

**TOWN OF CLOUD LAKE  
FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2024**

**TOWN OF CLOUD LAKE  
FLORIDA**

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## INDEPENDENT AUDITOR'S REPORT

To the Town Council  
Town of Cloud Lake, Florida

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Town of Cloud Lake, Florida ("Town") as of and for the fiscal year ended September 30, 2024, 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 the major fund of the Town as of September 30, 2024, and the respective changes in financial position, thereof for the fiscal 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 (GAAS) 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 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**

The Town's 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'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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'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'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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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'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 Town's internal control over financial reporting and compliance.

*B. and Associates*

June 25, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Town of Cloud Lake, Florida (the "Town") provides a narrative overview of the Town's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the Town's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

This information is being presented to provide additional information regarding the activities of the Town and to meet the disclosure requirements of Government Accounting Standards Board Statement ("GASB") No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999. Comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis ("MD&A"). However, there was no audit for the prior fiscal year, therefore, the balances as of and for the fiscal year ended September 30, 2023 are unaudited.

### FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$1,096,166.
- The change in the Town's total net position in comparison with the prior fiscal year was \$16,055, an increase. The key components of the Town's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2024, the Town's governmental funds reported combined ending fund balances of \$966,946, a decrease of (\$101,116) in comparison with the prior fiscal year. The fund balance is restricted to infrastructure projects and the remainder is unassigned fund balance which is available for spending at the Town's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

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

#### Government-Wide Financial Statements

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

The statement of net position presents information on all the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being 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 is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by rental and general revenues. The Town does not have any business-type activities. The functions/programs are: general government and physical environment.

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has one fund category: governmental funds.

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains two governmental funds, the general fund and the infrastructure surtax fund.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

### Notes to the Financial Statements

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Town, assets exceeded liabilities at the close of the most recent fiscal year.

Key components of the Town's net position are reflected in the following table:

| NET POSITION<br>SEPTEMBER 30,          |              |                  |
|----------------------------------------|--------------|------------------|
|                                        | 2024         | 2023 (unaudited) |
| Current and other assets               | \$ 966,946   | \$ 1,068,062     |
| Capital assets, net of depreciation    | 129,220      | 12,049           |
| Total assets                           | 1,096,166    | 1,080,111        |
| Current liabilities                    | -            | -                |
| Total liabilities                      | -            | -                |
| Net position                           |              |                  |
| Investment in capital assets           | 129,220      | 12,049           |
| Restricted for infrastructure projects | 42,071       | 135,683          |
| Unrestricted                           | 924,875      | 932,379          |
| Total net position                     | \$ 1,096,166 | \$ 1,080,111     |

The Town's net position reflects its investment in capital assets (e.g. equipment and infrastructure). These assets are used to provide services to residents; consequently, these assets are not available for future spending.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Town's other obligations.

The Town's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations and depreciation expense.

Key elements of the change in net position are reflected in the following table:

### CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

|                         | 2024                | 2023 (unaudited)    |
|-------------------------|---------------------|---------------------|
| Revenues:               |                     |                     |
| Program revenues        | \$ 117,907          | \$ 129,020          |
| General revenues        | 79,591              | 74,039              |
| Total revenues          | <u>197,498</u>      | <u>203,059</u>      |
| Expenses:               |                     |                     |
| General government      | 111,618             | 106,779             |
| Physical environment    | 69,825              | 48,743              |
| Total expenses          | <u>181,443</u>      | <u>155,522</u>      |
| Change in net position  | 16,055              | 47,537              |
| Net position, beginning | 1,080,111           | 1,032,574           |
| Net position, ending    | <u>\$ 1,096,166</u> | <u>\$ 1,080,111</u> |

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2024 was \$181,443. The costs of the Town's activities were primarily funded by program revenues. Program revenues, comprised primarily of rental and lease income, decreased during the current fiscal year slightly. In total, expenses, including depreciation, increased from the prior fiscal year, the majority of the increase was the result of an increase in professional services including the maintenance and repairs costs.

## GENERAL FUND BUDGETARY HIGHLIGHTS

An operating budget was adopted and maintained by the governing council for the Town pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Town Council. Actual general and infrastructure surtax fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2024.

## CAPITAL ASSETS

At September 30, 2024, the Town had \$202,259 invested in equipment, wiring, building improvements and drainage for its governmental activities. In the government-wide financial statements depreciation of \$73,039 has been taken, which resulted in a net book value of \$129,220. More detailed information about the Town's capital assets is presented in the notes of the financial statements.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town's local economy is primarily based upon residential activity. Management expects its population to remain consistent for the upcoming year. The Town does not levy ad valorem taxes and continues to rely upon its existing revenue sources which are primarily from rental and lease agreements, intergovernmental tax and revenue sharing.

### TOWN WIDE GOALS AND OBJECTIVES

The Town's main objective is to maintain a low density residential oriented community with compatible business and professional uses on Southern Boulevard and to preserve the conservation and open space areas.

Services for the Town such as water, trash and recycling and police protection have historically been provided through interlocal agreements with no cost to the Town. Fire protection is provided by Palm Beach County through its Municipal Service Taxing Unit (MSTU) where each property owner is assessed directly by the County on their tax bill for this service.

### REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Cloud Lake's finances for all of those with an interest in the Town's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town Clerk at the Town of Cloud Lake, 100 Lang Road, Cloud Lake, FL 33406.

**TOWN OF CLOUD LAKE  
CLOUD LAKE, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024**

|                                        | Governmental<br>Activities |
|----------------------------------------|----------------------------|
| <b>ASSETS</b>                          |                            |
| Cash and cash equivalents              | \$ 964,157                 |
| Accounts receivable                    | 2,789                      |
| Capital assets:                        |                            |
| Depreciable, net                       | 129,220                    |
| Total assets                           | <u>1,096,166</u>           |
| <b>LIABILITIES</b>                     |                            |
| Accounts payable                       | -                          |
| Total liabilities                      | <u>-</u>                   |
| <b>NET POSITION</b>                    |                            |
| Investment in capital assets           | 129,220                    |
| Restricted for infrastructure projects | 42,071                     |
| Unrestricted                           | 924,875                    |
| Total net position                     | <u>\$ 1,096,166</u>        |

See notes to the financial statements

**TOWN OF CLOUD LAKE  
CLOUD LAKE, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

| Functions/Programs                                               | Expenses   | Program Revenues           |                                        | Net (Expense)<br>Revenue and<br>Changes in Net<br>Position |
|------------------------------------------------------------------|------------|----------------------------|----------------------------------------|------------------------------------------------------------|
|                                                                  |            | Charges<br>for<br>Services | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                 |
| Primary government:                                              |            |                            |                                        |                                                            |
| Governmental activities:                                         |            |                            |                                        |                                                            |
| General government                                               | \$ 111,618 | \$ 111,618                 | \$ -                                   | \$ -                                                       |
| Physical environment                                             | 69,825     | (11,093)                   | 17,382                                 | (63,536)                                                   |
| Total governmental activities                                    | 181,443    | 100,525                    | 17,382                                 | (63,536)                                                   |
| General revenues:                                                |            |                            |                                        |                                                            |
| Utility taxes                                                    |            |                            |                                        | 8,123                                                      |
| Franchise fees                                                   |            |                            |                                        | 8,250                                                      |
| Intergovernmental revenues, not restricted for specific programs |            |                            |                                        | 28,651                                                     |
| Unrestricted investment earnings                                 |            |                            |                                        | 33,435                                                     |
| Other revenues                                                   |            |                            |                                        | 1,132                                                      |
| Total general revenues                                           |            |                            |                                        | 79,591                                                     |
| Change in net position                                           |            |                            |                                        | 16,055                                                     |
| Net position - beginning                                         |            |                            |                                        | 1,080,111                                                  |
| Net position - ending                                            |            |                            |                                        | \$ 1,096,166                                               |

See notes to the financial statements

**TOWN OF CLOUD LAKE  
CLOUD LAKE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUND  
SEPTEMBER 30, 2024**

|                                     | Major Funds       |                               | Total                |
|-------------------------------------|-------------------|-------------------------------|----------------------|
|                                     | General Fund      | Infrastructure<br>Surtax Fund | Governmental<br>Fund |
| <b>ASSETS</b>                       |                   |                               |                      |
| Cash                                | \$ 922,741        | \$ 41,416                     | \$ 964,157           |
| Due from other governments          | 2,134             | 655                           | 2,789                |
| Total assets                        | <u>\$ 924,875</u> | <u>\$ 42,071</u>              | <u>\$ 966,946</u>    |
| <b>LIABILITIES AND FUND BALANCE</b> |                   |                               |                      |
| Liabilities:                        |                   |                               |                      |
| Accounts payable                    | \$ -              | \$ -                          | \$ -                 |
| Total liabilities                   | <u>-</u>          | <u>-</u>                      | <u>-</u>             |
| Fund balance:                       |                   |                               |                      |
| Restricted to:                      |                   |                               |                      |
| Infrastructure                      | -                 | 42,071                        | 42,071               |
| Unassigned:                         |                   |                               |                      |
| General fund                        | 924,875           | -                             | 924,875              |
| Total fund balance                  | <u>924,875</u>    | <u>42,071</u>                 | <u>966,946</u>       |
| Total liabilities and fund balance  | <u>\$ 924,875</u> | <u>\$ 42,071</u>              | <u>\$ 966,946</u>    |

Fund balance - governmental funds \$ 966,946

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

|                                         |                 |                     |
|-----------------------------------------|-----------------|---------------------|
| Cost of capital assets                  | 202,259         |                     |
| Accumulated depreciation                | <u>(73,039)</u> | 129,220             |
| Net position of governmental activities |                 | <u>\$ 1,096,166</u> |

See notes to the financial statements

**TOWN OF CLOUD LAKE  
CLOUD LAKE, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

|                                                              | Major Funds  |                               | Total                 |
|--------------------------------------------------------------|--------------|-------------------------------|-----------------------|
|                                                              | General Fund | Infrastructure<br>Surtax Fund | Governmental<br>Funds |
| REVENUES                                                     |              |                               |                       |
| Franchise fees                                               | \$ 8,250     | \$ -                          | \$ 8,250              |
| Utility taxes                                                | 8,123        | -                             | 8,123                 |
| Licenses and permits                                         | 9,846        | -                             | 9,846                 |
| Intergovernmental revenue                                    | 28,651       | 13,824                        | 42,475                |
| Investments income                                           | 33,435       | 3,558                         | 36,993                |
| Lease and rental revenues                                    | 90,679       | -                             | 90,679                |
| Miscellaneous                                                | 1,132        | -                             | 1,132                 |
| Total revenues                                               | 180,116      | 17,382                        | 197,498               |
| EXPENDITURES                                                 |              |                               |                       |
| Current:                                                     |              |                               |                       |
| General government                                           | 111,618      | -                             | 111,618               |
| Physical environment                                         | 68,496       | -                             | 68,496                |
| Capital outlay                                               | -            | 118,500                       | 118,500               |
| Total expenditures                                           | 180,114      | 118,500                       | 298,614               |
| Excess (deficiency) of revenues<br>over (under) expenditures | 2            | (101,118)                     | (101,116)             |
| OTHER FINANCING SOURCES                                      |              |                               |                       |
| Interfund transfer in (out)                                  | (7,505)      | 7,505                         | -                     |
| Total other financing sources                                | (7,505)      | 7,505                         | -                     |
| Net change in fund balances                                  | (7,503)      | (93,613)                      | (101,116)             |
| Fund balance - beginning                                     | 932,378      | 135,684                       | 1,068,062             |
| Fund balance - ending                                        | \$ 924,875   | \$ 42,071                     | \$ 966,946            |

Net change in fund balance - total governmental funds \$ (101,116)

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

Governmental funds report capital outlays as expenditures, however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position. 118,500

Depreciation on capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities. (1,329)

Change in net position of governmental activities \$ 16,055

See notes to the financial statements

**TOWN OF CLOUD LAKE  
CLOUD LAKE, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

The Town of Cloud Lake, Florida (the "Town"), was incorporated in 1951. The Town is governed by an Elected Mayor. There is an appointed Town Clerk that handles the day-to-day operations. The Town Council ("Council") is responsible for legislative and fiscal control of the Town.

The Town provides services to its residents which include general government and physical environment. Public safety such as police services, water and wastewater, and refuse services are provided to residents by other entities through interlocal agreements with the Town. Fire services are provided by Palm Beach County.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the Town is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the Town are such that, if excluded, the financial statements of the Town would be considered incomplete or misleading. There are no entities considered to be component units of the Town; therefore, the financial statements include only the operations of the Town.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

The basic financial statements include both 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 non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Town expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

**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. Property taxes, if applicable, are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, expenditures for certain items, including claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Franchise fees and communications taxes, licenses and permits, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized in revenues for the current period. The portion of receivables due within the current fiscal period is considered to be susceptible to accrual as revenue for the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

#### **General Fund**

The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

#### **Infrastructure Surtax Fund**

This fund is used to account for resources restricted by Florida Statutes for infrastructure expenditures and in fiscal years 2023 and 2024, the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program under the American Rescue Plan Act (ARPA) .

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

### **Assets, Liabilities and Net Position or Equity**

#### **Restricted Assets**

These assets represent cash and investments set aside pursuant to contractual restrictions.

#### **Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The Town has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The Town may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The Town records all interest revenue related to investment activities in the general fund. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

#### **Inventories and Prepaid Items**

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Assets, Liabilities and Net Position or Equity (Continued)

#### Capital Assets

Capital assets, which include property, plant and equipment, building improvements, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the Town are depreciated using the sum of the years' method over the following estimated useful lives:

| Assets                | Years |
|-----------------------|-------|
| Equipment             | 7     |
| Drainage              | 7     |
| Wiring                | 7     |
| Building improvements | 39    |

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

However, pursuant to Government Accounting Standards Board Statement ("GASB") No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999, prospective reporting of general infrastructure assets in the statement of net assets is required beginning at the effective dates of Statement 34. Retroactive reporting of major general infrastructure assets may be required if the entity meets certain criteria. The Town, however, is a Phase 3 government which is encouraged but not required to report major general infrastructure assets retroactively. The Town has not elected to report its major general infrastructure assets retroactively. Further, the Town does not own or maintain any significant capital assets, including general infrastructure, which are required to be reported.

#### Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

#### Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

#### 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, deferred outflows of resources, 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### **Fund Equity/Net Position**

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The Town can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Town Council. Commitments may be changed or lifted only by the Town Council taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Town of Council that are intended to be used for specific purposes that are neither considered restricted nor committed. The Town Council may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The Town first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the Town's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

### **Other Disclosures**

#### **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 reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### NOTE 3 – BUDGETARY INFORMATION

The Town is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and all annual appropriations lapse at fiscal year-end.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the Town Clerk submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the Town Council.
- d) All budget changes must be approved by the Town Council.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

### NOTE 4 – DEPOSITS AND INVESTMENTS

#### Deposits

The Town's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

### NOTE 5 – CAPITAL ASSETS

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

|                                              | Beginning<br>Balance | Increases  | Decreases | Ending<br>Balance |
|----------------------------------------------|----------------------|------------|-----------|-------------------|
| <u>Governmental activities</u>               |                      |            |           |                   |
| Capital assets, not being depreciated        |                      |            |           |                   |
| Construction in progress                     | \$ 2,755             | \$ 118,500 | \$ -      | \$ 121,255        |
| Total capital assets, not being depreciated  | 2,755                | 118,500    | -         | 121,255           |
| Capital assets, being depreciated            |                      |            |           |                   |
| Equipment                                    | 10,917               | -          | -         | 10,917            |
| Drainage                                     | 3,919                | -          | -         | 3,919             |
| Infrastructure improvements                  | 57,795               | -          | -         | 57,795            |
| Building improvements                        | 8,373                | -          | -         | 8,373             |
| Total capital assets, being depreciated      | 81,004               | -          | -         | 81,004            |
| Less accumulated depreciation for:           |                      |            |           |                   |
| Equipment                                    | 10,917               | -          | -         | 10,917            |
| Drainage                                     | 3,919                | -          | -         | 3,919             |
| Infrastructure improvements                  | 54,744               | 1,135      | -         | 55,879            |
| Building improvements                        | 2,130                | 194        | -         | 2,324             |
| Total accumulated depreciation               | 71,710               | 1,329      | -         | 73,039            |
| Total capital assets, being depreciated, net | 9,294                | (1,329)    | -         | 7,965             |
| Governmental activities capital assets, net  | \$ 12,049            | \$ 117,171 | \$ -      | \$ 129,220        |

Depreciation expense was charged to the physical environment function/programs.

#### **NOTE 6 – RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Town has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There have been no claims from these risks that exceeded commercial insurance coverage over the past three years.

#### **NOTE 7 – OTHER INFORMATION**

Services for police, water and wastewater, and refuse are provided to Town residents by other entities through interlocal agreements with the Town. Historically, the Town has paid for refuse services and the costs of the water and wastewater are billed to the residents with no cost to the Town. The Town has a rolling four year commitment with Waste Management, Inc. of Florida relating to a solid waste and recycling residential collection agreement. The agreement renews automatically unless notified by either party at least 120 days prior to the end of the applicable term. The agreement was renewed in September 2022.

**TOWN OF CLOUD LAKE  
CLOUD LAKE, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

|                                                              | Budgeted Amounts |          | Actual     | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------------------------------|------------------|----------|------------|-----------------------------------------------------------|
|                                                              | Original         | Final    | Amounts    |                                                           |
| <b>REVENUES</b>                                              |                  |          |            |                                                           |
| Franchise fees                                               | \$ 7,500         | \$ 7,500 | \$ 8,250   | \$ 750                                                    |
| Utility Tax                                                  | 7,500            | 7,500    | 8,123      | 623                                                       |
| Communication service tax                                    | 5,530            | 5,530    | -          | (5,530)                                                   |
| Licenses and permits                                         | 8,780            | 8,780    | 9,846      | 1,066                                                     |
| Intergovernmental revenue                                    | 30,370           | 30,370   | 28,651     | (1,719)                                                   |
| Investments income                                           | 8,500            | 8,500    | 33,435     | 24,935                                                    |
| Rental revenue                                               | 100,000          | 100,000  | 90,679     | (9,321)                                                   |
| Miscellaneous                                                | 92,100           | 92,100   | 1,132      | (90,968)                                                  |
| Total revenues                                               | 260,280          | 260,280  | 180,116    | (80,164)                                                  |
| <b>EXPENDITURES</b>                                          |                  |          |            |                                                           |
| Current:                                                     |                  |          |            |                                                           |
| General government                                           | 215,345          | 221,200  | 111,618    | 109,582                                                   |
| Physical environment                                         | 22,622           | 16,767   | 68,496     | (51,729)                                                  |
| Capital outlay                                               | 22,313           | 22,313   | -          | 22,313                                                    |
| Total expenditures                                           | 260,280          | 260,280  | 180,114    | 80,166                                                    |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | -        | 2          | 2                                                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |          |            |                                                           |
| Interfund transfer in (out)                                  | -                | -        | (7,505)    | (7,505)                                                   |
| Total other financing sources (uses)                         | -                | -        | (7,505)    | -                                                         |
| Net change in fund balance                                   | \$ -             | \$ -     | (7,503)    | \$ 2                                                      |
| Fund balance - beginning                                     |                  |          | 932,378    |                                                           |
| Fund balance - ending                                        |                  |          | \$ 924,875 |                                                           |

See notes to required supplementary information

**TOWN OF CLOUD LAKE  
CLOUD LAKE, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – INFRASTRUCTURE SURTAX FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

|                                                              | Budgeted<br>Amounts<br>Original & Final | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------------------------------|-----------------------------------------|-------------------|-----------------------------------------------------------|
| <b>REVENUES</b>                                              |                                         |                   |                                                           |
| Intergovernmental revenue                                    | \$ 13,765                               | \$ 13,824         | \$ 59                                                     |
| Investment income                                            | 700                                     | 3,558             | 2,858                                                     |
| Total revenues                                               | <u>14,465</u>                           | <u>17,382</u>     | <u>2,917</u>                                              |
| <b>EXPENDITURES</b>                                          |                                         |                   |                                                           |
| Current:                                                     |                                         |                   |                                                           |
| Capital outlay                                               | 149,615                                 | 118,500           | 31,115                                                    |
| Total expenditures                                           | <u>149,615</u>                          | <u>118,500</u>    | <u>31,115</u>                                             |
| Excess (deficiency) of revenues<br>over (under) expenditures | (135,150)                               | (101,118)         | 34,032                                                    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                         |                   |                                                           |
| Interfund transfer in (out)                                  | -                                       | 7,505             | 7,505                                                     |
| Carry forward                                                | 135,150                                 | -                 | (135,150)                                                 |
| Total other financing sources (uses)                         | <u>135,150</u>                          | <u>7,505</u>      | <u>(127,645)</u>                                          |
| Net change in fund balance                                   | <u>\$ -</u>                             | <u>(93,613)</u>   | <u>\$ (93,613)</u>                                        |
| Fund balance - beginning                                     |                                         | <u>135,684</u>    |                                                           |
| Fund balance - ending                                        |                                         | <u>\$ 42,071</u>  |                                                           |

See notes to required supplementary information

**TOWN OF CLOUD LAKE  
CLOUD LAKE, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The Town is required to establish a budgetary system and an approved Annual Budget for the general fund. The Town's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Town Council. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Town Council. Actual general and infrastructure surtax fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2024.



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**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 Town Council  
Town of Cloud Lake, 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 Town of Cloud Lake, Florida ("Town") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our opinion thereon dated June 25, 2025.

**Report on 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 or significant deficiencies may exist that were not identified.

**Report on 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 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.

*Law & Associates*

June 25, 2025



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Town Council  
Town of Cloud Lake, Florida

We have examined Town of Cloud Lake, Florida's ("Town") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2024. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the Town 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 noncompliance, 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. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

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

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

This report 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, management, and the Town of Council of Town of Cloud Lake, Cloud Lake, Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Grau & Associates*

June 25, 2025



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**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Town Council  
Town of Cloud Lake, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Town of Cloud Lake, Florida ("Town") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 25, 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 Auditor'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 June 25, 2025, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General of the state of Florida. Accordingly, in connection with our audit of the financial statements of the Town, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.
- II. Status of prior year findings and recommendations.
- III. Compliance with the Provisions of the Auditor General of the State of Florida.

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, as applicable, management, and the Town Council of Town of Cloud Lake, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Town of Cloud Lake, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

*Grau & Associates*

June 25, 2025

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS

Not applicable – there was no audit required for the fiscal year ended September 30, 2023.

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Not applicable, there was no audit required for the fiscal year ended September 30, 2023.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2024.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2024.

4. The name or official title and legal authority of the Town are disclosed in the notes to the financial statements.

5. The Town has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2024. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

7. A statement as to whether or not 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 county, municipality, or dependent special district geographical boundaries during the fiscal year under audit, regardless of whether any new financing arrangements were initiated during the period under audit or whether only preexisting financing arrangements were administered.

A PACE program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the municipality special district geographical boundaries during the fiscal year ending September 30, 2024.