

TOWN OF LACROSSE, FLORIDA
ANNUAL FINANCIAL REPORT
September 30, 2025

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and the Town Council
Town of LaCrosse, 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 Town of LaCrosse, Florida (the Town) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town'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 Town, as of September 30, 2025, 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 Town of LaCrosse, Florida 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 Town of LaCrosse, Florida'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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2026, on our consideration of the Town of LaCrosse, Florida'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 Town of LaCrosse, Florida'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 Town of LaCrosse, Florida's internal control over financial reporting and compliance.



Powell and Jones CPA
Lake City, Florida
April 24, 2026

**TOWN OF LACROSSE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Within this section of the Town of LaCrosse's (the Town) annual financial report, the Town's management provides this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2025. We hope this will assist readers in identifying any significant financial issues and changes in the Town's financial position.

Financial Highlights

- As of September 30, 2025, the assets of the Town exceeded its liabilities by \$1,116,140 (net position). The Town's net position decreased by \$9,217 (0.8%) as a result of this year's operations.
- For the year, the Town had expenses that were \$9,217 more than the \$610,154 generated in tax and other revenues.
- Unrestricted net position of \$247,818 represents the portion available to maintain the Town's continuing obligations to its citizens and creditors. This amount increased by \$30,936 from last year.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Town also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the Town-wide statement of financial position presenting information that includes all of the Town's assets and liabilities, with the difference 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 Town as a whole is improving or deteriorating. Evaluation of the overall economic health of the Town would extend to other non-financial factors such as diversification of the taxpayer base or the condition of Town infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town that are principally supported by taxes and intergovernmental revenues, such as grants. Governmental activities include general government, public safety, public services, and culture and recreation.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds (and/or separate bank accounts) to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are required to be separately reported while all others are combined into a single, aggregated presentation. Presently, the Town has only one fund that encompasses the Town's entire operations.

Governmental funds

All of the Town's basic services are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. For reporting purposes, the Town's Fire Fund is included in the general fund since it is considered a part of the basic services provided by the Town.

Since the government-wide focus includes the long-term view, comparisons between the two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to the government-wide statements to assist in understanding the differences between these two perspectives.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Financial Analysis of the Town as a Whole

The Town's net position decreased by \$9,217 (0.8%) from the prior year. The capital assets are shown net of depreciation. The following table provides the details for the years ended September 30, 2025 and 2024:

	2025	2024
Current assets	\$ 485,185	\$ 529,878
Noncurrent assets		
Capital assets, net	552,203	614,577
Restricted investment	100,000	-
Total noncurrent assets	652,203	614,577
Total assets	<u>1,137,388</u>	<u>1,144,455</u>
Current liabilities	21,248	19,098
Total liabilities	<u>21,248</u>	<u>19,098</u>
Net investment in capital assets	552,203	614,577
Restricted	316,119	293,898
Unrestricted	247,818	216,882
Total net position	<u>\$ 1,116,140</u>	<u>\$ 1,125,357</u>

The Town continues to maintain a high current ratio of 23. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. Note that 49% of the Town's net position is classified as investment in capital assets (net of long-term debt). The Town uses these capital assets to provide services to its citizens.

The following is a summary of the Town's change in net position for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Revenues		
Taxes	\$ 197,685	\$ 186,887
Licenses, permits, and fees	566	1,104
Fines and forfeitures	162	208
Intergovernmental	36,126	35,265
Operating grants and contributions	364,803	368,297
Miscellaneous	<u>10,812</u>	<u>22,160</u>
Total revenues	<u>610,154</u>	<u>613,921</u>
Expenditures		
General government	97,197	96,339
Public safety	435,368	455,474
Transportation	69,140	41,013
Culture and recreation	17,666	19,772
Interest	-	202
Total expenditures	<u>619,371</u>	<u>612,800</u>
Change in net position	(9,217)	1,121
Net position, beginning of year	<u>1,125,357</u>	<u>1,124,236</u>
Net position, end of year	<u>\$ 1,116,140</u>	<u>\$ 1,125,357</u>

Financial Analysis of the Town's General Fund

The general fund is reported in the fund financial statements with a short-term, inflow and outflow of spendable resources focus. This information may be useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. At September 30, 2025, the general fund reported unassigned fund balance of \$197,787 and assigned fund balance of \$50,031. This is unreserved, indicating availability for continuing Town service requirements. The restricted fund balance of \$316,119 is available for transportation related expenditures, economic environment related expenditures, and public safety related expenditures.

In prior periods, the Town also received \$198,839 in grant funds with the intended purpose to assist in the coronavirus relief efforts. In the fiscal year ended September 30, 2025, the Town expended \$2,808. This left an unspent balance of \$2,461 which will remain classified as unearned revenue until the Town expends the entirety of the grant funds for their intended purpose.

General Fund Budgetary Highlights

The Town's actual revenues were over budget by \$6,505 primarily due to the increase of the Utility taxes received for the year. Actual expenditures were under budget by \$70,840 due to current transportation costs being less than anticipated. As a result, the Town's overall actual results were \$77,345 more than anticipated.

Capital Asset and Debt Administration

Capital Assets

The decrease in capital assets during the current year resulted from depreciation totaling \$62,374.

Long-term Debt

The Town eliminated its only long-term debt during fiscal year 2024 with the payoff of a note related to a fire truck purchase. As a result, the Town has no outstanding long-term debt as of September 30, 2025, which improves its overall financial position and reduces future debt service obligations.

Economic Environment and Next Year's Budgets and Rates

Local governments primarily rely on taxes and shared revenues received from the State of Florida and a limited array of other taxes and fees to finance the governmental activities. The Town anticipates that these amounts will remain stable.

Additionally, the Town's fire department relies heavily on the contract with Alachua County. The annual contract amount is expected to be approximately \$335,000.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Town clerk's office at (386) 462-2784.

BASIC FINANCIAL STATEMENTS

TOWN OF LACROSSE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 430,369
Restricted cash and cash equivalents	38,320
Prepaid expense	2,877
Due from other governments	13,619
Total current assets	485,185
Non-current assets	
Restricted investment	100,000
Capital assets, net	552,203
Total non-current assets	652,203
Total assets	\$ 1,137,388
Liabilities	
Current liabilities	
Accounts payable	\$ 7,394
Payroll liabilities	11,393
Unearned revenue	2,461
Total liabilities	21,248
Net position	
Net investment in capital assets	552,203
Restricted	316,119
Unrestricted	247,818
Total net position	1,116,140
Total liabilities and net position	\$ 1,137,388

See notes to the financial statements.

TOWN OF LACROSSE, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2025

	Program Revenues				
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue/ (Expense)	
Functions/Programs					
Governmental activities					
General government	\$ 97,197	\$ 566	\$ 2,808	\$ -	\$ (93,823)
Public safety	435,368	162	334,974	-	(100,232)
Culture and recreation	17,666	-	-	-	(17,666)
Transportation	69,140	-	27,021	-	(42,119)
Total governmental activities	\$ 619,371	\$ 728	\$ 364,803	\$ -	(253,840)
			General revenues		
			Property taxes		95,624
			Local option gas tax		12,319
			Discretionary sales surtax		44,476
			Franchise taxes (fees)		18,940
			Utility taxes		26,326
			State revenue sharing		16,361
			Half cent sales tax		19,765
			Investment income		9,105
			Miscellaneous		1,707
			Total general revenues		244,623
			Change in net position		(9,217)
			Net position, beginning of year		1,125,357
			Net position, end of year		\$ 1,116,140

See notes to the financial statements.

TOWN OF LACROSSE, FLORIDA
GOVERNMENTAL FUND
BALANCE SHEET
September 30, 2025

	General Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 430,369
Restricted cash and cash equivalents	38,320
Investments	100,000
Prepaid expense	2,877
Due from other governments	13,619
Total assets	\$ 585,185
 Liabilities	
Current liabilities	
Accounts payable	\$ 7,394
Payroll liabilities	11,393
Unearned revenue	2,461
Total liabilities	21,248
 Fund Balance	
Nonspendable	2,877
Restricted	316,119
Assigned	50,031
Unassigned	194,910
Total fund balance	563,937
 Total liabilities and fund balance	 \$ 585,185

See notes to the financial statements.

TOWN OF LACROSSE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL
FUND TO THE STATEMENT OF NET POSITION
September 30, 2025

Total Fund Balance \$ 563,937

Amounts reported for governmental activities
in the statement of net position are different
because:

Capital assets of \$1,271,858, net of accumulated
depreciation of \$719,655 are not financial
resources and, therefore, are not reported in
the funds

552,203

Net position of governmental activities

\$ 1,116,140

See notes to the financial statements.

TOWN OF LACROSSE, FLORIDA
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2025

Revenues	<u>General Fund</u>
Taxes	
Property	\$ 95,624
Local option gas tax	12,319
Discretionary sales surtax	44,476
Franchise taxes (fees)	18,940
Utility taxes	26,326
Fines and forfeitures	162
Charges for services	
Licenses, permits, and fees	566
Intergovernmental programs	
Alachua County fire contract	334,974
State revenue sharing	16,361
Half cent sales tax	19,765
Street light maintenance	27,021
Operating grants	2,808
Investment income	9,105
Miscellaneous	1,707
Total revenues	<u>610,154</u>
Expenditures	
Current	
General government	79,329
Public safety	403,159
Culture and recreation	5,369
Transportation	69,140
Total expenditures	<u>556,997</u>
Change in fund balance	53,157
Fund balance, beginning of year	510,780
Fund balance, end of year	<u><u>\$ 563,937</u></u>

See notes to the financial statements.

TOWN OF LACROSSE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2025

Net change in fund balances - Total governmental funds \$ 53,157

Governmental funds report capital outlays as expenditures;
however, in the statement of activities, the capital assets
are capitalized and depreciated over their estimated useful lives.
Depreciation expense of \$62,374 exceeded capital outlays
of \$0, resulting in a decrease in the change of net position. (62,374)

Change in net position of governmental activities \$ (9,217)

See notes to the financial statements.

TOWN OF LACROSSE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The Town of LaCrosse (the Town) was incorporated as a municipality established under the laws of the State of Florida. The Town operates under a Mayor-Council form of government and provides services to its citizens including public safety, maintenance of streetlights, and other general governmental activities.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the Town are discussed below.

Financial Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. As defined by GASB, component units are legally separate entities that are included in the Town's reporting entity because of the significance of their operating or financial relationships with the Town. Based on the aforementioned criteria, the Town has no component units.

Basis of Presentation

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and the fund financial statements are required to categorize primary activities as either governmental or business type.

The Town's fire protection, recreation and culture, transportation, and general government services are classified as governmental activities. The Town has no business-type activities.

Basic Financial Statements – Government-wide Statements

In the government-wide Statement of Net Position the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – invested in capital assets, net of related debt, restricted, and unrestricted. The Town first utilizes restricted resources to finance qualifying expenditures.

The government-wide Statement of Activities reports both gross and net costs of each of the Town's functions (fire, general government, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenditures (including depreciation) by the related charges for service and operating and capital grants (program revenues). Program revenues must be directly associated with the function (fire, general government, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs by function are normally covered by general government revenues.

The Town does not allocate indirect costs. The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net assets resulting from the current year's activities.

Basic Financial Statements - Fund Financial Statements

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Separate statements are required to be presented for governmental and proprietary activities. The Town has no proprietary activities. These statements are required to present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column. The Town currently has only one fund for reporting purposes, the General Fund.

General Fund

The General Fund is the general operating fund of the Town. This fund is used to account for all financial resources, not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The governmental activities in the government-wide financial statements are reported using the economic resources measurement focus and on the accrual basis of accounting. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers taxes and licenses as available if collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred. The revenues susceptible to accrual are taxes, franchise fees, and intergovernmental revenues.

Deposits and Investments

The cash balances consist of checking accounts.

All monies collected by the Town are required to be deposited in accordance with the laws of the State of Florida. Section 218.415 (17), Florida Statutes, authorizes the Town to invest in the Local Government Surplus Funds Trust, direct obligations of the United States Government, obligations unconditionally guaranteed by the United States Government, time deposits and savings accounts

of Florida Qualified Depositories, obligations of Federal Farm Credit Banks, and obligations of the Federal National Mortgage Association.

All cash and investments in time certificates of deposits of the Town are covered by Federal depository insurance or by collateral held by the Town’s custodial bank which is pledged to a state trust fund that provides security in accordance with the Florida Security for Deposits Act, Chapter 280, for amounts held in excess of the FDIC coverage.

The Town has not adopted a formal deposit and investment policy that limits the Town’s allowable deposits and investments. However, the Town generally limits its investments to time certificates of deposit with short- to intermediate-term maturities including certificates of deposit with maturities greater than one year.

As of September 30, 2025, the Town held a certificate of deposit with a financial institution that matures in approximately 13 months from the balance sheet date. Accordingly, this investment is classified as a noncurrent asset in government-wide financial statements.

Receivables

Receivables are recorded at their estimated net realizable value. Accordingly, they have been adjusted for all known doubtful accounts.

Capital Assets

Capital assets, which include property, plant, equipment, and furniture, are reported in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals or betterments are capitalized. Assets capitalized, not including infrastructure, have an original cost of \$100 or more. Depreciation has been calculated on each class of property using the straight-line method. The estimated useful lives are as follows:

Buildings	30 years
Improvements	30 years
Machinery, Vehicles, Equipment, and Furniture	4 - 10 years

Fund Equity Classifications Government-wide Financial Statements

Equity is classified as net position and displayed in 3 components:

Invested in capital assets, net of related debt– consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position– consists of net asset position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. As of September 30, 2025, restricted net position consisted of \$316,119 for transportation, economic environment, and public safety related expenditures.

Unrestricted net position– consist of all other net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The Town’s policy is to consider restricted resources as expended whenever both restricted and unrestricted resources are available.

Fund Financial Statements

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, requires fund balance classifications in the following hierarchy:

Nonspendable fund balance– this classification represents amounts for inventory, prepaid expenses, property held for resale and long-term notes receivable.

Restricted fund balance– this classification represents amounts restricted to specific purposes that are either *externally imposed by creditors, grantors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.* This definition is the same as the definition of restricted net assets used in government-wide financial reporting.

Committed fund balance– this classification represents amounts restricted for specific purposes by formal action of the government’s highest level of decision-making authority (i.e. ordinance).

Assigned fund balance – this classification represents amounts constrained by the government’s intent to be used for specific purposes but are neither restricted nor committed (i.e. by council vote or resolution). As of September 30, 2025, assigned fund balance consisted of \$50,031 constrained for the fire department.

Unassigned fund balance– This classification represents amounts that do not belong in any of the previous classifications, that is, the residual classification of the general fund.

The Town considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for which any of those unrestricted fund balance classifications could be used.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Actual results could differ from those estimates.

<u>Fund balance</u>	<u>WSPP</u>	<u>Transportation</u>	<u>Fire Department</u>	<u>General Fund</u>	<u>Total</u>
Governmental Funds					
General Fund:					
Restricted	\$ 77,260	\$ 238,859	\$ -	\$ -	\$ 316,119
Assigned	-	-	50,031	-	50,031
Unassigned	-	-	-	194,910	194,910
Nonspendable	-	-	-	2,877	2,877
	<u>\$ 77,260</u>	<u>\$ 238,859</u>	<u>\$ 50,031</u>	<u>\$ 197,787</u>	<u>\$ 563,937</u>

NOTE 2 - INVESTMENTS

As of September 30, 2025, the Town held a certificate of deposit with a financial institution totaling \$100,000. The certificate of deposit has an original maturity of 13 months and is classified as a noncurrent investment in the government-wide financial statements.

In the governmental fund financial statements, the investment is reported as a current asset in accordance with the current financial resources measurement focus.

NOTE 3 – BUDGET AND BUDGETARY ACCOUNTING

The Town follows the procedures below in establishing the budgetary data reflected in the financial statements:

- In June, the Town Clerk submits to the Town Council a proposed operating budget, for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted in July-August to obtain taxpayer comments.
- In September, the final budget is legally enacted through the passage of an ordinance.
- The Town Council must approve any revision that alters the total expenditures of any fund or transfers budgeted amounts between departments within any fund.
- The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund present a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.
- Appropriations lapse at year-end.
- The fund total is considered the legal level of control.
- The effects of budget amendments have been applied to the “final” budgetary data.

NOTE 4 – RISK MANAGEMENT

The Town has purchased insurance to limit the exposure of the following risks of loss: theft of, damage to and destruction of assets; disasters and injuries to employees.

Commercial insurance has also been purchased by the Town to cover the risks of loss due to employee errors or omission. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE 5 – CONCENTRATIONS

For the year ended September 30, 2025, revenues from the Town's interlocal agreement with Alachua County for fire suppression and first response EMS/rescue services represented approximately 55% of total revenues. The Town could be vulnerable to a substantial impact if the agreement is terminated, not renewed, or materially reduced before replacement revenues or service-level changes can be implemented. Management monitors the agreement and related service activity and considers available expenditure reductions, alternative funding sources, and future budgetary actions to mitigate this risk.

NOTE 6 – PROPERTY TAX

The Alachua County Tax Collector bills and collects property taxes for the Town. Town property tax revenues are recognized when levied, to the extent that they result in current receivables.

Details of the Town’s property tax calendar are presented below:

Lien date	January 1
Levy date	November 1
Installment payments	
1st Installment	No later than Jun. 30
2nd Installment	No later than Sep. 30
3rd Installment	No later than Dec. 31
4th Installment	No later than Mar. 31
Regular payments	
Discount period	November - February
No Discount period	March
Delinquent date	April 1

NOTE 7 – LONG-TERM DEBT

The Town’s long-term debt previously consisted of a note payable issued for the acquisition of a fire truck. The note was retired in full during the fiscal year ended September 30, 2024. Accordingly, the Town had no outstanding long-term debt as of September 30, 2025.

In October 2018, the Town obtained a \$50,000 line of credit with a local financial institution. The terms of the line of credit include an initial 6-month interest only draw period, with monthly installments of principal and interest thereafter with an interest rate of 4.10% per annum. The collateral of the line of credit is a pledge of the Town’s half-cent sales tax revenues. As of September 30, 2025, the Town had not yet accessed the line of credit.

NOTE 8 – CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2025, was as follows:

	<u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>2025</u>
Non-depreciable assets				
Land	\$ 33,279	\$ -	\$ -	\$ 33,279
Total non-depreciable assets	<u>33,279</u>	<u>-</u>	<u>-</u>	<u>33,279</u>
Depreciable assets				
Buildings	113,739	-	-	113,739
Improvements	553,933	-	-	553,933
Equipment	<u>667,450</u>	<u>-</u>	<u>(96,543)</u>	<u>570,907</u>
Total depreciable assets	<u>1,335,122</u>	<u>-</u>	<u>(96,543)</u>	<u>1,238,579</u>
Accumulated depreciation				
Buildings	(94,657)	(1,918)	-	(96,575)
Improvements	(170,373)	(14,155)	-	(184,528)
Equipment	<u>(488,794)</u>	<u>(46,301)</u>	<u>96,543</u>	<u>(438,552)</u>
Total accumulated depreciation	<u>(753,824)</u>	<u>(62,374)</u>	<u>96,543</u>	<u>(719,655)</u>
Depreciable assets, net	<u>581,298</u>	<u>(62,374)</u>	<u>-</u>	<u>518,924</u>
Total Capital assets, net	<u>\$ 614,577</u>	<u>\$ (62,374)</u>	<u>\$ -</u>	<u>\$ 552,203</u>

Depreciation expense was charged as direct expense to programs of the primary government as follows:

General government	\$ 17,868
Public safety - fire	32,209
Culture and recreation	<u>12,297</u>
	<u>\$ 62,374</u>

NOTE 9 – SUBSEQUENT EVENTS

The Town has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through April 24, 2026, the date the financial statements were available to be issued. There were no subsequent events recognized.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

In October 2019, the Town’s interlocal agreement with Alachua County for fire suppression and first response services was amended. The County agreed to compensate the Town at an annually determined amount per service year. Subsequent years shall be based on the previous calendar year’s responses at an annually amended impact rate per apparatus response to an incident, adjusted by the CPI (Consumer Price Index). Either party may terminate this agreement by providing written termination notice to the other party, the effective date of which shall be September 30 following 365 days from the date of notice.

The Town agrees to provide the initial response and support to all fire suppression and EMS/rescue incidents throughout Alachua County as dispatched by the Combined Communication Center irrespective of political boundaries. Alachua County shall provide initial response and support to all fire suppression and EMS/rescue incidents within the municipal boundaries of the Town as dispatched by the Combined Communication Center.

In August 2021, the Town was awarded \$198,839 in Fiscal Recovery Funds under the American Rescue Plan Act. As of September 30, 2025, the Town received the total award and has expended \$196,378 in support of the fire department payroll, building repair and purchase of essential equipment.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF LACROSSE, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2025

Revenues	Budgeted Amounts		Actual	Variance
	Original	Final		
General revenues				
Taxes				
Property	\$ 95,389	\$ 95,389	\$ 95,624	\$ 235
Local option gas tax	15,600	15,600	12,319	(3,281)
Discretionary sales surtax	43,720	43,720	44,476	756
Franchise tax (fees)	17,800	17,800	18,940	1,140
Utility taxes	17,200	17,200	26,326	9,126
Fines and forfeitures	500	500	162	(338)
Charges for services				
Licenses, permits, and fees	1,000	1,000	566	(434)
Intergovernmental programs				
Alachua County fire contract	334,974	334,974	334,974	-
State revenue sharing	17,236	17,236	16,361	(875)
Half cent sales tax	19,800	19,800	19,765	(35)
Street light maintenance	24,500	24,500	27,021	2,521
Operating grants	-	-	2,808	2,808
Investment income	7,160	7,160	9,105	1,945
Miscellaneous	8,770	8,770	1,707	(7,063)
Total revenues	603,649	603,649	610,154	6,505
Expenditures				
Current				
General government	70,208	70,026	79,329	(9,303)
Public safety	432,694	432,440	403,159	29,281
Culture and recreation	9,570	11,520	5,369	6,151
Transportation	94,739	113,851	69,140	44,711
Total expenditures	607,211	627,837	556,997	70,840
Change in fund balance	(3,562)	(24,188)	53,157	77,345
Fund balance, beginning of year	510,780	510,780	510,780	-
Fund balance, end of year	\$ 507,218	\$ 486,592	\$ 563,937	\$ 77,345

See notes to the financial statements.

COMPLIANCE SECTION



Powell and Jones CPA

204 N. Marion Ave.
Lake City, Florida 32055
Phone: 386.755.4200

**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 Mayor
and the Town Council
Town of LaCrosse, 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 Town of LaCrosse, Florida, (the Town) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated April 24, 2026.

Internal Control Over Financial Reporting

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

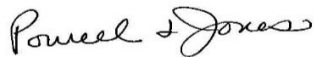
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Powell & Jones".

Powell and Jones CPA
Lake City, Florida
April 24, 2026



Powell and Jones CPA

204 N. Marion Ave.
Lake City, Florida 32055
Phone: 386.755.4200

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Mayor
and the Town Council
Town of LaCrosse, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of LaCrosse, Florida, as of and for the fiscal year ended September 30, 2025, and have issued our report, thereon dated April 24, 2026.

Auditor's Responsibility

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; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 Rules of the Auditor General. Disclosures in those reports, which are dated April 24, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no 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 Town of LaCrosse, Florida was established in 1957 under a charter in accordance with the Laws of Florida, 15-1475. There were no component units related to the Town of LaCrosse, Florida.

Financial Condition and Management

Section 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 Town of LaCrosse, Florida has met one or more of the conditions described in Section 218.503(1) Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town of LaCrosse, Florida did not meet any of these conditions described in Section 218.503(1), Florida Statutes.

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

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 recommendations to be reported under this section.

Property Assessed Clean Energy Programs (PACE)

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

Summary of Recommendations

The following recommendations are provided to assist the Town in improving financial management and internal controls. These recommendations are advisory in nature and are intended to enhance internal processes and compliance with applicable standards.

- Lack of Formal Approval of Employee Pay Rates
- Failure to Accrue Payroll Expenditures at Year-End

Special District Component Units

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires 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. The Town of LaCrosse, Florida did not have any component units for the fiscal year.

Additional Matters

Section 10.554(1)(e)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance.

In connection with our audit, we offer the following recommendations to improve financial management and internal controls:

Lack of Formal Approval of Employee Pay Rates

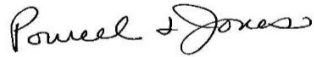
We recommend that the Town Council formally approve all employee pay rates and document such approvals in the official meeting minutes or resolutions. Additionally, management should maintain a current, approved pay rate schedule for all employees.

Failure to Accrue Payroll Expenditures at Year-End

We recommend that the Town implement a year-end closing procedure to calculate payroll earned but unpaid and record the appropriate accrual entry each year. This will help ensure payroll expenditures and related liabilities are properly recorded in accordance with generally accepted accounting principles.

Purpose of This Letter

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



Powell and Jones CPA
Lake City, Florida
April 24, 2026



Powell and Jones CPA

204 N. Marion Ave.
Lake City, Florida 32055
Phone: 386.755.4200

INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor
and the Town Council
Town of LaCrosse, Florida

We have examined the Town of LaCrosse, Florida's (the Town) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2025. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

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

Powell and Jones CPA
Lake City, Florida
April 24, 2026



Powell and Jones CPA

204 N. Marion Ave.
Lake City, Florida 32055
Phone: 386.755.4200

Communication with Those Charged with Governance

To the Honorable Mayor
and the Town Council
Town of LaCrosse, Florida

We have audited the financial statements of the Town of LaCrosse, Florida (the Town) for the year ended September 30, 2025. 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. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit 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.

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 are 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. There are no sensitive estimates affecting the Town's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

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 trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 April 24, 2026.

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 governmental unit’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

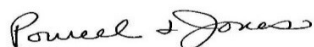
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses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

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or the financial statements themselves.

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

Very truly yours,



Powell and Jones CPA
Lake City, Florida
April 24, 2026