❖ Disposal of surplus equipment, Robert will bring this to the Commission for approval at the next meeting.
- ❖ Fire suppression contingency plans were discussed due to temporary water tower drainage.

Police Department –

- ❖ Monthly report delivered.

- ❖ 21.5g marijuana seized during traffic stop.
- ❖ 45 parking tickets issued, 67 warnings.
- ❖ Discussed balancing enforcement with community relations.
- ❖ Concerns raised about speeding and golf cart violations.

16.) Discussion: Commissioner Focus Areas:

o Environmental and Shoreline Restoration/Protection - Commissioner Wortham

- ❖ Participated in meeting with Savanna and the Fiber Team on a list of projects but has nothing to bring forward to the commission at this time.

o City Processes and Process Improvement - Commissioner Davis

- ❖ Not present

o Financial and Economic Development – Commissioner Beckham

- ❖ Drafting a formal Economic Development Plan with community input.
- ❖ Expect to have a draft by the next meeting.
- ❖ Met with Joe Payne/JPI and Adam Stites regarding blight on the island.
- ❖ Discussion with the Water & Sewer District regarding a proposed sidewalk - location, ownership and funding. CRA funds, possible Levy County School District Partnership and private funding possible paths for sidewalk installation.
- ❖ 4<sup>th</sup> Street - paper street conveyance to Ann Osteen. Moving item to the July Agenda under an Action Item and make it a formal action for a decision.

o Public Relations and Community Engagement – Commissioner Sera

- ❖ Nancy participated and met with the National Historic Trust attended meetings and discussed preservation of the Old City Hall and other buildings.
- ❖ Will see how many people are interested in the Dock Street Party tentatively scheduled for September, 2025.

17.) Discussion: Commissioners Concerns/Information:

o Commissioner Davis – Mayor’s Role and Duties (Resolution draft)

- Resolution No. \_\_\_\_: A RESOLUTION OF THE CITY OF CEDAR KEY, FLORIDA, PROVIDING FOR THE MAYOR’S ROLE AND DUTIES

- ❖ General support with suggested revisions.
- ❖ Commissioners agreed to:
  - Submit feedback to Norm and Jolie and to discuss at the upcoming workshop (June 24, time permitting).

#### **18.) Administrative Matters: Clerk Hiring Process**

- ❖ Review applications for the Clerk position.
- ❖ Process agreed:
  - Each commissioner selects their top 5 candidates.
  - Deadline of July 15, 2025, to identify the top candidates and submit them to Attorney Fugate and schedule group interviews for selected finalists.

Adjourned at 7:03 p.m.

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Mayor Webb/Commissioner

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Attest, Prepared by Heather Lang



**City of Cedar Key  
Commission Meeting  
Agenda Item**

**Submitted By:** Purvis Gray – Barbara Boyd

**Meeting Date:** July 15, 2026

**Subject:** Presentation of FY 2024-25 Final Audit (City & CRA)

**Discussion:**

**Fiscal Impact:**

**Attachments:**

**Possible Commission Action:** None

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Honorable Mayor-Commissioner and  
Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

We have audited the financial statements of the governmental activities and each major fund of the City of Cedar Key, Florida (the City) for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 14, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### **Qualitative Aspects of Accounting Practices**

##### *Significant Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, during the fiscal year ended September 30, 2024. The adoption of this standard had no impact on the financial statements presented. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates may be particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the depreciation expense and accumulated depreciation of capital assets, which is based on the useful lives determined by asset type.
- Net pension liability represents the City's proportionate share of the unfunded liability of the Florida Retirement System (FRS) defined benefit pension plan and Health Insurance Subsidy (HIS) plan. These estimates are based on actuarial studies performed by a qualified actuary retained by the Florida Division of Retirement. There are underlying assumptions in the actuarial reports, which if changed, could significantly affect the amounts reported.

#### **CERTIFIED PUBLIC ACCOUNTANTS**

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mayor-Commissioner and  
Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

We evaluated the methods, assumptions, and data used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Significant Risks Identified*

We have identified the risks of management override of internal control, revenue recognition, segregation of duties over revenue, and repairs and maintenance expenses that include capitalizable expenses as significant risks and have obtained an understanding of the City's related controls, including control activities, relevant to such risks.

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, delays in receiving certain requested items extended the time required to complete the audit.

**Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached Summary of Uncorrected Misstatements summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. See attached Schedule of Audit Adjustments.

**Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated June 26, 2025.

**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



Honorable Mayor-Commissioner and  
Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Future Accounting Pronouncements**

The following accounting pronouncements will be applicable in the following fiscal year:

- **GASB Statement No. 101, *Compensated Absences*** – GASB Statement No. 101, effective for the fiscal year ending September 30, 2025, prescribes the accounting and financial reporting for estimation and recognition of liabilities associated with compensated absences, enhances and clarifies current definitions of leave for financial reporting purposes, and amends disclosure requirements in notes to financial statements to provide better consistency in financial reporting across entities.
- **GASB Statement No. 102, *Certain Risk Disclosures*** – GASB Statement No. 102, effective for the fiscal year ending September 30, 2025, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact.

### **Other Matters**

We applied certain limited procedures to management's discussion and analysis, budgetary comparison information, and pension schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Honorable Mayor-Commissioner and  
Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

**Restriction on Use**

This information is intended solely for the information and use of the Mayor, City Commissioners, and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

June 26, 2025  
Gainesville, Florida

## SUMMARY OF UNCORRECTED MISSTATEMENTS

Year Ended September 30, 2024

### General Fund

<u>Unadjusted Audit Differences</u>	<u>Overstatement of Change in Net Position</u>
■ It is estimated that accounts payable excluded items under \$1,000, resulting in understatement of liabilities and expenditures. The aggregate understatement is estimated using the prior year payable listing.	\$ 13,520

City of Cedar Key

Year End: September 30, 2024

Schedule of Audit Adjustments

Number	Date	Name	Fund	Account No	Debit	Credit
1	9/30/2024	Storm Debris Removal	General	534.435	\$ 123,491.67	
		Accounts Payable	General	202.100		\$ 123,491.67
		To record additional liabilities identified during testing.				
2	9/30/2024	Federal Grant FEMA Revenues	General	331.500	116,022.99	
		Due from Other Governments	General	133.000		116,022.99
		To reduce FEMA receivable for amounts that are recognized as revenue in the subsequent period.				

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

*Principal Officials as of September 30, 2024:*

**CITY COMMISSION**

*Jeff Webb, Mayor, Seat 4  
Jim Wortham, Vice Major, Seat 3  
Jolie Davis, Seat 1  
Nancy Sera, Seat 2  
Mel Beckham, Seat 5*

**CITY CLERK**

*Jennifer Sylvester*



**CITY OF CEDAR KEY, FLORIDA  
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SEPTEMBER 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor-Commissioner and  
Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Cedar Key, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City as of September 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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.

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

Management is responsible for the preparation and fair presentation of the 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.

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Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

## INDEPENDENT AUDITOR'S REPORT

### ***Auditor's 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 auditor's 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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, budgetary comparison information, and pension schedules, 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

Honorable Mayor-Commissioner and  
Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

## INDEPENDENT AUDITOR'S REPORT

the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Purvis Gray*

June 26, 2025  
Gainesville, Florida

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

As management of the City of Cedar Key, Florida, we offer readers of this narrative overview and analysis of the financial activities of the City of Cedar Key, Florida for the fiscal year ended September 30, 2024.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of Cedar Key, Florida's basic financial statements. The City of Cedar Key, 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 Cedar Key, 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 Cedar Key, 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 Cedar Key, 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 and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Cedar Key, 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 Cedar Key, Florida include general government, public safety, transportation, physical environment, intergovernmental services, and culture and recreation. The City has no business-type activities.

The government-wide financial statements can be found on the pages as they are listed in the table of contents.

**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 Cedar Key, Florida, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City of Cedar Key, Florida only has governmental 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 CEDAR KEY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

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 Cedar Key, Florida maintains a General Fund and a special revenue fund for the City's CRA. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and CRA fund which are both considered to be major funds.

The City of Cedar Key, Florida adopts an annual appropriated budget for its general fund and CRA fund. A budgetary comparison statement has been provided for the general fund and CRA fund to demonstrate compliance with the appropriated budget.

The basic governmental fund financial statements can be found on the pages as they are listed in the table of contents.

**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 the pages as they are listed in the table of contents.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Cedar Key, Florida's budgetary and pension information. Required supplementary information can be found on the pages as they are listed in the table of contents.

### **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 Cedar Key, Florida, assets and deferred outflows exceeded liabilities and deferred inflows by \$6,250,398 at the close of the most recent fiscal year.

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

**Government-wide Financial Analysis (Continued)**

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

<b>City of Cedar Key, Florida's Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Current and other assets	\$ 2,365,755	\$ 2,093,499
Capital assets	6,712,239	6,805,860
Total assets	<u>9,077,994</u>	<u>8,899,359</u>
Deferred outflows	<u>181,517</u>	<u>139,273</u>
Long-term liabilities	1,765,506	2,330,346
Other liabilities	<u>1,169,349</u>	<u>1,203,575</u>
Total liabilities	<u>2,934,855</u>	<u>3,533,921</u>
Deferred inflows	<u>74,258</u>	<u>86,120</u>
Net position:		
Net investment in capital assets	4,822,240	4,335,860
Restricted	699,696	281,032
Unrestricted	<u>728,462</u>	<u>801,699</u>
Total net position	<u><u>\$ 6,250,398</u></u>	<u><u>\$ 5,418,591</u></u>

An additional portion of the City of Cedar Key, Florida's net position (11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance is an *unrestricted net position of \$728,462*.

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

**Governmental activities** Governmental activities increased the City of Cedar Key, Florida's net position by \$881,380. The largest component of this increase in net position over the previous year's increase were insurance proceeds received for various insurance claims along with increases in property taxes.

**City of Cedar Key, Florida's Changes in Net Position**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Revenues:		
Program revenues:		
Charges for services	\$ 643,117	\$ 430,605
Operating grants and contributions	315,632	650,157
Capital grants and contributions	63,156	66,000
General Revenues:		
Property taxes	2,034,729	1,777,820
Franchise fees	53,850	59,548
Utility tax	110,335	115,926
Shared revenues	79,489	79,970
Sales and use taxes	124,036	125,041
Intergovernmental and other	360,689	175,942
Total revenues	<u>3,785,033</u>	<u>3,481,009</u>
Expenses:		
General government	837,940	685,422
Public safety	1,194,871	905,175
Physical environment	225,461	736,479
Transportation	180,431	207,717
Economic environment	16,011	16,106
Culture and recreation	400,947	323,922
Interest	97,565	111,166
Total expenses	<u>2,953,226</u>	<u>2,985,987</u>
Change in net position	831,807	495,022
<b>Net position, beginning of year</b>	<u>5,418,591</u>	<u>4,923,569</u>
<b>Net position, end of year</b>	<u><u>\$ 6,250,398</u></u>	<u><u>\$ 5,418,591</u></u>



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

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

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

**Governmental fund** - The focus of the City of Cedar Key, Florida's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Cedar Key, 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.

As of the end of the current fiscal year, the City of Cedar Key, Florida's governmental fund reported ending fund balance of \$1,850,350, an increase of \$341,832 in comparison with the prior year. Of this total amount, \$717,717 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Various infrastructure and improvement projects constitute majority of the spending. The largest component of this increase in fund balance over the previous year's increase were insurance proceeds received for various insurance claims along with increases in property taxes.

The general fund is the chief operating fund of the City of Cedar Key, Florida. At the end of the current fiscal year, unassigned and assigned fund balance of the general fund was \$1,150,654 and total fund balance was \$1,226,025. As a measure of the general fund's liquidity, it may be useful to compare unassigned and assigned fund balance to total fund expenditures. General Fund assigned and unassigned fund balances were 43% of General Fund expenditures for fiscal year 2024.

**General Fund Budgetary Highlights**

The City had no amendments to the budget during the 2024 fiscal year.

**Capital Asset and Debt Administration**

**Capital assets** The City of Cedar Key, Florida's investment in capital assets for its governmental activities as of September 30, 2024, amounts to \$6,712,240 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities and roads.

Additional information on the City of Cedar Key, Florida's capital assets can be found in Note 6 on page 21 of this report.

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

**Long-term debt** - At the end of the current fiscal year, the City of Cedar Key, Florida had debt outstanding of \$1,890,000.

**The City of Cedar Key, Florida's Long-term Outstanding Debt**

	<u>2024</u>
<b>Governmental activities:</b>	
Note payable	\$ 1,890,000
Total	<u>\$ 1,890,000</u>
	<u>2023</u>
<b>Governmental activities:</b>	
Note payable	\$ 2,470,000
Total	<u>\$ 2,470,000</u>

Additional information on the City of Cedar Key, Florida's long-term debt can be found in Note 7 on page 22 of this report.

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

Changes in state budgets and legislation may make financial forecasting difficult; however, past performance, expected growth or slowdowns, and expected hurricane repair expenditures are all factors considered in preparing the City of Cedar Key, Florida's budget for the 2025 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Cedar Key, Florida's finances for all those with an interest in the government's finances. If you have any questions about the report or need additional information, contact City Hall, City of Cedar Key, P.O. Box 339, Cedar Key, Florida 32625, telephone: (352) 543-5132.

**CITY OF CEDAR KEY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,030,374
Receivables, net	11,970
Due from other governments	300,202
Lease receivable	23,209
Capital assets::	
Land	2,942,822
Buildings and improvements	1,861,081
Infrastructure (other than buildings)	6,311,547
Equipment	1,853,542
Accumulated depreciation	(6,256,753)
Total assets	<u><u>\$ 9,077,994</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u><u>\$ 181,517</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 213,134
Accrued payroll and employee benefits	34,710
Customer deposits	12,748
Unearned revenue	232,851
Accrued interest payable	37,328
Noncurrent liabilities:	
Due within one year:	
Bonds and notes payable	605,000
Compensated absences	33,578
Due in more than one year:	
Bonds and notes payable	1,285,000
Compensated absences	23,221
Net pension liability	457,285
Total liabilities	<u><u>\$ 2,934,855</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	\$ 52,297
Deferred inflows related to leases	21,961
Total deferred inflows of resources	<u><u>\$ 74,258</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 4,822,240
Restricted for:	
Redevelopment projects	624,325
Tree planting	40,758
Cemetery	34,613
Unrestricted	728,462
Total net position	<u><u>\$ 6,250,398</u></u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Governmental
					Activities
Governmental activities:					
General government	\$ 834,742	\$ 8,354	\$ -	\$ -	\$ (826,388)
Public safety	1,198,069	254,358	13,600	38,076	(892,035)
Physical environment	225,461	266,232	302,032	-	342,803
Transportation	180,431	-	-	-	(180,431)
Economic environment	16,011	-	-	-	(16,011)
Culture and recreation	400,947	114,173	-	25,080	(261,694)
Interest	97,565	-	-	-	(97,565)
Total governmental activities	2,953,226	643,117	315,632	63,156	(1,931,321)
General revenues:					
Property taxes					2,034,729
Franchise fees					53,850
Utility tax					110,335
Local Option Fuel tax					9,177
Other taxes					114,859
State revenue sharing					79,489
Other intergovernmental revenues					4,000
Investment earnings (loss)					50,967
Licenses and permits					1,981
Fines and forfeitures					22,685
Insurance proceeds					231,019
Miscellaneous revenues					50,037
Total general revenues and transfers					2,763,128
Change in net position					831,807
Net position - beginning					5,418,591
Net position - ending					\$ 6,250,398

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

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

	<u>General Fund</u>	<u>CKCRA Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,406,048	\$ 624,325	\$ 2,030,373
Receivables, net	1,341	-	1,341
Due from other governments	300,202	-	300,202
Lease receivable	23,209	-	23,209
Other receivables	10,629	-	10,629
Total assets	<u>\$ 1,741,429</u>	<u>\$ 624,325</u>	<u>\$ 2,365,754</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 213,134	\$ -	\$ 213,134
Accrued payroll and employee benefits	34,710	-	34,710
Customer deposits	12,748	-	12,748
Unearned revenue	232,851	-	232,851
Total liabilities	<u>493,443</u>	<u>-</u>	<u>493,443</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - leases	<u>21,961</u>	<u>-</u>	<u>21,961</u>
<b>FUND BALANCES</b>			
Restricted for:			
Redevelopment projects	-	624,325	624,325
Tree planting	40,758	-	40,758
Cemetery	34,613	-	34,613
Assigned to:			
Capital projects	107,323	-	107,323
Subsequent year's budget	325,614	-	325,614
Unassigned	717,717	-	717,717
Total fund balances	<u>1,226,025</u>	<u>624,325</u>	<u>1,850,350</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 1,741,429</u></u>	<u><u>\$ 624,325</u></u>	<u><u>\$ 2,365,754</u></u>

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

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

**Fund balances - total governmental funds** \$ 1,850,350

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	12,968,993	
Less: accumulated depreciation	(6,256,753)	6,712,240

On the governmental fund statements, a net pension liability 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 liability (asset). Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(457,285)	
Deferred outflows related to pensions	181,517	
Deferred inflows related to pensions	(52,297)	(328,065)

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities and other long-term liabilities consist of the following:

Bonds and notes payable	(1,890,000)	
Accrued interest payable	(37,328)	
Compensated absences	(56,799)	(1,984,127)

<b>Net position of governmental activities</b>		<b><u>\$ 6,250,398</u></b>
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**CITY OF CEDAR KEY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<b>General Fund</b>	<b>CKCRA Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Taxes	\$ 1,189,430	\$ 1,079,670	\$ 2,269,100
Licenses, permits, and assessments	166,566	-	166,566
Intergovernmental	424,200	-	424,200
Charges for services	532,381	-	532,381
Fines and forfeitures	22,685	-	22,685
Investment income	42,953	8,014	50,967
Rent	16,582	-	16,582
Miscellaneous	264,479	-	264,479
Total revenues	<u>2,659,276</u>	<u>1,087,684</u>	<u>3,746,960</u>
<b>Expenditures</b>			
Current:			
General government	810,509	8,068	818,577
Public safety	1,145,639	-	1,145,639
Physical environment	225,461	-	225,461
Transportation	37,652	-	37,652
Culture and recreation	205,571	44,367	249,938
Debt service:			
Principal	-	580,000	580,000
Interest and fiscal charges	-	97,565	97,565
Capital outlay	215,796	34,500	250,296
Total expenditures	<u>2,640,628</u>	<u>764,500</u>	<u>3,405,128</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>18,648</u>	<u>323,184</u>	<u>341,832</u>
<b>Other financing sources (uses)</b>			
Transfers in	29,458	129,302	158,760
Transfers out	(129,302)	(29,458)	(158,760)
Total other financing sources (uses)	<u>(99,844)</u>	<u>99,844</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(81,196)</u>	<u>423,028</u>	<u>341,832</u>
<b>Fund balances, beginning of year</b>	1,307,221	201,297	1,508,518
<b>Fund balances, end of year</b>	<u><u>\$ 1,226,025</u></u>	<u><u>\$ 624,325</u></u>	<u><u>\$ 1,850,350</u></u>

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

**CITY OF CEDAR KEY, 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>\$ 341,832</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	250,296
Depreciation expense	(381,992)
Contributed capital assets	38,076
Bond and loan proceeds are reported as financing sources in the governmental funds. However the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position.	
Principal repayment of general long-term debt	580,000
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.	
Change in net pension liability (asset) and deferred inflows/outflows related to pensions	1,325
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. These adjustments are as follows:	
Change in accrued interest on long-term debt	11,454
Change in compensated absences liability	(9,184)
<b>Change in net position of governmental activities</b>	<b>\$ 831,807</b>

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



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

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

The financial statements of the City of Cedar Key, 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 is a Florida municipal corporation governed by an elected five-member City Commission. The City provides services to its citizens including refuse collection, parks and recreation, streets, public safety and other general governmental activities. As required by generally accepted accounting principles, the accompanying financial statements present the City as a primary government. Component units are entities for which the City is considered financially accountable or entities that would be misleading to exclude. There are no blended or discretely presented component units included in the City's financial reporting entity.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. The more significant of the City's accounting policies are hereafter described.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties. The City has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as *general revenues*.

(c) **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 financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are 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 funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Taxes and certain intergovernmental revenues constitute the most significant sources of revenue considered susceptible to accrual. In governmental funds, expenditures are generally recognized when the related liability is incurred. However, debt service expenditures, and expenditures for compensated absences and claims and judgments, are recorded only when payment is due.

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

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

(d) **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, deferred outflows, liabilities, deferred inflows, 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 reports the following major governmental fund:

The **General Fund** accounts for all financial transactions not accounted for in other funds.

The **CKCRA Fund** accounts for activities of the City's Community Redevelopment Agency. The primary source of revenues is ad valorem tax incremental funds, which are restricted for expenditures benefiting the redevelopment district.

(e) **Use of estimates**—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

(f) **Cash and investments**—The institutions in which the City's monies are deposited are certified as a "Qualified Public Depository," as required under the Florida Public Deposits Act. This law requires every qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of an amount to be determined by the State Treasurer and requires the State Treasurer to ensure that funds are entirely collateralized throughout the fiscal year. Therefore, the County's total deposits are insured by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance.

The City has not adopted an investment policy and so, by statute, follows the state's guidance set forth in Section 219.075, Florida Statutes, regarding the deposit of funds received and the investment of surplus funds. That section requires local governments without written investment policies to follow the state policy in Section 218.415(17), Florida Statutes.

The City does not have policies that address credit risk, custodial credit risk, or interest rate risk. The City had no investments at year-end or during the year.

(g) **Account receivables**—Receivables are stated at net realizable value, reduced by an allowance for uncollectable accounts, where appropriate. Accounts receivable of the General Fund are net of a \$3,837 allowance.

(h) **Leases**—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.

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

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

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.

- i. The City uses its estimated incremental borrowing rate as the discount rate for leases.
- ii. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- iii. 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.

At commencement of a lease when the City is the lessee, the City initially measures the lease liability at the present value of total payments over the lease term. The lease asset is measured as the value of the lease liability, adjusted for prepayments, plus certain initial direct costs.

(i) **Capital assets**—Capital assets are recorded at historical cost or estimated historical cost, except for contributed assets which are recorded at acquisition value at the date of contribution. The City uses a capitalization threshold of \$1,000 and a life of one year or more for all classes of capital assets.

The City has elected not to report general infrastructure assets acquired prior to October 1, 2003. Depreciation of capital assets is provided using the straight-line method over the estimated useful lives of the assets, which range as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 – 50
Machinery and equipment	5 – 10
Infrastructure	50

(j) **Compensated absences**—The City’s policy is to allow limited vesting of employee vacation leave. A liability for accrued compensated absences of employees of the governmental funds has been accrued. Since this liability will not be liquidated with expendable available financial resources, the liability has not been reported in the governmental funds. A liability for compensated absences is accrued when incurred in the government-wide financial statements.

(k) **Property Taxes**—The Levy County Tax Collector bills and collects property taxes for the City. In governmental funds, property tax revenues are recognized when levied, to the extent that they result in current receivables.

Levy Date:	October 1, 2023
Due Date:	March 31, 2024
Lien Date:	January 1, 2024

(l) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only item in this category consisted of deferred amounts related to pension, as discussed further in Note 8.

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only items in this category are deferred inflows of resources related to pensions, as discussed further in Note 8.

(m) **Fund balance**—The City follows the provisions of the GASB Codification to classify fund balances for governmental funds into specifically defined classifications. The classifications 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 the funds can be spent. Those classifications are as follows:

*Nonspendable* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted* – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the City's highest level of decision-making authority, which is an ordinance. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action.

*Assigned* – Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the City Commission or (b) a body or official to which the City Commission has delegated the authority to assign amounts to be used for specific purposes.

*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, it is the City's policy to use its resources in the following order as needed to fund expenses: restricted, committed, assigned, unrestricted.

(n) **Restricted net position**—In the accompanying government-wide statements of net position, *restricted net position* is subject to restrictions beyond the City's control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws/regulations of other governments) or is imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**CITY OF CEDAR KEY, 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) Cash and Investments:**

The City's cash and cash equivalents consist of legally authorized demand deposits and certificates of deposit. The institutions in which these deposits are kept are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, in addition to applicable Federal Depository Insurance Corporation (FDIC) insurance, these balances on deposit at September 30, 2024, are insured or collateralized through the Bureau of Collateral Management, Florida Department of Financial Services.

State statutes authorize the City to invest excess funds in time deposits, obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local-Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance. The City had no investments at year-end or during the year.

**(4) Lease Receivable:**

***Leases Receivable***

The City has one ongoing lease agreement with a third party related to right to use land for communication towers. The lease includes a 5-year term effective October 1, 2021, through September 20, 2026. The aggregate annual payment of \$13,754 as of September 30, 2024, is discounted using an estimated incremental borrowing rate of 4.00%.

For the year ending September 30, 2024, the lease-related activity is as follows:

	<u><b>General Fund</b></u>
Lease Revenue	\$ 12,549
Lease Interest	1,160
Lease Receivable	23,209

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

**(5) Interfund Balances and Transfers:**

The interfund balances resulted from the normal course of operations and are expected to be repaid within one year. Interfund transfers were consistent with the purpose of the fund making the transfer.

For the year ended September 30, 2024, individual fund transfers to and from other funds for the primary government were comprised of the following:

	<u>Transfer From</u>	<u>Transfer To</u>
Government Activities:		
General Fund:		
CKCRA Fund	\$ 29,458	\$ 129,302
CKCRA Fund:		
General Fund	129,302	29,458
Totals – All Funds	<u>\$ 158,760</u>	<u>\$ 158,760</u>

**(6) Capital Assets:**

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

***Governmental activities:***

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	2,942,822	-	-	2,942,822
Total assets not being depreciated	<u>2,942,822</u>	<u>-</u>	<u>-</u>	<u>2,942,822</u>
Capital assets being depreciated:				
Buildings	1,819,261	45,450	(3,630)	1,861,081
Improvements other than buildings	6,115,727	195,820	-	6,311,547
Equipment	1,947,311	47,102	(140,871)	1,853,542
Total assets being depreciated	9,882,299	288,372	(144,501)	10,026,170
Less: accumulated depreciation	(6,019,261)	(381,992)	144,501	(6,256,753)
Total capital assets being depreciated, net	<u>3,863,038</u>	<u>(93,620)</u>	<u>-</u>	<u>3,769,418</u>
Governmental activities capital assets, net	<u>6,805,860</u>	<u>(93,620)</u>	<u>-</u>	<u>6,712,240</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 19,764
Public safety	52,429
Economic environment	16,011
Transportation	142,778
Culture and recreation	151,009
Total depreciation expense – governmental activities	<u>\$ 381,992</u>

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

**(7) Long-Term Obligations:**

Following is a summary of changes in long-term obligations for the fiscal year ended September 30, 2024:

<b>Governmental activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Compensated absences	\$ 47,615	\$ 28,931	\$ (19,747)	\$ 56,799	\$ 33,578
Redevelopment Revenue Note, Direct Borrowing	\$ 2,470,000	\$ -	\$ (580,000)	\$ 1,890,000	\$ 605,000
Net Pension Liability	\$ 426,309	\$ 48,366	\$ -	\$ 457,285	\$ -

Bonds and notes payable in the Town's governmental activities at September 30, 2024, were comprised of the following obligations:

Redevelopment Revenue Note, issued to pay off existing outstanding loans of approximately \$2,315,420 and pay issuance costs of \$55,000. The remaining balance was used for various capital projects and to pay debt service. The interest rate is 3.95% and the payment of principal and interest is due semiannually on April 15 and October 15, through April 15, 2027. The Note is secured solely by the Tax Increment Revenues derived from the Redevelopment Area established under Ordinance No. 338, enacted by the City on October 10, 2000, as provided by Section 163.387, Florida Statutes. Neither the City nor the CKCRA shall ever be required to levy ad valorem taxes to pay the principal or interest on the Redevelopment Revenue Note. The holder of the Redevelopment Revenue Note shall not be entitled to payment of the note from any funds of the CKCRA except from Tax Increment Revenues described above. The outstanding balance at September 30, 2024, was \$1,890,000.

Annual debt service requirements to maturity for the Town's governmental activities bonds and notes payable and financed purchases are as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 605,000	\$ 74,655	\$ 679,655
2026	630,000	50,758	680,758
2027	655,000	25,872	680,872
Total	<u>\$ 1,890,000</u>	<u>\$ 151,285</u>	<u>\$ 2,041,285</u>

Upon the occurrence and during the continuation of any event of default, the owner of the note may declare the entire debt then remaining unpaid immediately due and payable, and in any such default and acceleration, the CKCRA shall also be obligated to pay as part of the indebtedness evidenced by the note, all costs of collection and enforcement hereof, including such reasonable attorney's fees as may be incurred, including on appeal or incurred in any proceeding under bankruptcy laws as they now or hereafter exist.

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

**(8) Pension Plan:**

**A. Florida Retirement System and Health Insurance Subsidy**

**Plan Description and Administration**

The City participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined benefit public employee retirement system which covers all of the City's eligible employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the City are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided and Employees Covered**

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months.



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

**(8) Pension Plan:** (Continued)

During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

**Financial Statements**

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site ([www.myfloridacfo.com](http://www.myfloridacfo.com)). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services  
Division of Retirement, Research and Education Services  
P.O. Box 9000  
Tallahassee, FL 32315-9000  
850-488-5706 or toll free at 877-377-1737

**Contributions**

The City participates in certain classes of FRS membership. Each class had descriptions and contribution rates in effect during the year ended September 30, 2024, as follows (contribution rates are in agreement with the actuarially determined rates):

<b>FRS Membership Plan &amp; Class</b>	<b>Through June 30, 2024</b>	<b>After June 30, 2024</b>
Regular Class	13.57%	13.63%
Senior Management	34.52%	34.52%
Special Risk	32.67%	32.79%

Current-year employer HIS contributions were made at a rate of 2.00% of covered payroll, which are included in the above rates.

For the plan year ended June 30, 2024, actual contributions made for employees participating in FRS and HIS were as follows:

Contributions – FRS	\$ 54,870
Contributions – HIS	4,653
Employee Contributions – FRS	6,979

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

(8) **Pension Plan:** (Continued)

**Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions**

At September 30, 2024, the City reported a liability related to FRS and HIS as follows:

<b>Plan</b>	<b>Net Pension Liability</b>
FRS	\$ 374,849
HIS	82,436
Total	<u>\$ 457,285</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2024 and June 30, 2023, the City's proportionate share of the FRS and HIS net pension liabilities were as follows:

<b>Plan</b>	<b>2024</b>	<b>2023</b>
FRS	0.000968986%	0.000855324%
HIS	0.000549535%	0.000538267%

For the year ended June 30, 2024, pension expense was recognized related to the FRS and HIS plans as follows:

<b>Plan</b>	<b>Pension Expense</b>
FRS	\$ 61,926
HIS	2,372
Total	<u>\$ 64,298</u>

*Deferred outflows/inflows related to pensions:*

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

	<b>FRS</b>		<b>HIS</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 37,870	\$ -	\$ 796	\$ (158)
Changes of assumptions	51,377	-	1,459	(9,759)
Net difference between projected and actual investment earnings	-	(24,914)	-	(30)
Change in proportionate share	63,127	(10,456)	10,051	(6,980)
Contributions subsequent to measurement date	15,500	-	1,337	-
Total	<u>\$ 167,874</u>	<u>\$ (35,370)</u>	<u>\$ 13,643</u>	<u>\$ (16,927)</u>

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

**(8) Pension Plan:** (Continued)

The above amounts for deferred outflows of resources for contributions related to pensions resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
2025	\$ 6,425	\$ (1,499)	\$ 4,926
2026	75,153	(590)	74,563
2027	20,048	(1,793)	18,255
2028	9,930	(461)	9,469
2029	5,447	(128)	5,319
Thereafter	1	(150)	(149)
	<u>\$ 117,004</u>	<u>\$ (4,621)</u>	<u>\$ 112,383</u>

*Actuarial assumptions:*

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2024 for the period July 1, 2018, through June 30, 2023. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. This rate is consistent with the prior year rate of 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.93% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.65%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021.

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2024, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

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

(8) **Pension Plan:** (Continued)

These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Arithmetic Expected Rate of Return</u>
Cash	1.0%	3.3%
Fixed income	29.0%	5.7%
Global equities	45.0%	8.6%
Real estate	12.0%	8.1%
Private equity	11.0%	12.4%
Strategic investments	2.0%	6.6%
Total	<u>100.0%</u>	

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the proportionate shares of the FRS and HIS net pension liability of the City calculated using the current discount rates, as well as what the City's net pension liability 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>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.70%	\$ 659,347	\$ 374,849	\$ 136,522
HIS	3.93%	93,842	82,436	72,966

**B. Defined Contribution Pension Plan**

During the year ended September 30, 1993, the City established a defined contribution plan to provide pension benefits for its employees who were not police officers. The plan is the Northwestern Mutual Life Insurance Company Prototype Defined Contribution Plan and Trust, administered by the Florida Municipal Pension Trust Fund (Florida League of Cities, Inc.). Effective October 1, 2001, the City adopted the Florida Municipal Pension Trust Fund's Section 401(a) Deferred Contribution Plan to replace the Northwestern Mutual Life Insurance Company Prototype Deferred Contribution Plan and Trust. This plan is also administered by the Florida Municipal Pension Trust Fund. The plan provisions are the same, except that the minimum age requirement was removed. The plan provides retirement benefits to substantially all City employees. All benefits vest after ten years of credited service. To be eligible for the plan, employees must have completed one year of service. Contributions to the plan are discretionary but are currently funded by the City at 10% of each eligible employee's compensation (excluding overtime pay). For the year ended September 30, 2024, the amount of pension expense was \$26,474. The City Commission has the authority to establish and amend the provisions of the plan. Additional information regarding the plan may be obtained at City Street, 2 Tower Center, East Brunswick, New Jersey 08816, Attention: Account Management Team at 23rd Floor.

**C. Defined Contribution 457 Plan**

Effective October 1, 2001, the City adopted the Florida Municipal Pension Trust Fund's Deferred Compensation Plan under Internal Revenue Code Section 457(b). The plan allows substantially all City employees to make pretax contributions to the plan, in accordance with the plan. The City does not make contributions to this plan.

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

**(9) Pledged Revenue**

The City has pledged the Tax Increment Revenues, established under Ordinance No. 338, enacted on October 10, 2000, to repay the \$9,200,000 Redevelopment Revenue Note, Series 2007. The remaining principal and interest payments on the note at September 30, 2024 totaled \$2,041,285. Principal and interest paid for the current year was \$677,565. Tax Increment Revenues totaled \$1,079,670 for the year, of which 62% was used for debt service.

**(10) Risk Management:**

The City is exposed to various risks of loss related to general liability, workers' compensation, public liability, law enforcement liability, property damage, and errors and omissions. To manage its risks, the City participates in the Florida League of Cities Self Insurance Fund (the "Fund") a public entity risk pool currently operating as a common risk management and insurance program for member cities. The City pays an annual premium to the Fund for its coverage. The premiums are designed to fund the liability risks assumed by the Fund and are based on certain actual exposures of each member.

**(11) 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. provides guidance to meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions in GASB 101 are effective for periods beginning after December 15, 2023.
- (b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in June 2022. GASB 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.

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

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ 1,229,768	\$ 1,229,768	\$ 1,189,430	\$ (40,338)
Licenses and permits	100,000	100,000	166,566	66,566
Intergovernmental	305,524	305,524	424,200	118,676
Charges for services	596,177	596,177	532,381	(63,796)
Fines and forfeitures	17,600	17,600	22,685	5,085
Investment income	-	-	42,953	42,953
Rent	17,000	17,000	16,582	(418)
Miscellaneous	13,650	13,650	264,479	250,829
Total revenues	<u>2,279,719</u>	<u>2,279,719</u>	<u>2,659,276</u>	<u>379,557</u>
<b>Expenditures</b>				
Current:				
General government	901,254	901,254	810,509	90,745
Public safety	832,296	832,296	1,145,639	(313,343)
Physical environment	301,350	301,350	225,461	75,889
Transportation	44,000	44,000	37,652	6,348
Culture and recreation	206,720	206,720	205,571	1,149
Reserve for contingency	94,613	94,613	-	94,613
Capital outlay	200,500	200,500	215,796	(15,296)
Total expenditures	<u>2,580,733</u>	<u>2,580,733</u>	<u>2,640,628</u>	<u>(59,895)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(301,014)</u>	<u>(301,014)</u>	<u>18,648</u>	<u>319,662</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	29,458	29,458
Transfers out	(89,859)	(89,859)	(129,302)	(39,443)
Total other financing sources (uses)	<u>(89,859)</u>	<u>(89,859)</u>	<u>(99,844)</u>	<u>(9,985)</u>
<b>Net change in fund balances</b>	<u>(390,873)</u>	<u>(390,873)</u>	<u>(81,196)</u>	<u>309,677</u>
<b>Fund balances, beginning of year</b>	1,307,221	1,307,221	1,307,221	-
<b>Fund balances, end of year</b>	<u>\$ 916,348</u>	<u>\$ 916,348</u>	<u>\$ 1,226,025</u>	<u>\$ 309,677</u>

The accompanying notes to the schedule of revenues, expenditures, and changes in fund balance budget to actual are an integral part of this schedule.

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

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ 1,079,670	\$ 1,079,670	\$ 1,079,670	\$ -
Investment income	-	-	8,014	8,014
Total revenues	<u>1,079,670</u>	<u>1,079,670</u>	<u>1,087,684</u>	<u>8,014</u>
<b>Expenditures</b>				
Current:				
General government	-	-	8,068	(8,068)
Culture and recreation	-	-	44,367	(44,367)
Debt Service:				
Principal	580,000	580,000	580,000	-
Interest and fiscal charges	134,893	134,893	97,565	37,328
Reserve for contingency	655,504	655,504	-	655,504
Capital outlay	-	-	34,500	(34,500)
Total expenditures	<u>1,370,397</u>	<u>1,370,397</u>	<u>764,500</u>	<u>605,897</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(290,727)</u>	<u>(290,727)</u>	<u>323,184</u>	<u>613,911</u>
<b>Other financing sources (uses)</b>				
Transfers in	89,859	89,859	129,302	39,443
Transfers out	-	-	(29,458)	(29,458)
Total other financing sources (uses)	<u>89,859</u>	<u>89,859</u>	<u>99,844</u>	<u>9,985</u>
<b>Net change in fund balances</b>	<u>(200,868)</u>	<u>(200,868)</u>	<u>423,028</u>	<u>623,896</u>
<b>Fund balances, beginning of year</b>	201,297	201,297	201,297	-
<b>Fund balances, end of year</b>	<u>\$ 429</u>	<u>\$ 429</u>	<u>\$ 624,325</u>	<u>\$ 623,896</u>

The accompanying notes to the schedules of revenues, expenditures, and changes in fund balance budget to actual are an integral part of this schedule.

**CITY OF CEDAR KEY, 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 and CKCRA Funds. The City generally follows these procedures in establishing the budgetary data reflected in the schedule:

1. Prior to September 30, the City Clerk submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes estimated revenues, 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 a resolution.
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 CEDAR KEY, FLORIDA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	As of the Plan Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Florida Retirement System (FRS)</b>										
Proportion of the net pension liability	0.000968986%	0.000855324%	0.000675690%	0.000712568%	0.000748246%	0.000696907%	0.000897846%	0.001207303%	0.001318839%	0.136447800%
Proportionate share of the net pension liability	\$ 374,849	\$ 340,825	\$ 251,417	\$ 53,832	\$ 324,307	\$ 240,005	\$ 270,436	\$ 357,112	\$ 333,008	\$ 176,241
Covered payroll	232,626	213,246	174,475	193,255	183,586	160,456	189,096	201,943	206,485	218,747
Proportionate share of the net pension liability as a percentage of covered payroll	161.14%	159.83%	144.10%	27.86%	176.65%	149.58%	143.02%	176.84%	161.27%	80.57%
Plan fiduciary net position as a percentage of the total	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
<b>Health Insurance Subsidy Program (HIS)</b>										
Proportion of the net pension liability	0.000549535%	0.000538267%	0.000458844%	0.000545884%	0.000526724%	0.000479766%	0.000568768%	0.000630742%	0.000643953%	0.070611200%
Proportionate share of the net pension liability	\$ 82,436	\$ 85,484	\$ 48,599	\$ 66,961	\$ 64,312	\$ 53,681	\$ 60,199	\$ 67,442	\$ 75,050	\$ 72,012
Covered payroll	232,626	213,246	174,475	193,255	183,586	160,456	189,096	201,943	206,485	218,747
Proportionate share of the net pension liability as a percentage of covered payroll	35.44%	40.09%	27.85%	34.65%	35.03%	33.46%	31.84%	33.40%	36.35%	32.92%
Plan fiduciary net position as a percentage of the total	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

**CITY OF CEDAR KEY, FLORIDA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	For the Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Florida Retirement System (FRS)</b>										
Contractually required contribution	\$ 60,486	\$ 41,221	\$ 28,582	\$ 29,426	\$ 27,476	\$ 21,994	\$ 22,127	\$ 30,126	\$ 32,846	\$ 34,553
Contributions in relation to the contractually required	60,486	41,221	28,582	29,426	27,476	21,994	22,127	30,126	32,846	34,553
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 256,537	\$ 203,337	\$ 171,179	\$ 192,067	\$ 192,595	\$ 167,169	\$ 169,064	\$ 196,395	\$ 206,485	\$ 218,747
Contributions as a percentage of covered payroll	23.58%	20.27%	16.70%	15.32%	14.27%	13.16%	13.09%	15.34%	15.91%	15.80%
<b>Health Insurance Subsidy Program (HIS)</b>										
Contractually required contribution	\$ 5,131	\$ 3,523	\$ 2,721	\$ 3,236	\$ 3,239	\$ 2,775	\$ 2,758	\$ 3,309	\$ 3,359	\$ 2,970
Contributions in relation to the contractually required	5,131	3,523	2,721	3,236	3,239	2,775	2,758	3,309	3,359	2,970
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 256,537	\$ 203,337	\$ 171,179	\$ 192,067	\$ 192,595	\$ 167,169	\$ 169,064	\$ 196,395	\$ 206,485	\$ 218,747
Contributions as a percentage of covered payroll	2.00%	1.73%	1.59%	1.68%	1.68%	1.66%	1.63%	1.68%	1.63%	1.36%

**INDEPENDENT AUDITOR'S 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**

Honorable Mayor-Commissioner and  
Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Cedar Key, 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 June 26, 2025.

**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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Cedar Key, Florida

**INDEPENDENT AUDITOR'S 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**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 the following non-compliance or other matters that are required to be reported under *Government Auditing Standards*:

■ **2024-01 Excess Expenditures Over Budget Appropriations**

Florida Statutes §166.241(2) requires that a municipality's budget regulate its expenditures, prohibiting any expenditures or contract that are not in accordance with the adopted budget. Budget monitoring and timely amendment are necessary to ensure that entities operate within the financial resources available to them. During the audit, we noted that the City expended amounts beyond their budget appropriations within the General Fund in the amount of \$59,895.

**City of Cedar Key'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 audit and described in the accompanying Management's Response. 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 result 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.

*Purvis Gray*

June 26, 2025  
Gainesville, Florida

## MANAGEMENT LETTER

Honorable Mayor-Commissioner and  
Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

### Report on the Financial Statements

We have audited the financial statements of the City of Cedar Key, Florida (the City) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 26, 2025.

### Auditor's 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 Auditor's 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 Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants 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 June 26, 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 significant findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

### 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 City was established in 1923 under a Charter in accordance with Laws of Florida 9698. The City includes the Cedar Key Community Redevelopment Agency (CKCRA) as a component unit. The CKCRA is reported as a special revenue fund in the accompanying financial statements.

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Honorable Mayor-Commissioner and  
Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

## MANAGEMENT LETTER

### 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 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.b. 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 noted the following recommendation for financial management improvement:

#### ■ 2024-02 Audit Adjustments

During the audit we identified two accounts which required material adjustment. The City failed to estimate an accrued liability and expenditures for services received related to hurricane debris removal and disposal before fiscal year-end in the amount of \$123,492. Additionally, the City recognized a receivable and revenue in the amount of \$116,023 before all eligibility requirements of the grant had been satisfied. We recommend the City establish a process to ensure account balances are accurately reported, including review of invoices received after year-end for correct reporting period and review of eligibility requirements of grants to ensure revenue is accrued when all eligibility requirements are satisfied.

### Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. The City has not authorized the operation of a PACE program, and management is not aware of the operation of any such program, within its geographical boundaries.

### 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.

Honorable Mayor-Commissioner and  
Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

## MANAGEMENT LETTER

### Specific Information

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, for the CKCRA have been reported in separately-issued audited financial statements of the CKCRA.

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### 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 Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, City Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

June 26, 2025  
Gainesville, Florida

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTE SECTION 218.415 - INVESTMENTS OF PUBLIC FUNDS

Honorable Mayor-Commissioner and  
Board of Commissioners  
City of Cedar Key  
Cedar Key, Florida

We have examined the City of Cedar Key, Florida's (the City) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. City management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risks of material non-compliance, 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 and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

This report is intended solely for the information and use of the Florida Auditor General, the Mayor, City Commission members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

June 26, 2025  
Gainesville, Florida

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## **Management's Response to Findings**

### **Finding 2024-01 – Excess Expenditures Over Budget Appropriations**

The City of Cedar Key acknowledges the finding regarding expenditures exceeding appropriations in the General Fund by \$59,895 for the fiscal year ended September 30, 2024. Florida Statutes §166.241(2) requires municipalities to ensure that expenditures do not exceed budgeted amounts. The City will implement a formal review process within 60 days after fiscal year-end to analyze expenditures as part of the fiscal year-end close procedures. Based on this review, budget amendments will be proposed and formally adopted, if necessary, to ensure compliance with statutory requirements moving forward.

### **Finding 2024-02 – Audit Adjustments (Accruals of Payables and Receivables)**

The City acknowledges the audit adjustments related to the timing and recording of a FEMA grant receivable and related accrued liabilities totaling approximately \$123,492 and \$116,023, respectively. To address this, the City will enhance its year-end closing procedures for FY2025 by reviewing all grant-related expenditures and payables that may cross fiscal years. The City will ensure that all eligible FEMA-related costs and other payables are properly recorded in the appropriate fiscal period in accordance with generally accepted accounting principles. This will include a detailed post-year-end review of vendor invoices and grant documentation to assess whether accruals are required.

Individual Responsible: Ben Clark, 3<sup>rd</sup> Party Contracted CPA and Jennifer Sylvester, City Clerk  
Estimated Completion Date: September 30, 2025

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

We have audited the financial statements of the governmental activities and the major fund of the Cedar Key Community Redevelopment Agency (the CKCRA), a component unit of the City of Cedar Key, Florida (the City), for the year ended September 30, 2024. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated October 14, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the CKCRA are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by the CKCRA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates may be particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We did not identify any particularly sensitive estimates in the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements was:

- The disclosure of long-term debt in Note 3, which describes the most significant obligations of the CKCRA.

The disclosures in the financial statements are neutral, consistent, and clear.

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To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate.

**Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated June 26, 2025.

**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the CKCRA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the CKCRA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the Required Supplementary Information (RSI) as identified in the table of contents of the financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

**Restriction on Use**

This information is intended solely for the use of the City Commissioners and applicable management of the CKCRA and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

June 26, 2025  
Gainesville, Florida

**CEDAR KEY  
COMMUNITY REDEVELOPMENT AGENCY  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

**CEDAR KEY COMMUNITY REDEVELOPMENT AGENCY  
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## INDEPENDENT AUDITOR'S REPORT

To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Cedar Key Community Redevelopment Agency (the CKCRA), a component unit of the City of Cedar Key, 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 CKCRA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the CKCRA as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CKCRA 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.

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

Management is responsible for the preparation and fair presentation of the 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 CKCRA'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.

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To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

## INDEPENDENT AUDITOR'S REPORT

### ***Auditor's 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 auditor's 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 CKCRA'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 CKCRA'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 budgetary comparison information 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 budgetary comparison 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



To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

## INDEPENDENT AUDITOR'S REPORT

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of the CKCRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CKCRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CKCRA's internal control over financial reporting and compliance.

*Purvis Gray*

June 26, 2025  
Gainesville, Florida

**CEDAR KEY COMMUNITY REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

The Cedar Key Community Redevelopment Agency (the CRA) management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA's financial statements which follow this section.

***Financial Highlights***

- The liabilities of the CRA exceeded its assets at September 30, 2024, by \$(1,303,004) (deficit net position). Of this amount, the entire balance was unrestricted. The deficit improved by \$1,014,480 from the prior year.
- As of September 30, 2024, the CRA reported ending fund balances of \$624,325. Fund balance saw a change of \$423,028 when compared to the prior year.

The MD&A is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

***Overview of the Financial Statements***

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

***Government-wide Financial Statements***

Government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. The governmental activities of the CRA include reinvesting into the community redevelopment district.

The statement of net position presents information on all of the CRA's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the full accrual basis of accounting.

***Notes to the Financial Statements***

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

### ***Statement of Net Position***

The following is a summary of the CRA's governmental activities net position for each of the past two years:

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Current and other assets	\$ 624,325	\$ 201,297
Total assets	<u>\$ 624,325</u>	<u>\$ 201,297</u>
<b>LIABILITIES</b>		
Noncurrent liabilities:	\$ 1,927,329	\$ 2,518,781
Total liabilities	<u>\$ 1,927,329</u>	<u>\$ 2,518,781</u>
<b>NET POSITION</b>		
Unrestricted	(1,303,004)	(2,317,484)
Total net position	<u>\$ (1,303,004)</u>	<u>\$ (2,317,484)</u>

### ***Statement of Activities***

The following is a summary of the changes in the CRA's governmental activities net position for each of the past two years:

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>		
Property taxes	\$ 1,079,670	\$ 920,099
Other revenues	8,014	482
Total revenues	<u>1,087,684</u>	<u>920,581</u>
<b>EXPENSES</b>		
General government	42,568	-
Culture and recreation	44,367	-
Interest and fiscal charges	86,113	111,166
Total expenses	<u>173,048</u>	<u>111,166</u>
Net income before transfers	914,636	809,415
Transfers from primary government	129,302	76,578
Transfers to primary government	(29,458)	(26,552)
Change in net position	1,014,480	859,441
<b>Net position, beginning of year</b>	<u>(2,317,484)</u>	<u>(3,176,925)</u>
<b>Net position, end of year</b>	<u>\$ (1,303,004)</u>	<u>\$ (2,317,484)</u>

### ***Financial Analysis of the General Fund***

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

As of the end of the current fiscal year, the CRA's general fund reported an ending fund balance of \$624,325, a change of \$423,028, in comparison with the prior year.

At the end of the current fiscal year, the entire fund balance was restricted for community redevelopment. As the CRA is focused on reinvestment revenues into the CRA district and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

### ***General Fund Budgetary Highlights***

There were no significant amendments between the original and the final CRA budget.

Actual expenditures in the general fund were \$605,897 less than final budget amounts. The main reason for this is due to the timing of capital project and other one-time expenditures.

Budgetary comparisons between the final budget and actual results can be found on page 16 of this report.

### ***Economic Factors and Next Year's Budget***

There are many challenges facing local governments today. Property values have continued to increase in recent years, contributing to related growth in the revenues of the CRA. While property values for the subsequent fiscal year have increased, the future outlook of property values are unknown.

### ***Requests for Information***

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about the report or need additional information, contact City Hall, City of Cedar Key, P.O. Box 339, Cedar Key, Florida 32625, telephone: (352) 543-5132.

**CEDAR KEY COMMUNITY REDEVELOPMENT AGENCY**  
**BALANCE SHEET / STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	<u>Balance Sheet</u> <u>General</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Net Position</u> <u>Governmental</u> <u>Activities</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 624,325	\$ -	\$ 624,325
Total assets	<u>\$ 624,325</u>	<u>\$ -</u>	<u>\$ 624,325</u>
<b>LIABILITIES</b>			
Noncurrent liabilities:			
Due within one year:			
Interest payable	-	37,329	37,329
Bonds and notes payable	-	605,000	605,000
Due in more than one year:			
Bonds and notes payable	-	1,285,000	1,285,000
Total liabilities	<u>-</u>	<u>1,927,329</u>	<u>1,927,329</u>
<b>FUND BALANCE / NET POSITION</b>			
Fund Balance:			
Restricted for:			
Community redevelopment	624,325	(624,325)	-
Net Position:			
Unrestricted	-	(1,303,004)	(1,303,004)
Total fund balance / net position	<u>624,325</u>	<u>(1,927,329)</u>	<u>(1,303,004)</u>
Total liabilities and fund balance / net position	<u>\$ 624,325</u>	<u>\$ -</u>	<u>\$ 624,325</u>

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

**CEDAR KEY COMMUNITY REDEVELOPMENT AGENCY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<b>Statement of Revenues, Expenditures, and Changes in Fund Balance</b>		<b>Statement of Activities</b>
	<b>General Fund</b>	<b>Adjustments</b>	<b>Governmental Activities</b>
<b>Revenues</b>			
Taxes	\$ 1,079,670	\$ -	\$ 1,079,670
Investment income	8,014	-	8,014
Total revenues	<u>1,087,684</u>	<u>-</u>	<u>1,087,684</u>
<b>Expenditures / expenses</b>			
Current:			
General government	8,068	34,500	42,568
Culture and recreation	44,367	-	44,367
Capital outlay	34,500	(34,500)	-
Debt service:			
Principal retirement	580,000	(580,000)	-
Interest and fiscal charges	97,565	(11,452)	86,113
Total expenditures / expenses	<u>764,500</u>	<u>(591,452)</u>	<u>173,048</u>
<b>Excess (deficiency) of revenues over     expenditures / operating income (loss)</b>	<u>323,184</u>	<u>591,452</u>	<u>914,636</u>
<b>Other financing sources (uses)</b>			
Transfers in from primary government	129,302	-	129,302
Transfers out to primary government	(29,458)	-	(29,458)
Total other financing sources (uses)	<u>99,844</u>	<u>-</u>	<u>99,844</u>
<b>Net change in fund balance / net position</b>	<u>423,028</u>	<u>591,452</u>	<u>1,014,480</u>
<b>Fund balance / net position, beginning of year</b>	201,297	(2,518,781)	(2,317,484)
<b>Fund balance / net position, end of year</b>	<u>\$ 624,325</u>	<u>\$ (1,927,329)</u>	<u>\$ (1,303,004)</u>

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

**CEDAR KEY COMMUNITY REDEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

The financial statements of the Cedar Key Community Redevelopment Agency (the CRA) have been prepared in conformance 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 and the CRA has adopted the GASB Codification. The following is a summary of the CRA's significant accounting policies:

(a) **Reporting entity**—The Cedar Key Community Redevelopment Agency was created in December 1999, by City Resolution No. 194 of the City of Cedar Key, Florida (the City), pursuant to Florida Statute 163.387, to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the designated community redevelopment area. Since the City is financially accountable for the activities of the CRA, its governing board is the same, and its relationship to the CRA is significant, the CRA is considered to be a blended component unit in the City's financial statements, where it is also reported as a major special revenue fund.

The CRA has determined there are no component units that meet criteria for inclusion in the CRA's financial statements.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the CRA. The CRA only has governmental activities and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include ad valorem taxes and interest income. Fund financial statements are presented for the CRA's General Fund. The General Fund, which accounts for all financial operations of the CRA, is considered to be a major fund and is the only fund of the CRA.

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor 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 when 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 CRA considers property revenues to be available if they are collected within 60 days of the end of the current period. Grants, other intergovernmental revenues, charges for services, licenses 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. Expenditures generally are recorded when a liability is incurred. However, expenditures related to long-term agreements are recorded only when payment is due.

**CEDAR KEY COMMUNITY REDEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

(d) **Budgets and budgetary accounting**—The governing board of the CRA adopts an annual operating budget, which is prepared on a modified accrual basis and can be amended by the board throughout the year. At the fund level, actual expenditures cannot exceed the budgeted amounts. The accompanying budgeted financial statements for the General Fund reflect the final budget authorization amounts, including all amendments.

(e) **Deposits and investments**—The CRA's cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Receivables and payables**—Activity between the CRA and the City has been classified as amount due to/from the primary government on the balance sheet and statement of net position. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of outstanding balances and historical trends. At September 30, 2024, all of the CRA's receivables were considered fully collectible.

(g) **Prepaid items**—When present, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(h) **Capital assets**—The CRA does not own any capital assets. Any capital outlay expenditures made by the CRA are deemed to be on behalf of the City who takes ownership of the assets along with the perpetual maintenance obligation for those assets

(i) **Long-term obligations**— The CKCRA authorized the issuance of a \$9,200,000 Redevelopment Revenue Note, Series 2007, dated December 20, 2007. The proceeds from the note were used to pay off existing outstanding loans of approximately \$2,315,420 and pay issuance costs of \$55,000. The balance of funds was used for various capital projects and to pay debt service.

The CRA does not have any employees. Any employees who provide services to the CRA are employees of the primary government and do so at no charge to the CRA and any allocations made to the CRA represent reimbursements by the CRA to the primary government for services rendered (any items recorded to personnel expense accounts are only for ease of tracking the reimbursement amounts). As a result, there is no compensated absences, other post-employment benefits (OPEB), or pension liabilities recorded on the CRA's financial statements.

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

*Nonspendable* – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

*Restricted* – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

*Committed* – amounts constrained to specific purposes based on actions taken by the CRA governing board through ordinance.



**CEDAR KEY COMMUNITY REDEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

*Assigned* – amounts the CRA intends to use for a specific purpose. Intent can be expressed by the CRA governing board or by an official or body which the Board delegates authority.

*Unassigned* – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the CRA considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(k) **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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA has no items that meet this reporting criteria.

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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The CRA has no items that meet this reporting criteria.

(l) **Net position flow assumption**—Sometimes the CRA 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 CRA's policy to consider restricted net position to have been used before unrestricted net position is applied.

(m) **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.

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

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Between 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. The CRA reports long term debt differently between these two statements.

(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**—Between 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. The reports the changes in long term debt differently between these two statements.

**CEDAR KEY COMMUNITY REDEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(3) Long-term Debt**

Bonds and notes payable in the CRA's governmental activities at September 30, 2024, were comprised of the following obligations:

Redevelopment Revenue Note, issued to pay off existing outstanding loans of approximately \$2,315,420 and pay issuance costs of \$55,000. The remaining balance was used for various capital projects and to pay debt service. The interest rate is 3.95% and the payment of principal and interest is due semiannually on April 15 and October 15, through April 15, 2027. The Note is secured solely by the Tax Increment Revenues derived from the Redevelopment Area established under Ordinance No. 338, enacted by the City on October 10, 2000, as provided by Section 163.387, Florida Statutes. Neither the City nor the CRA shall ever be required to levy ad valorem taxes to pay the principal or interest on the Redevelopment Revenue Note. The holder of the Redevelopment Revenue Note shall not be entitled to payment of the note from any funds of the CRA except from Tax Increment Revenues described above. The outstanding balance at September 30, 2024, was \$1,890,000.

Following is a summary of changes in long-term obligations for the fiscal year ended September 30, 2024:

<u>Governmental activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Redevelopment Revenue Note, Direct Borrowing	\$ 2,470,000	\$ -	\$ (580,000)	\$ 1,890,000	\$ 605,000

Annual debt service requirements to maturity for the CRA's governmental activities bonds and notes payable are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 605,000	\$ 74,655	\$ 679,655
2026	630,000	50,758	680,758
2027	655,000	25,872	680,872
Total	<u>\$ 1,890,000</u>	<u>\$ 151,285</u>	<u>\$ 2,041,285</u>

Upon the occurrence and during the continuation of any event of default, the owner of the note may declare the entire debt then remaining unpaid immediately due and payable, and in any such default and acceleration, the CRA shall also be obligated to pay as part of the indebtedness evidenced by the note, all costs of collection and enforcement hereof, including such reasonable attorney's fees as may be incurred, including on appeal or incurred in any proceeding under bankruptcy laws as they now or hereafter exist.

**CEDAR KEY COMMUNITY REDEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(5) Deposits and Investments:**

The CRA is subject to the investment policy of the primary government and has no cash or investment held outside of the CRA's interest in the City's pooled cash and investments. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the CRA to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2024, all CRA deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the CRA's deposits are held with public depositories and as of September 30, 2024, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

**(6) Commitments and Contingencies:**

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**(7) Pledged Revenue**

The CRA has pledged the Tax Increment Revenues, established under Ordinance No. 338, enacted on October 10, 2000, to repay the \$9,200,000 Redevelopment Revenue Note, Series 2007. The remaining principal and interest payments on the note at September 30, 2024 totaled \$2,041,285. Principal and interest paid for the current year was \$677,565. Tax Increment Revenues totaled \$1,079,670 for the year, of which 62% was used for debt service.

**CEDAR KEY COMMUNITY REDEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(9) 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 CRA's financial statements:

- a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding 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**

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

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Taxes	\$ 1,079,670	\$ 1,079,670	\$ 1,079,670	\$ -
Investment income	-	-	8,014	8,014
Total revenues	1,079,670	1,079,670	1,087,684	8,014
<b>Expenditures</b>				
Current:				
General government	-	-	8,068	(8,068)
Culture and recreation	-	-	44,367	(44,367)
Reserve for contingency	655,504	655,504	-	655,504
Capital outlay	-	-	34,500	(34,500)
Debt service:				
Principal retirement	580,000	580,000	580,000	-
Interest and fiscal charges	134,893	134,893	97,565	37,328
Total expenditures	1,370,397	1,370,397	764,500	605,897
<b>Excess (deficiency) of revenues over     expenditures</b>	<b>(290,727)</b>	<b>(290,727)</b>	<b>323,184</b>	<b>613,911</b>
<b>Other financing sources (uses)</b>				
Transfers in from primary government	89,859	89,859	129,302	39,443
Transfers out to primary government	-	-	(29,458)	(29,458)
Total other financing sources (uses)	89,859	89,859	99,844	9,985
<b>Net change in fund balances</b>	<b>(200,868)</b>	<b>(200,868)</b>	<b>423,028</b>	<b>623,896</b>
<b>Fund balances, beginning of year</b>	<b>201,297</b>	<b>201,297</b>	<b>201,297</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 429</b>	<b>\$ 429</b>	<b>\$ 624,325</b>	<b>\$ 623,896</b>

**INDEPENDENT AUDITOR'S 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 City Commissioners  
City of Cedar Key  
Cedar Key, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Cedar Key Community Redevelopment Agency (the CKCRA), a component unit of the City of Cedar Key, 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 CKCRA's basic financial statements, and have issued our report thereon dated June 26, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the CKCRA's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CKCRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CKCRA's internal control.

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

Our consideration of internal control 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

**INDEPENDENT AUDITOR'S 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***

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CKCRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CKCRA'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 CKCRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis Gray*

June 26, 2025  
Gainesville, Florida



## MANAGEMENT LETTER

To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

### Report on the Financial Statements

We have audited the financial statements of the Cedar Key Community Redevelopment Agency (the CKCRA), a component unit of the City of Cedar Key, Florida (the City), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 26, 2025.

### Auditor's 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 Auditor's 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 Accountant's Reports on an examination conducted in accordance with American Institute of Certified Public Accountants *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 June 26, 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 financial audit report. There were no such findings in the preceding audit report.

### 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. This is disclosed in Note 1 of the 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 CKCRA 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 CKCRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

## MANAGEMENT LETTER

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the CKCRA. It is management's responsibility to monitor the CKCRA'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 did not have any such recommendations.

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

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the CKCRA must state whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the CKCRA's geographical boundaries during the fiscal year under audit. The CKCRA has not authorized the operation of a PACE program, and management is not aware of the operation of any such program, within its geographical boundaries.

### **Special District Component Unit**

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.

### **Specific Information (Unaudited)**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the CKCRA reported:

- a. The total number of CKCRA employees compensated in the last pay period of the CKCRA's fiscal year as 0.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the CKCRA's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the CKCRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as \$0.
- f. A budget variance based in the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CKCRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$0.

To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

## MANAGEMENT LETTER

### **Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we communicate non-compliance 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.

### **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 Florida House of Representatives, the Florida Auditor General, the City Commissioners, and applicable management of the CKCRA, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

June 26, 2025  
Gainesville, Florida

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTES, SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS

To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

We have examined the Cedar Key Community Redevelopment Agency's (the CKCRA) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. The CKCRA's management is responsible for the CKCRA's compliance with those requirements. Our responsibility is to express an opinion on the CKCRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CKCRA complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CKCRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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 and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination of the CKCRA's compliance with specified requirements.

In our opinion, the CKCRA complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

This report is intended solely for the information and use of the Florida Auditor General, the City Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

June 26, 2025  
Gainesville, Florida

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## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 163.387(6) AND (7), FLORIDA STATUTES – REDEVELOPMENT TRUST FUND

To the Honorable City Commissioners  
City of Cedar Key  
Cedar Key, Florida

We have examined the Cedar Key Community Redevelopment Agency's (the CKCRA) compliance with Section 163.387(6) and (7), Florida Statutes, during the fiscal year ended September 30, 2024. The CKCRA's management is responsible for the CKCRA's compliance with those requirements. Our responsibility is to express an opinion on the CKCRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CKCRA complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CKCRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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 and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination of the CKCRA's compliance with specified requirements.

Our examination disclosed the following material non-compliance with Section 163.387(6) and (7), Florida Statutes applicable to the CRA for the year ended September 30, 2024:

### 2024-01 – Budgetary Compliance

**Condition**—Section 163.387(6)(b), Florida Statutes, requires that the community redevelopment agency shall submit its annual budget to the Board of County Commissioners (BOCC) for the County in which it is located within 10 days after the adoption of such budget and submit amendments of its annual budget within 10 days after the adoption date of the amended budget. The CKCRA budget was not submitted to the Levy County BOCC.

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To the Honorable City Commissioners  
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Cedar Key, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE  
WITH SECTION 163.387(6) AND (7), FLORIDA STATUTES – REDEVELOPMENT TRUST FUND**

***Effect***—The CKCRA was not in compliance with Section 163.387(6)(b), Florida Statutes.

***Recommendation***—We recommend the CKCRA review its internal controls and establish a process to ensure the budget and any related amendments are submitted to the BOCC within 10 days.

This report is intended solely for the information and use of the Florida Auditor General, the City Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

June 26, 2025  
Gainesville, Florida



## **Management's Response to Findings**

### **Finding 2024-01 – Budgetary Compliance**

The City of Cedar Key Community Redevelopment Agency (CRA) acknowledges the requirement under Section 163.387(6)(b), Florida Statutes, to submit its adopted budget and any amendments to the Levy County Board of County Commissioners (BOCC) within 10 days of adoption. The CRA recognizes that the FY 2024 budget was not submitted to the BOCC as required and attributes this oversight to a gap in procedural follow-through. To ensure future compliance, the CRA will implement a compliance checklist for this item, assign responsibility for timely budget submission to the City Clerk and update internal procedures to document the submission process. These corrective actions will be completed prior to the adoption of the FY 2025 budget.

Individual Responsible: Ben Clark, 3<sup>rd</sup> Party Contracted CPA and Jennifer Sylvester, City Clerk  
Estimated Completion Date: September 30, 2025

**City of Cedar Key  
Commission Meeting  
Agenda Item**

**Submitted By:** Jennifer Sylvester, Interim City Clerk

**Meeting Date:** July 15, 2025

**Subject:** City Clerk Position – Candidate List

**Discussion:** Select from the provided list, the top candidates for interviews

**Fiscal Impact:**

**Attachments:** List of Candidates

**Commission Action:** Select Top Candidates for Interviews



1. Dhruvil Khalas
2. Michael Teninty
3. Lynda Sessions
4. Laura Roberts
5. Sherly George
6. Trisha Schultz
7. Erika Berg
8. Kristina Eidel
9. Jeffery Platt

**City of Cedar Key  
Commission Meeting  
Agenda Item**

**Submitted By:** Commissioner Beckham

**Meeting Date:** July 15, 2025

**Subject:** 4<sup>th</sup> Street End

**Discussion:** Reimbursement to Ms Anne Osteen for loss of real property due to previous CBDG funded storm water project.

**Fiscal Impact:** unknown

**Attachments:** History of discussion(s); Laws of Cedar Key, 4-6.02.03 (LDR)

**Possible Commission Action:** Approval to move forward with deeding portion of street end to Ms Anne Osteen.

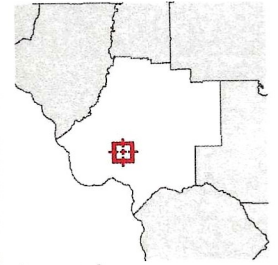


Levy County, FL

50' x 50' (2500<sup>sq</sup>ft)



#### Overview



#### Legend

- Parcels
- Parcel Lines**
  - Construction
  - Easement
  - Lot
  - Miscellaneous
  - Parcel
  - Private Road
  - Road Right of Way
  - Subdivision
  - Water
  - <all other values>
- Roads**
- City Labels**

Parcel ID	0864700100	Physical Address	
Property Use	0000 - VACANT	Mailing Address	O'STEEN ANN C
Taxing District	CEDAR KEY		PO BOX 97
Acres	0.06		CEDAR KEY FL 32625

Building Value	\$0
Extra Feature Value	\$0
Market Land Value	\$43,200
Ag Land Value	\$43,200
Just Value	\$43,200
Assessed Value	\$43,200
Taxable Value	\$43,200

Last 2 Sales			
Date	Price	Reason	Qual
n/a	0	n/a	n/a
n/a	0	n/a	n/a

Date created: 6/27/2024  
Last Data Uploaded: 6/26/2024 7:50:27 PM

Developed by Schneider  
GEOSPATIAL

' Falls back to current  
comm. to decide if to  
honor past comm.

• No Deed in Official Records

Anne Osteen  
352-226-3544  
086 470 0100 > parcel  
086 47 00000 > ID  
Buildable?  
\* also asked about 14  
beet given to her.



they know if there is enough property to do it. The street end at 7<sup>th</sup> was suggested. Ms. McCain asked them to just do what they can. **COMMISSIONER SILLS MADE A MOTION TO HAVE THE CITY LOOK INTO THE POSSIBILITY OF A POCKET PARK IN HONOR OF MISS BERTIE MAE RICHBURG. SECONDED BY COMMISSIONER DANIEL. MOTION CARRIED.**

**Stock Certificate donated to Cedar Key Library. Clerk will explain.** Mayor Davis asked that this item be heard out of order. City Clerk Hodges said that a number of years ago the library had requested that an account be set up with the City and it has been set up in the name of the library and the City. The library has been given 375 shares of Walgreen stock and would like to cash them in. In order to do so, the Mayor and the City Clerk need to sign a document. **COMMISSIONER SILLS MOVED TO WRITE A RESOLUTION TO CASH IN THE SHARES OF STOCK. SECONDED BY COMMISSIONER HIBBITS. MOTION CARRIED UNANIMOUSLY ON A ROLL CALL VOTE.**

**Summer Youth Vehicle Use Agreement - Levy County School Board.** This is an annual agreement in which the City pays for the gas and insurance and hires the driver while the County provides the bus. The City needs to sign the agreement. **COMMISSIONER DANIEL SO MOVED. SECONDED BY COMMISSIONER HIBBITS. MOTION CARRIED.**

**Right of Way Leases to be renewed: Mark Webster, Anne O'Steen, Rosa Lee Campbell.** Mr. Coffey stated that it appears that these have historically been informal agreements. If the City wants to protect itself, it might want to prepare leases. Law requires that the City be compensated fairly. Commissioner Sills explained why each of the leases had been granted. After discussion, it was decided that Mr. Coffey and Mr. Sills would get together on the matter and bring the item back at the next meeting.

**Annual Renewal of State Revenue Application.** City Clerk Hodges stated that this is an on-going renewal. **COMMISSIONER SILLS MOVED TO RENEW THE ANNUAL STATE REVENUE APPLICATION. SECONDED BY COMMISSIONER DANIEL. MOTION CARRIED.**

**Chief Castell - Copy Machine.** Chief Castell stated that the proposed machine would do many tasks that the current machine would not and that it would save time for everyone. Funds for paying for it would come from the forfeiture money. It would be purchased at a cost is \$6,373. City Hall and the Police Department will use it. **COMMISSIONER HODGES MOVED TO BUY IT. SECONDED BY COMMISSIONER DANIEL. MOTION CARRIED.** A decision about the old machine can be made after the final lease payments are made.

**Easement between Cedar Key Development Company and City of Cedar Key - Reference Bulkhead.** Mr. Coffey explained that an inadvertent encroachment had occurred on property belonging to the Cedar Key Development Company and, rather than removing the sea wall, an agreement had been reached with Mr. Delaino. Mr. Coffey explained the terms of the agreement and stated that Mr. Delaino has signed it. **COMMISSIONER HIBBITS MOVED TO ACCEPT THE AGREEMENT. SECONDED BY COMMISSIONER SILLS. MOTION CARRIED.**

**Commissioner Ken Daniel - Report on Cedar Key Park Electrical System.** Commissioner Daniel said that there are serious problems with the system and that it needs to be brought up to Code. He stated that it needs to be done now. Mr. Coffey stated that if there was an immediate risk of harm,



and that those promises haven't been kept. She also stated that leasing it at fair market value was impossible for her. Commissioner Sills said that this was a street end next to Ms. O'Steen's property and that there was water there before the first project. Mr. Coffey said that the question of fair market value came up because it was called to their attention that they were breaking the law. The government cannot take people's property and give it away unless it is for a legitimate public purpose. However, there are a variety of ways to figure that value. In Ms. O'Steen's case, he feels that we need to do something for her, as it is a problem caused by the city. Commissioner Sills, Mr. Coffey and Ms. O'Steen will get together and work out a solution.

**Open Street Bid.** One (1) bid has been received but there is another one coming. **COMMISSIONER SILLS MOVED TO EXTEND THE PERIOD FOR BIDDING TO THE JULY 17<sup>TH</sup> SPECIAL MEETING. SECONDED BY COMMISSIONER HIBBITS. MOTION CARRIED.**

**Mitigation Grant – Update. City Clerk.** Ms. Hodges said that the total expenses had been paid by the Department of Community Affairs Division of Emergency Management. The total received was \$55,280.00, which includes, contract work, materials/supplies, and administration fee. **COMMISSIONER DANIEL MOVED TO ACCEPT THE GRANT REPORT. SECONDED BY COMMISSIONER SILLS. MOTION CARRIED.**

**CD's Mature: Marina and Garbage Works.** Mayor Davis said that they wanted to take into consideration the fact that paving costs would come from the Marina Fund, so they did not want to pay a penalty to use some of the funds. Commissioner Hibbits asked if the Marina Fund could be used for paving and was told that it could, as long as it is repaid from the Tax Increment Fund. Mr. Coffey said that they are looking into when and how much we will see from that fund. After discussion, **COMMISSIONER SILLS MOVED TO PUT THE MONEY INTO CD'S WITH THE HIGHEST PERCENTAGE INTEREST RATE; THE GARBAGE WORKS FOR SIX (6) MONTHS AND THE MARINA FUND FOR THREE (3) MONTHS. SECONDED BY COMMISSIONER DANIEL. MOTION CARRIED.**

**Interlocal Agreement between City of Cedar Key and Board of County Commission, Levy County – Re: RECYCLE.** City Clerk Hodges said that this is the same agreement that is signed every year. **COMMISSIONER DANIEL MOVED TO ACCEPT THE INTERLOCAL AGREEMENT BETWEEN THE CITY AND THE BOARD OF COUNTY COMMISSIONERS FOR RECYCLING. SECONDED BY COMMISSIONER HIBBITS. MOTION CARRIED.**

**Interlocal Agreement between City of Cedar Key and School Board of Levy County – School Crossing Guard.** City Clerk Hodges said that this is also an agreement that is renewed every year. **COMMISSIONER SILLS MOVED TO RENEW THE CROSSING GUARD AGREEMENT AGAIN THIS YEAR. SECONDED BY COMMISSIONER DANIEL. MOTION CARRIED.**

#### **Additional Business:**

**Street Ends:** There are currently five (5) leases of dead-end streets by adjacent property owners. There have been no leases given in the past two (2) years. As has been previously discussed, there needs to be some way to handle these that meets the requirements of the law. Commissioner Sills and Mr. Coffey will get together on it and bring it back at the following month's meeting.



**Final Order – Petition 2001-11A. Brent Brooks.** Mr. Brooks is requesting a Certificate of Appropriateness for the two (2) single-family residences on the lots he owns, which are located in the Historic District. Mr. Coffey reviewed the Findings of Fact and the Conclusions of Law. **COMMISSIONER HIBBITS MOVED TO ACCEPT FINAL ORDER 2001-11A. SECONDED BY COMMISSIONER DANIEL. MOTION CARRIED UNANIMOUSLY ON A ROLL CALL VOTE.**

**Right of Way Leases.** Mr. Coffey and Commissioner Sills have looked into the matter. Mr. Coffey said that the practice of leasing street ends for the nominal amount of \$1.00 actually constitutes a gift. Florida law prohibits giving away public property unless it is for a valid public purpose. The University of Florida lease would be considered for the benefit of the public, but private leases would have to be charged fair market value. In addition, the practice is in conflict with the Comprehensive Plan, which prohibits encroachment on public right of way and states that all streets and shorelines are to be retained as open public areas. There are five or six leases now in effect. Ms. Anne O'Steen's has a different situation than the other private ones in that the storm water project took away a portion of the street end and took away her frontage to the water. Mr. Coffey would recommend that the city end the practice of leasing street ends except where there is a public purpose. He also recommended that the city deed a portion of the street end to Ms. O'Steen to compensate her for loss of property where there was water access.

Commissioner Daniel said that he had a voting conflict since he is one of the leaseholders. There was discussion about the matter. Current lease owners would keep the lease until expiration. At that time, the lessee would remove any structures. Linda Dale brought up the subject of H Street, saying that since we are reclaiming streets, we might want to look into the section taken over by the Whitman Townhouses.

Vice Mayor Sills passed the gavel to Commissioner Daniel and made a motion. **COMMISSIONER SILLS MOVED THAT WE NO LONGER CONTINUE THE PRACTICE OF LEASING STREET ENDS, AND DEED 15' OF THE STREET END TO MS. O'STEEN FOR THE WATERFRONT SHE LOST. THE UNIVERSITY OF FLORIDA WILL CONTINUE TO KEEP THEIR LEASE; THE OTHERS WILL BE TERMINATED AS THEY COME UP. THE MOTION DIED FOR LACK OF A SECOND.**

No decision was reached on the matter but it can be brought up again at the next regular meeting.

**Bid – Library Architect.** Mr. Coffey stated that the committee had opened the bids. After review, they determined that Karl Thorne and Associates, Inc., had the best proposal. The agreement between the city and the architect has a fixed fee of \$38,000, and includes the design work, assistance in how best to award bids, assistance in the selection of the contractor, and supervision of construction. No city money is involved. **COMMISSIONER DANIEL MOVED TO ACCEPT THIS BID. SECONDED BY COMMISSIONER HODGES. MOTION CARRIED UNANIMOUSLY ON A ROLL CALL VOTE.**

#### **Additional Business:**

**Robert Robinson:** There was an Emergency Management Meeting in Bronson and EOC has set up a Rumor Control/Information Line. Call 486-5155, rather than 911 if you have questions. Representatives from the nuclear plant were there to give reassurances that there would be no explosion. There was a recommendation that people hold off on giving blood for a few days. The tropical storm is on track and everyone should be aware.



**Final Order. Petition 2001-12, Margaret McKneely.** Mr. Coffey said that the Final Order is ready for adoption. Ms. McKneely is requesting a Conditional Use for the Osprey Motel, located at 12050 State Road 24. Mr. Coffey reviewed the Findings of Fact and Conclusions of Law. **COMMISSIONER SILLS MOVED TO ACCEPT PETITION 2001-12, FINAL ORDER. SECONDED BY COMMISSIONER HIBBITS. MOTION CARRIED UNANIMOUSLY ON A ROLL CALL VOTE.**

**Cedar Key School, Cross Country Races.** Mr. Brad Penney has requested that permission be granted for police escort and protection during the home meet of the Cedar Key School Cross Country teams. There will be three (3) races on Wednesday, October 17. Police Chief Castell said that he saw no problem with it. **COMMISSIONER HIBBITS MOVED TO APPROVE IT. SECONDED BY COMMISSIONER DANIEL. MOTION CARRIED.**

**John Bozeman – Employee Status.** **COMMISSIONER SILLS MOVED TO HIRE JOHN BOZEMAN AS A FULL TIME EMPLOYEE, WITH BENEFITS. SECONDED BY COMMISSIONER DANIEL.** City Clerk Hodges said that the benefits would be retroactive to October 1, 2001. **MOTION CARRIED.**

**Right of Way Leases – tabled from 9/11/2001.** Commissioner Sills said that the city attorney had informed the City Commission that what was going on was illegal. The item was tabled until further research could be done. City Attorney Coffey reviewed the matter, stating that giving away public property was illegal unless it was for public benefit. It is in conflict with the Florida Constitution and with the city's Land Development Code as well as the Comprehensive Plan. He would recommend that the city end the practice of leasing street ends; that they no longer renew leases now being granted. He suggested that the leases could continue until they expire. The use by public entities, such as the University of Florida, is lawful and is consistent with the Comprehensive Plan. After some discussion, **COMMISSIONER SILLS MADE A MOTION TO TERMINATE LEASES AS THEY COME UP. SECONDED BY COMMISSIONER DANIEL.** Commissioner Daniel stated that he has a lease and that he would be giving it up. **MOTION CARRIED.** The matter of Ms. Anne O'Steen's loss of water access during the time of the CBDG funded storm water project was addressed. Mr. Coffey and Mr. Sills have looked at the problem and recommended that the city deed fifteen (15) feet of right of way as compensation for loss of her real property. They feel that this is a cost effective and amicable way to settle it for all parties. **COMMISSIONER SILLS MOVED THAT WE REIMBURSE ANNE O'STEEN FIFTEEN FEET OF STREET END. SECONDED BY COMMISSIONER HIBBITS. MOTION CARRIED.**

**Retirement Changes and Amend 2000 – 2001 Budget.** City Clerk Hodges said that these items are not ready yet.

**Mr. Robert Robinson. Fire Department.** Mayor Davis said that Mr. Robinson has been working on the firehouse every evening and deserves a hand for all the hard work. Mr. Robinson said others had been working also and he would pass the word along.

It time for renewal of contracts. The County wants to make changes; the Cedar Key Fire Department wants the contract to be left alone. If there is agreement to leave it basically the same, with no major changes, they are asking for approval to go ahead, after discussing it with Commissioner Hodges, and complete the matter, so that they won't have to wait another thirty (30) days. **COMMISSIONER HIBBITS MADE A MOTION TO LET ROBERT ROBINSON AND COMMISSIONER QUITMAN HODGES HANDLE IT. SECONDED BY COMMISSIONER DANIEL.** If there

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#### 4-6.02.03. Rights-of-Way (ROW).

Rights-of-way requirements for road construction shall be as specified for the street classification indicated in Part 4-6.02.02 of this Code. The ROW shall be measured from lot line to lot line.

- A. *Future rights-of-way.* Where roadway construction, improvement or reconstruction is not required to serve the needs of the proposed development, future ROW shall nevertheless be reserved for future use. No part of reserved areas, ROW easements or existing ROW shall be used to satisfy minimum requirements of this Code.
- B. *Encroachment.* No encroachment shall be permitted into existing ROW, except as follows:
  - 1. Temporary use, such as festivals, street dances and street markets, when authorized by the City Commission.
  - 2. To allow the use of air space over City sidewalks in the Historic District Overlay Zone for porches or balconies with unenclosed walls (except for insect screening and protective railings) and canopies, marquees or awnings. Permitted uses shall have a minimum vertical clearance of nine feet, six inches from ground (sidewalk) level and shall be visually compatible with adjacent uses. Supporting posts or columns may be permitted on the ROW between the curb and the first one foot of sidewalk, but no other permanent obstruction of the ROW shall be allowed. Applicants for the use of ROW shall sign a hold harmless and waiver of liability agreement before the City shall authorize such use.
  - 3. To use ROW for public or private utilities including, but not limited to, sanitary sewer, potable water, telephone, cable or electric transmission wires and gas lines, subject to the placement specifications and technical construction standards which apply.
  - 4. Sidewalks and bicycle ways shall be placed within the ROW
- C. *Vacations of rights-of-way.* Applications to vacate a ROW may be approved by the City Commission upon a finding that all of the following requirements are met:
  - 1. The requested vacation is consistent with the Comprehensive Plan.
  - 2. The ROW does not provide the sole access to any property. Remaining access shall not be by easement.
  - 3. The vacation shall not jeopardize the current or future location of any utility.
  - 4. The proposed vacation is not detrimental to the public interest.
  - 5. The proposed vacation provides a positive benefit to the City.
  - 6. The proposed vacation does not involve a ROW with coastal access.



**City of Cedar Key  
Commission Meeting  
Agenda Item**

**Submitted By:** Jennifer Sylvester, Interim City Clerk

**Meeting Date:** July 15, 2025

**Subject:** Annexation Request – Ordinance 559, 1<sup>st</sup> Reading

**Discussion:**

**Fiscal Impact:**

**Attachments:** Ordinance 559 for 1<sup>st</sup> Reading

**Possible Commission Action:** Approval of Ordinance 559 as written



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2009 NW 67th Place, Gainesville, FL 32653-1603 • 352.955.2200

July 7, 2025

Ms. Jennifer Sylvester  
Interim City Clerk  
City of Cedar Key  
P.O. Box 339  
Cedar Key, FL 32625-0339

TRANSMITTED VIA ELECTRONIC MAIL

RE: Petition No. ANX 25-02 (Sykes)  
  
Ordinance No. 559  
Concerning a Voluntary Annexation

Dear Jennifer:

Please find enclosed the above referenced ordinance for first reading only. Prior to the second reading of the ordinance, an ordinance for adoption and signature will be sent to the City.

The City Attorney should review the ordinance as to legal form and sufficiency.

If you have any questions concerning this matter, please do not hesitate to contact Sandra Joseph, Senior Planner, at 352.955.2200, ext. 111.

Sincerely,

Scott R. Koons, AICP  
Executive Director

Enclosure

SRK/cf

xc: Janice Fugate, Legal Assistant  
Norm D. Fugate, City Attorney  
Tami Wain, Legal Assistant

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ORDINANCE NO. 559

AN ORDINANCE OF THE CITY OF CEDAR KEY, FLORIDA, PURSUANT TO PETITION NO. ANX 25-02, RELATING TO VOLUNTARY ANNEXATION; MAKING FINDINGS; ANNEXING CERTAIN REAL PROPERTY LOCATED IN LEVY COUNTY, FLORIDA, WHICH IS REASONABLY COMPACT, AND CONTIGUOUS TO THE BOUNDARIES OF THE CITY OF CEDAR KEY, FLORIDA, INTO THE BOUNDARIES OF THE CITY OF CEDAR KEY, FLORIDA; PROVIDING SEVERABILITY; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING AN EFFECTIVE DATE

WHEREAS, Section 166.021, Florida Statutes, as amended, empowers the City Commission of the City of Cedar Key, Florida, hereinafter referred to as the City Commission, to annex real property into the corporate boundaries of the City of Cedar Key, Florida, hereinafter referred to as the City;

WHEREAS, Sections 171.011 through 171.094, Florida Statutes, as amended, the Municipal Annexation or Contraction Act, empowers the City Commission to annex real property into the corporate boundaries of the City, pursuant to a petition voluntarily filed by the owner of certain real property; and

WHEREAS, the owner of certain real property more particularly described herein below, has petitioned that the same be voluntarily annexed and incorporated into the boundaries of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF CEDAR KEY, FLORIDA, AS FOLLOWS:

Section 1. Pursuant to a petition, ANX 25-02, by Eden M. Sykes and Scott J. Sykes, the owners of real property, as described below and depicted on Schedule A: Location Map, attached hereto and incorporated as part of this ordinance, which real property is contiguous to the existing boundaries of the City and is reasonably compact, has petitioned the City to have said real property annexed into the City.

A parcel of land lying in Section 31, Township 15 South, Range 13 East, Levy County, Florida. Being more particularly described, as follows: Lot 1 of the Windward Subdivision, as recorded in the Public Records of Levy County, Florida.

Containing 0.73 acre, more or less.

Section 2. The City Commission of the City of Cedar Key, Florida, hereinafter referred to as the City Commission, finds that the petition bears the signatures of all owners of the real property in the area proposed to be annexed.

Section 3. The City Commission finds that the real property, described in Section 1 above, presently is contiguous to the boundaries of the City that said real property meets the criteria established by Chapter 171, Florida Statutes, as amended, and that said real property should be annexed to the boundaries of the City.

Section 4. The real property, described in Section 1 above and depicted on Schedule A: Location Map, attached hereto and incorporated as part of this ordinance, is hereby annexed to the boundaries of the City, and said real property in every way is a part of the City.

Section 5. The boundaries of the City are hereby redefined to include the real property described in Section 1 hereof.

Section 6. Annexation. The real property, described in Section 1 above, shall continue to be classified as follows: RESIDENTIAL, LOW DENSITY (less than or equal to 2 dwelling units per acre) under the land use classifications as designated on the Future Land Use Plan Map of the County Comprehensive Plan and classified as SINGLE FAMILY RESIDENTIAL, URBAN (R-1) under the zoning districts as designated on the Official Zoning Map of the County Land Development Code until otherwise changed or amended by appropriate ordinance of the City.

Section 7. Effective January 1, 2026, all real property lying within the boundaries of the City, as hereby redefined, shall be assessed for payment of municipal ad valorem taxes, and shall be subject to all general and special assessments.

Section 8. All persons who have been lawfully engaged in any occupation, business, trade or profession, within the area, described in Section 1 above, upon the effective date of this ordinance under a valid license or permit issued by the County and all other necessary state or federal regulatory agencies, may continue such occupation, business, trade or profession within the entire boundaries of the City, as herein defined, upon securing a valid occupational license from the City, which shall be issued upon payment of the appropriate fee, without the necessity of taking or passing any additional examination or test which otherwise is required relating to the qualification of such occupations, businesses, trades or professions.

Section 9. The City Clerk is hereby directed to file, within seven (7) days of the effective date of this ordinance, a certified copy of this ordinance with the following:

- a) Florida Department of State, Tallahassee, Florida;
- b) Florida Office of Economic and Demographic Research, Tallahassee, Florida;
- c) Clerk of the Circuit Court of the County;
- d) Chief Administrative Officer of the County;
- e) Property Appraiser of the County;
- f) Tax Collector of the County; and
- g) All public utilities authorized to conduct business within the city.

Section 10. Severability. If any provision or portion of this ordinance is declared by any court of competent jurisdiction to be void, unconstitutional or unenforceable, then all remaining provisions and portions of this ordinance shall remain in full force and effect.

Section 11. Conflict. All ordinances or portions of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 12. Effective Date. This ordinance shall become effective upon adoption.

PASSED UPON FIRST READING on the 15th day of July 2025.

PASSED AND DULY ADOPTED UPON SECOND AND FINAL READING, in regular session with a quorum present and voting, by the City Commission this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

Attest:

CITY COMMISSION OF THE  
CITY OF CEDAR KEY, FLORIDA

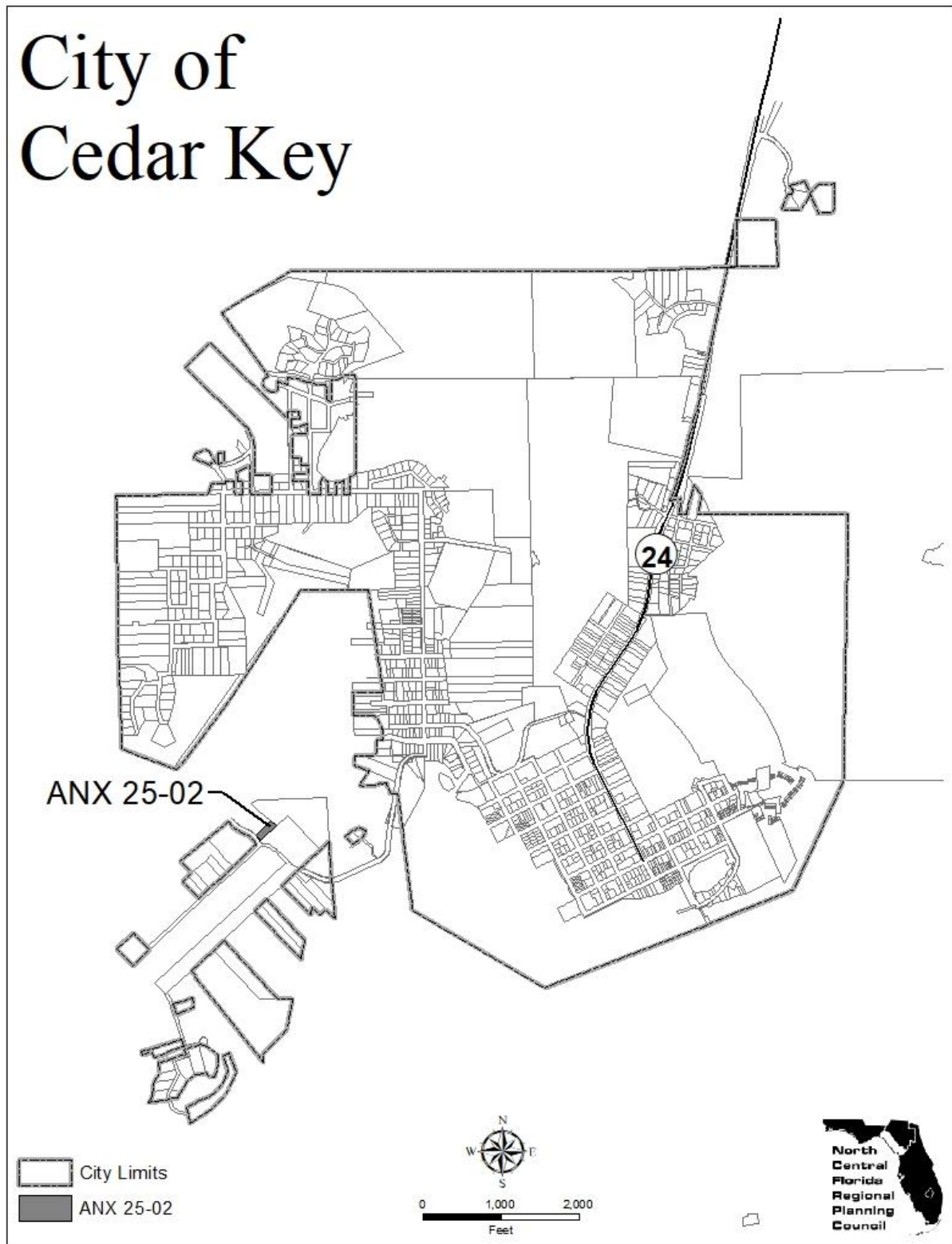
\_\_\_\_\_  
Jennifer Sylvester, Acting City Clerk

\_\_\_\_\_  
Jeff Webb, Mayor

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Norm D. Fugate, City Attorney

Schedule A: Location Map



**City of Cedar Key  
Commission Meeting  
Agenda Item**

**Submitted By: Chief Edwin Jenkins**

**Meeting Date: July 15, 2025**

**Subject: School Zone Speed Cameras**

**Discussion: Chief Edwin Jenkins**

**Fiscal Impact: None to the City of Cedar Key.**

**Attachments: School Zone Speed Study**

**Possible Commission Action:**

**Approval to start an RFP and create a City Ordinance for School Zone Cameras.**





NOVOAGGLOBAL

Creating Safer Communities



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## 2 EXECUTIVE SUMMARY

As a result of speeding complaints and observations at Cedar Key School (K-12) (Whidden Avenue and G Street), NovoAGlobal performed a School Zone Speed study to identify the number of drivers speeding through the Zone while school was in session. We used a highly accurate certified speed detection/traffic volume measuring device known as an "Armadillo." The unit was installed, and traffic volumes and speed data from traffic traveling in both directions (eastbound and westbound) on Park Ave in front of the school were collected.

### 2.1 SUPPORT FOR AUTOMATED CAMERAS

Many Police Departments face staffing challenges that impact their ability to effectively deter speeders and enforce speed limits while schools are in session. The Florida Legislature recognized the problem and the risk to our children when drivers speed through school zones. FL law now allows automated speed enforcement cameras in school zones. The cameras save lives, make the roads safer, act as a Force Multiplier for your Police Department, and Pay for themselves. School zone speed cameras address these issues by offering:-

1. **Impartial Enforcement:** Cameras apply speed laws equally to all drivers, reducing biases.
2. **Consistent Monitoring:** Cameras continuously monitor traffic, ensuring enforcement in high-risk areas.
3. **Deterrence:** The presence of cameras encourages safer driving behaviors.
4. **Transparency:** Clear signage informs drivers of cameras, reducing surprises.
5. **Resource Optimization:** Cameras allow departments to allocate personnel to other critical areas.
6. **Data Collection:** They provide valuable insights into traffic patterns, helping target problem areas.
7. **The systems are paid for by those who violate the law. Ticket revenue pays for the systems.**

Speed cameras can enhance safety in school zones while alleviating staffing pressures on police departments.

### 2.2 SPEED STUDY RESULTS

This study aims to measure vehicle speeds and volumes on roadways of concern to law enforcement and the community. The collected data will provide insights into current traffic conditions and inform potential safety improvements.

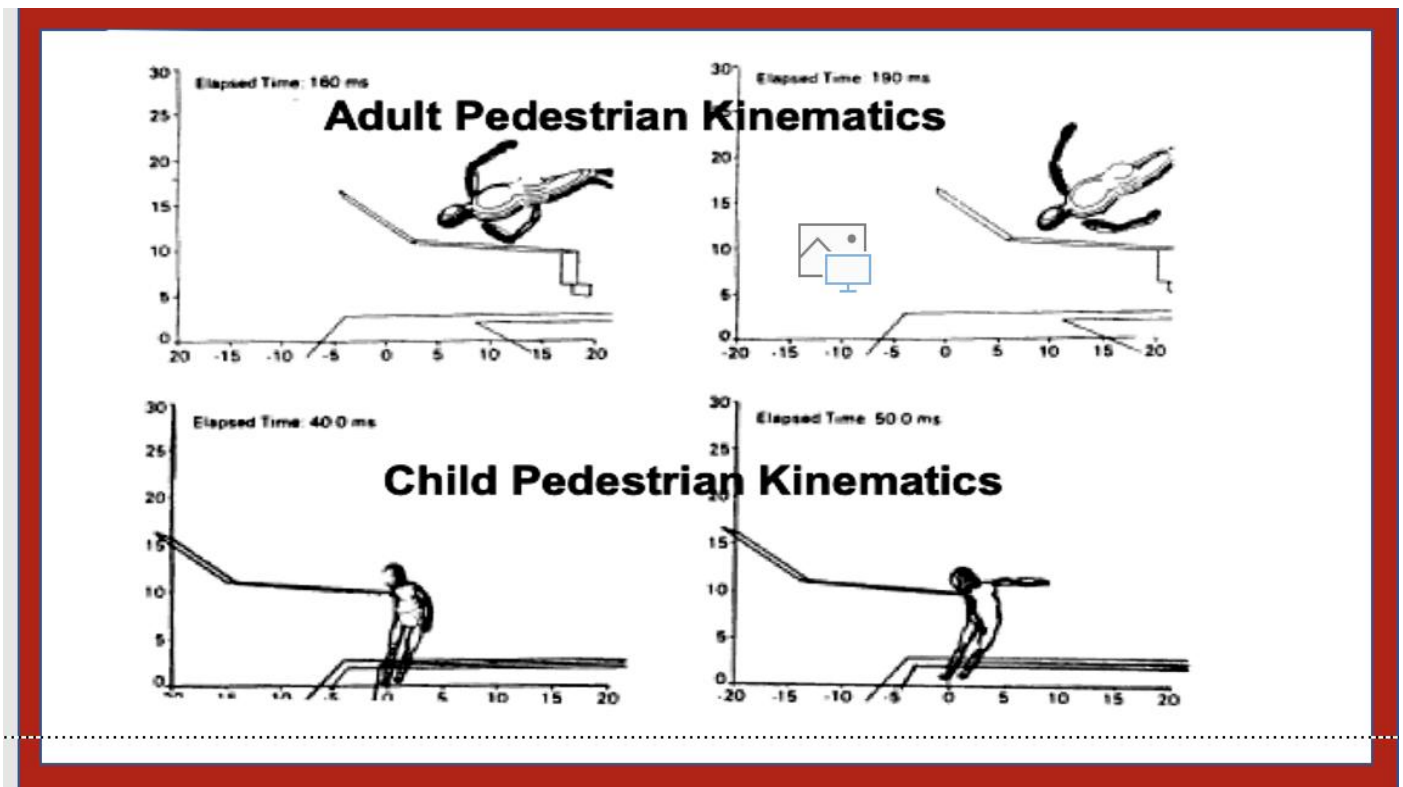
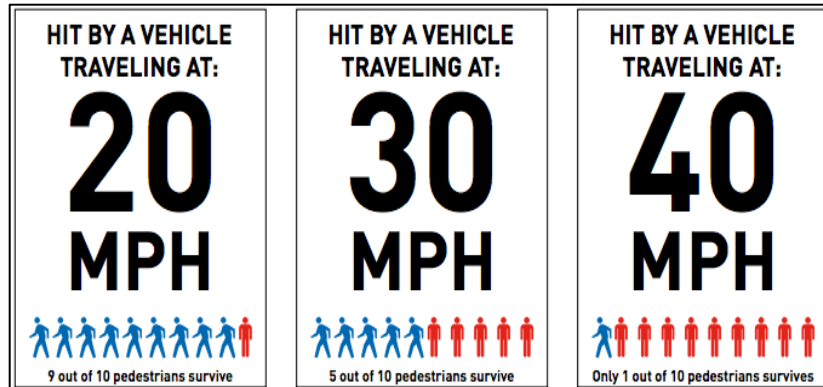
### 2.3 SCHOOL ZONE SPEED

The selected locations are listed below.

Location #	Location
1	Cedar Key School, Whidden Ave
2	Cedar Key School, G Street

## 2.4 SPEED/PEDESTRIAN STATISTICS

It is statistically shown that a collision with a pedestrian at 20 mph has a 10% risk for the pedestrian to die. While at 30 mph there is a 50% chance of the pedestrian dying and the chances of surviving at 40 mph decreases to only 10%.



### 3 EVENT DATA

#### 3.1 SCHOOL ZONE SPEED

For all speed studies, we used a radar-based system to record all passing vehicles. The date and time are shown per speed bracket in the tables below.

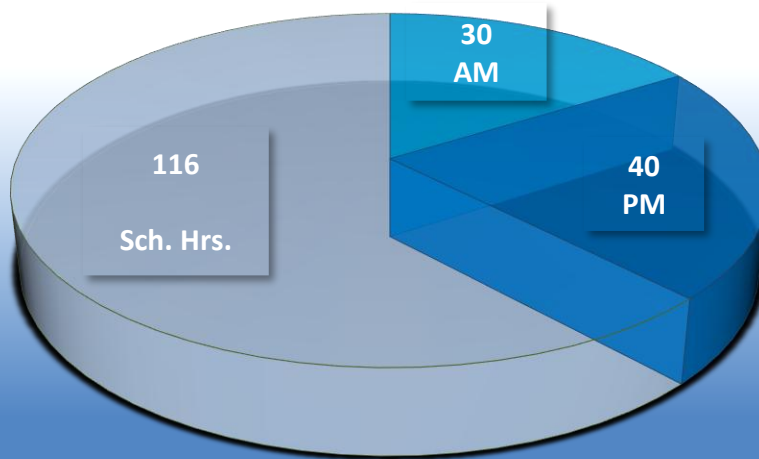
Cedar Key, FL School Zone Speed Study						
Cedar Key School (K-12)		Posted Speed	Total Vehicles	At Posted Speed	1-10 MPH +	11 MPH +
Dates – 10/31/24-11/06/24						
(1) Whidden Ave						
EB/WB	7:30 AM-8:30 AM	15 MPH	472	46	396	30
EB/WB	2:30 PM-3:30 PM	15 MPH	800	153	607	40
*School Zones Intersect						
EB/WB	8:31 AM-2:29 PM	20 MPH	2517	1052	1349	116
Results Represent 5 School Days			3789	Total Violations:		186
Dates – 10/31/24-11/06/24						
(2) G Street						
NB/SB	7:30 AM-8:30 AM	15 MPH	261	44	187	30
NB/SB	2:30 PM-3:30 PM	15 MPH	670	116	508	46
*School Zones Intersect						
NB/SB	8:31 AM-2:29 PM	20 MPH	2240	1307	807	126
Results Represent 5 School Days			3171	Total Violations:		202

\*\*Top Speeds: School Hours, School Hours

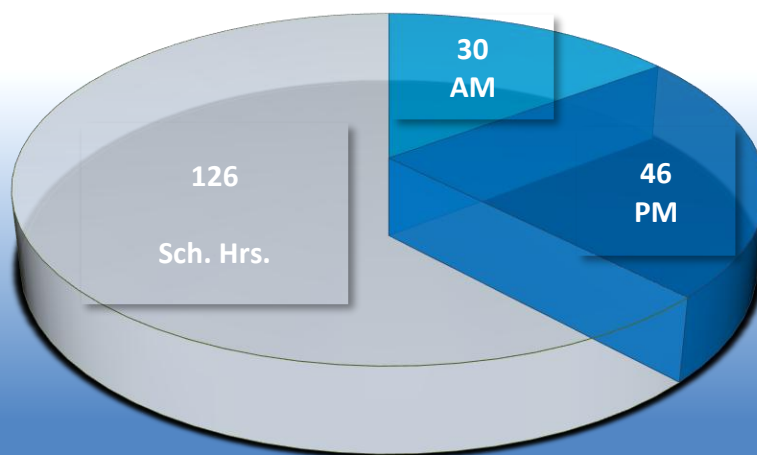
## 4 DATA CHARTS

### 4.1 WEEKLY VIOLATION SPEED 11 MPH & UP

CEDAR KEY SITE 1 WHIDDEN AVE WEEKLY VIOLATIONS

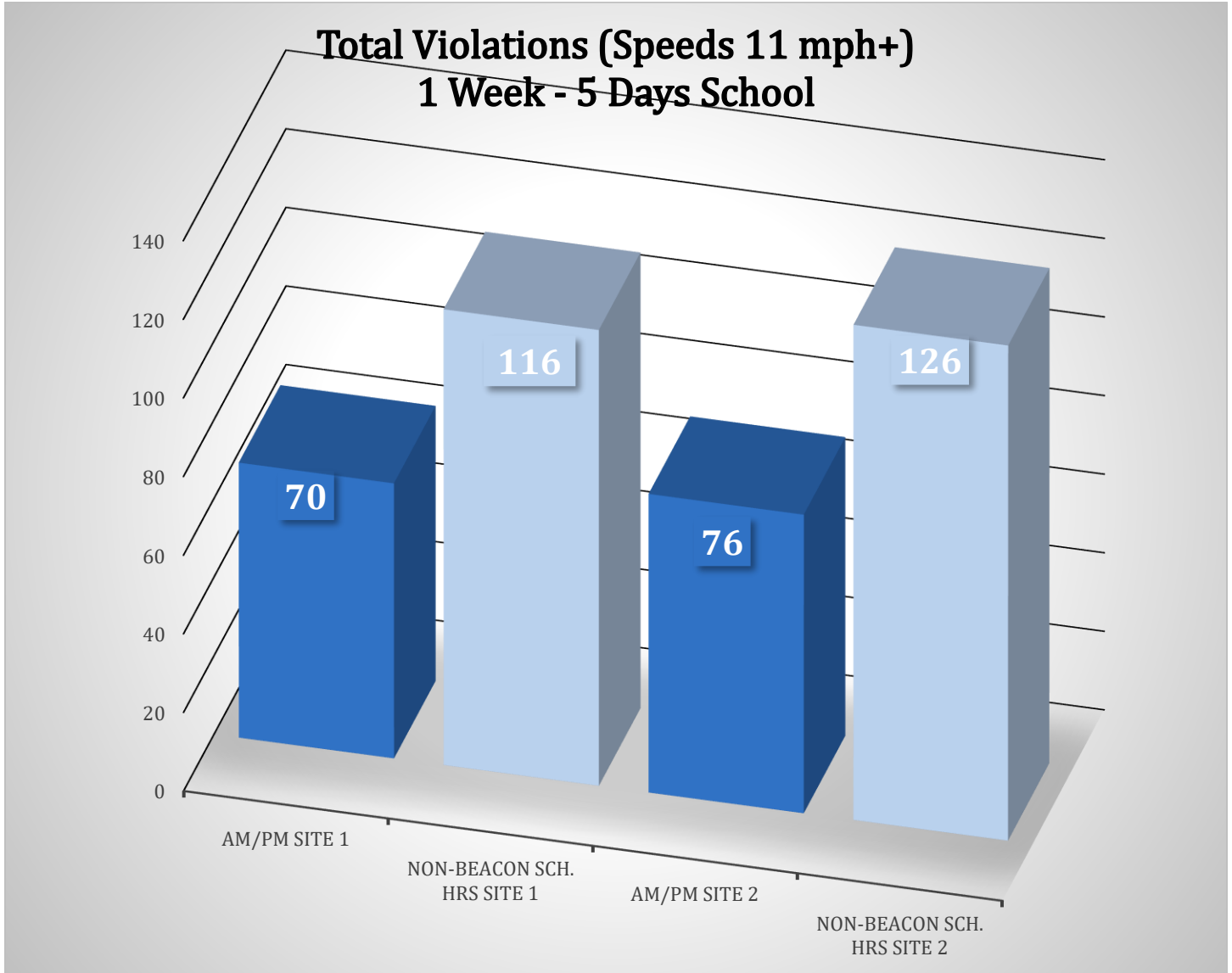


CEDAR KEY SITE G ST VIOLATIONS PER WEEK















#### 4.2 VIOLATION CHART BASED ON LOCATION

Location	Location
Site 1	Cedar Key School, Whidden Ave
Site 2	Cedar Key School, G Street



## 5 VIOLATION ESTIMATES

### 5.1 ESTIMATED NUMBER OF VIOLATIONS WITHOUT INTERVENTION WOULD BE:

<u>Site 1, Whidden Ave</u>		<u>Site 2, G Street</u>	
	Daily: 38		Daily: 41
	Weekly: 186		Weekly: 202
	Monthly: 760		Monthly: 820
<u>Site 1 and Site 2 School Zones Combined</u>			
	Annually: 6,840		Annually: 7,380
	Daily: 79		
	Weekly: 388		
	Monthly: 1,580		
	Annually: 14,220		

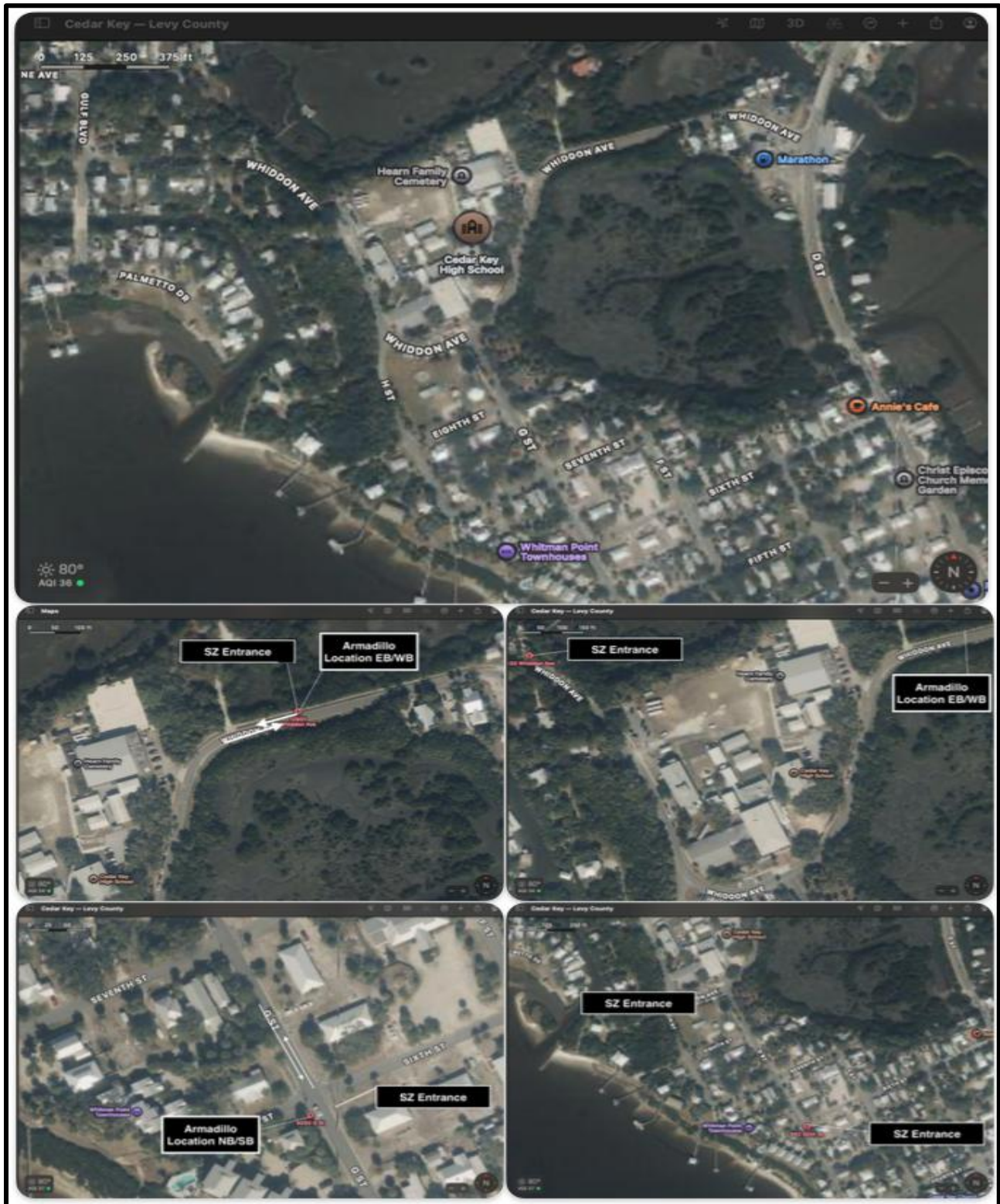
total  
number  
of violations

program commencement will be reduced.

\*Total  
number  
of viola-  
tions after



## 6 SITE MAPS FOR SPEED STUDY



## 7 PHOTOS

### 7.1 *SCHOOL*





**7.2 ROAD & SPEED MEASURING DEVICE PHOTOS**



**City of Cedar Key**  
Levy County, FL

**City of Cedar Key  
Commission Meeting  
Agenda Item**

**Submitted By: Chief Edwin Jenkins**

**Meeting Date: July 15, 2025**

**Subject:**

**Creating an Ordinance for the City of Cedar Key, Levy County,  
Florida allowing penalty for the following code violation:  
(Parking Across Multiple Parking Spaces)**

**Discussion: Chief Edwin Jenkins**

**Fiscal Impact: None to the City of Cedar Key.**

**Attachments:**

**Possible Commission Action:**

- **Approval for Creating an Ordinance for the City of Cedar Key, Levy County, Florida allowing penalty for the following code violation: (Parking Across Multiple Parking Spaces)**