City of Lake City, Florida

Annual Audit for the Year Ended September 30, 2025

Presented by:
Brendan McKitrick, CPA
Spencer Machuga, CPA

JAMES MOORE

888-387-6851
www.jmco.com

CITY OF LAKE CITY
Florida's Gateway Est. 1859

Independent Auditors' Reports

- **Audit Report** (pages 1-3)
  - Unmodified Opinion
- **Single Audit Report** (pages 86-88)
  - State Single Audits
  - No issues of noncompliance
- **Internal Control and Compliance Report** (pages 89-90)
  - No internal control or compliance matters reported
- **Chapter 10.550 Auditor General Report** (pages 91-93)
  - No modifications
- **Independent Accountants' Examination Report** (page 94)
  - In compliance with specified investment statutes

General Fund (Page 18)

Fund Balance	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Nonspendable	$ 26,889	$ 32,366	$ 8,202	$ 28,758	$ 36,061
Restricted	-0-	627,265	-0-	-0-	-0-
Committed	-0-	-0-	-0-	-0-	-0-
Assigned	11,329,275	8,018,258	7,209,027	10,298,722	-0-
Unassigned	16,120,381	20,551,914	20,717,977	15,875,907	18,312,234
Total	$ 27,476,545	$ 29,819,758	$ 27,935,206	$ 26,203,387	$ 18,348,295

General Fund (continued)

Total Assigned/Unassigned Fund Balance	$ 24,685,340
2025 Expenditures and Transfers Out	$ 22,833,556
Percentage Assigned/Unassigned Fund Balance as percentage of Expenditures and Transfers out:	108.1%
Prior Year Percentage	143.7%
GFOA Minimum Rec. = 2 Months	At least 16.7%

Business-Type Funds (Page 27)

Unrestricted Net Position in Proprietary Funds:

Fund	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Wastewater	$ 11,514,449	$ 11,496,429	$ 11,569,275	$ 9,702,666	$ 7,940,463
Natural Gas	4,368,610	3,326,738	2,426,935	1,991,963	1,712,933

Other Highlights

- **Other Governmental Fund Activity**
  - Fire Department Fund: $237,494 assigned fund balance
  - Airport Fund: $1,738,411 restricted fund balance and $94,430 nonspendable fund balance
  - CRA: $855,661 restricted fund balance
    - Separate CRA audit issued in FY25 – no findings

- **ARPA Transition Project**
  - $2,764,316 included in general fund assigned fund balance

Pension Funds

- Net Pension Liability – recorded in financial statements
  - Governmental Activities: $4.5 million net pension liability and $4.5 million net pension asset
  - Proprietary Funds: $2.6 million allocation of net pension liability and $205k net pension asset

- Net pension liability (asset) history – amounts and % funded:

Year	General	Police	Fire
2025	$ (550,070)	$ (4,149,781)	$ 85,305
2024	$ (1,494,730)	$ (3,540,195)	$ 660,664
2023	2,167,371	(625,144)	1,814,653
2022	3,021,604	(237,720)	1,714,599
2021	(3,547,782)	(4,429,614)	(1,305,811)

Year	General	Police	Fire
2025	102.30%	120.46%	99.33%
2024	106.68%	118.89%	94.91%
2023	90.70%	103.54%	85.33%
2022	87.04%	101.46%	85.48%
2021	115.61%	127.41%	111.45%

QUESTIONS