

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

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

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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</b> , beginning of year	(2,317,484)	(3,176,925)
<b>Net position</b> , end of year	<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**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,079,670	\$ 1,079,670	\$ 1,079,670	\$ -
Investment income	-	-	8,014	8,014
<b>Total revenues</b>	<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)
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
<b>Total expenditures</b>	<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 from primary government	89,859	89,859	129,302	39,443
Transfers out to primary government	-	-	(29,458)	(29,458)
<b>Total other financing sources (uses)</b>	<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>

**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