



**CITY OF EAGLE LAKE, FLORIDA**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

# City of Eagle Lake, Florida

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## **FINANCIAL SECTION**



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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members of City Council  
City of Eagle Lake, Florida

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Eagle Lake, Florida as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Eagle Lake, Florida'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, the business-type activities and each major fund of City of Eagle Lake, Florida, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 City of Eagle Lake, 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 City of Eagle Lake, 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Eagle Lake, 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 City of Eagle Lake, 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, budgetary comparison and other post-employment benefits 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 Information**

Management is responsible for the other information included with the financial statements. The other information comprises the data elements required by Section 218.32(i)(e), *Florida Statutes*. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2025, on our consideration of the City of Eagle Lake, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Eagle Lake, Florida’s internal control over financial reporting and compliance.

Tampa, Florida  
April 11, 2025

A handwritten signature in cursive script that reads "Bruce, Gardner & Company, P.A." The signature is written in black ink and is positioned to the right of the typed text.

As management of the City of Eagle Lake, Florida (the City), we offer readers of the City's financial statements this management's discussion and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements beginning on page 12.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$38,161,534 (net position) compared to \$28,033,269 at the end of the prior year. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors and totaled \$10,876,692 on September 30, 2024 and \$7,447,912 at the end of the prior year.
- The government's total net position increased by \$10,128,265 as a result of operations during the year ended September 30, 2024 compared to an increase of \$9,720,172 in the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported ending fund balances of \$10,213,705 an increase from the prior year balance of \$7,614,637. Of this total amount, \$5,045,859 is available for spending at the government's discretion (unassigned fund balance). Unassigned fund balance was \$3,615,412 at the end of the prior fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and an other information section to report the data elements required by Section 218.32(1)(e), Florida Statutes.

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

The statement of net position presents information on all the City's assets, liabilities, and deferred inflows and outflows of resources with the residual measure reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City 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 in a manner like the approach used by private-sector business in that revenue is recognized when earned or established criteria are satisfied, and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the year, and expenses are reported even though they may not have used cash during the current fiscal year.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, building and code enforcement, law enforcement, streets, library, parks and recreation and community redevelopment. The business-type activities of the City include the water, wastewater, stormwater management and sanitation departments.

## **Overview of the Financial Statements (concluded)**

The government-wide financial statements can be found by referencing the table of contents of this report.

*Fund financial statements:* Funds are a group of self-balancing accounts. Funds are used to account for specific activities of the City, rather than reporting on the City as a whole. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The City maintains two individual governmental funds, the general fund and the community redevelopment agency (the CRA) fund. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

*Proprietary funds:* The City utilizes one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water, wastewater, stormwater management and sanitation departments. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

*Fiduciary Funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains one fiduciary fund type; a custodial fund. The custodial fund report resources, not in a trust, that are held by the City for other parties outside of City's reporting entity.

The governmental, proprietary, and fiduciary fund financial statements can be found by referencing the table of contents of this report.

All the city's funds are considered major funds.

*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.

*Required Supplementary Information:* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s general fund and community redevelopment fund’s budgetary comparisons and changes in the other postemployment benefits obligation.

**Government-wide Financial Analysis**

The following is a summary of the information presented in the Statement of Net Position which can be found by referencing the table of contents of this report.

**Statement of Net Position (Summary)  
as of September 30,**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Assets:</b>						
Current and other assets	\$ 10,960,459	\$ 8,148,093	\$ 20,545,605	\$ 13,956,058	\$ 31,506,064	\$ 22,104,151
Capital assets	2,443,446	1,916,239	6,644,235	6,155,648	9,087,681	8,071,887
<b>Total assets</b>	<b>13,403,905</b>	<b>10,064,332</b>	<b>27,189,840</b>	<b>20,111,706</b>	<b>40,593,745</b>	<b>30,176,038</b>
<b>Liabilities:</b>						
Current liabilities	426,279	195,420	846,961	729,269	1,273,240	924,689
Non-current liabilities	136,716	143,962	701,780	736,082	838,496	880,044
<b>Total liabilities</b>	<b>562,995</b>	<b>339,382</b>	<b>1,548,741</b>	<b>1,465,351</b>	<b>2,111,736</b>	<b>1,804,733</b>
Deferred inflows	320,475	338,036	-	-	320,475	338,036
<b>Net position:</b>						
Net investment in capital assets	2,443,272	1,914,745	6,104,157	5,584,866	8,547,429	7,499,611
Restricted	5,167,846	3,920,225	13,569,567	9,165,521	18,737,413	13,085,746
Unrestricted	4,909,317	3,551,944	5,967,375	3,895,968	10,876,692	7,447,912
<b>Total net position</b>	<b>\$ 12,520,435</b>	<b>\$ 9,386,914</b>	<b>\$ 25,641,099</b>	<b>\$ 18,646,355</b>	<b>\$ 38,161,534</b>	<b>\$ 28,033,269</b>

Twenty-two percent (22%) of the City’s net position reflect its investment in capital assets (e.g., land, buildings, water and wastewater system, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. This is a decrease from twenty-seven percent (27%) as of the prior year-end. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Forty-nine percent (49%) of the City’s net position represents resources that are subject to external restrictions on how they may be used and are reported as restricted net position. This is an increase from forty-seven percent (47%) as of the prior year-end. The remaining balance of unrestricted net position may be used to meet the government’s ongoing obligations to citizens and creditors.

**Government-wide Financial Analysis (cont...)**

The following is a summary of the information presented in the Statement of Activities which can be found by referencing the table of contents of this report.

**Statement of Activities (Summary)**  
**For the year ended September 30,**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues:</b>						
<i>Program Revenues:</i>						
Charges for services	\$ 1,730,143	\$ 1,842,977	\$ 5,118,072	\$ 4,129,056	\$ 6,848,215	\$ 5,972,033
Operating grants/contrib.	7,150	5,030	-	-	7,150	5,030
Capital grants/contrib.	1,204,118	1,343,070	4,583,220	4,916,445	5,787,338	6,259,515
<i>General revenues:</i>						
Property taxes - General	1,847,597	1,279,611	-	-	1,847,597	1,279,611
Property taxes - CRA	79,119	70,918	-	-	79,119	70,918
Pub svc tax/franchise fees	860,692	678,142	-	-	860,692	678,142
State shared revenue	447,123	443,781	-	-	447,123	443,781
Other	66,719	40,462	21,411	11,820	88,130	52,282
<b>Total revenues</b>	<b>6,242,661</b>	<b>5,703,991</b>	<b>9,722,703</b>	<b>9,057,321</b>	<b>15,965,364</b>	<b>14,761,312</b>
<b>Expenses:</b>						
<i>Governmental activities:</i>						
General government	1,287,660	999,131	-	-	1,287,660	999,131
Building and code enf.	613,834	701,582	-	-	613,834	701,582
Library	263,906	179,316	-	-	263,906	179,316
Community redevelopment	45,528	36,171	-	-	45,528	36,171
Law enforcement	704,830	587,221	-	-	704,830	587,221
Streets	157,602	157,740	-	-	157,602	157,740
Parks and recreation	288,676	308,511	-	-	288,676	308,511
Interest on long-term debt	40	172	-	-	40	172
<i>Business-type activities:</i>						
Water utility	-	-	937,847	679,620	937,847	679,620
Wastewater utility	-	-	832,680	918,637	832,680	918,637
Sanitation	-	-	561,305	418,734	561,305	418,734
Stormwater management	-	-	143,191	54,305	143,191	54,305
<b>Total expenses</b>	<b>3,362,076</b>	<b>2,969,844</b>	<b>2,475,023</b>	<b>2,071,296</b>	<b>5,837,099</b>	<b>5,041,140</b>
<b>Transfers in (out)</b>	<b>252,936</b>	<b>193,004</b>	<b>(252,936)</b>	<b>(193,004)</b>	<b>-</b>	<b>-</b>
Change in Net Position	3,133,521	2,927,151	6,994,744	6,793,021	10,128,265	9,720,172
Net position - Beginning	9,386,914	6,459,763	18,646,355	11,853,334	28,033,269	18,313,097
Net position - Ending	<b>\$ 12,520,435</b>	<b>\$ 9,386,914</b>	<b>\$ 25,641,099</b>	<b>\$ 18,646,355</b>	<b>\$ 38,161,534</b>	<b>\$ 28,033,269</b>

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

Governmental activities: Governmental activities' change in net position was an increase of \$3,133,521 for 2024 as compared to an increase of \$2,927,151 for the prior year. The main reasons for the increase are as follows:

- Total revenue increased by approximately \$538,000 or 9% mainly due to the following:
  - General revenue increased by \$788,336 or 31% mainly due to increased State shared revenues caused by improved economic activity and increased property values, both from the addition of new homes and increased property valuations, which increased ad valorem tax revenue by \$576,187 or 43%.
  - Charges for services decreased by \$112,834 or 6% mainly due to a decrease in building related fees of approximately \$213,000 (12%) due to decreased residential construction activity within the City. This decline was partially offset by general increases in other charges for services.
  - Capital grants and contributions decreased by approximately \$139,000 or 10% mainly due to decreased impact fee revenue driven by decreased residential construction within the City.
- Total expenses increased by approximately \$392,000 or 13% mainly due to the following:
  - General government expenses increased by approximately \$288,000 (29%) mainly due to the following:
    - Personnel-related expenses increased by approximately \$76,000 (17%) due to cost increases and increased staffing in this function.
    - Engineering, planning and legal expenses increased by \$112,000 (35%) due to increased costs to monitor, oversee and manage the future residential construction activity within the City.
    - The City reported a loss on disposal of capital assets totaling \$31,680 and a transfer of a vehicle to the business-type activities of \$40,838, both reported as a component of general government expenses.
  - Law enforcement expenses increased by approximately \$117,000 (20%) mainly due to contractual increases in the fee charged by the Polk County Sheriff's Office.

Business-type activities: Business-type activities increased the City's net position by \$6,994,744 in 2024 compared to an increase of \$6,793,021 in 2023. The main reasons for the increase are as follows:

- Total revenue increased by \$662,382 or 7% mainly due to the following:
  - Charges for services revenue increased by approximately \$989,000 or 24% due to the increased number of utility customers driven by the recent increase in residential construction within the City.
  - Capital grants and contributions decreased by approximately \$333,000 or 7% due to decreased impact fee revenue given a recent decline in residential construction within the City during 2024.

- Total expenses increased by \$408,458 or 20% mainly due to the following:
  - Water expenses increased by approximately \$258,000 or 38% mainly due to increased noncapital engineering cost of approximately \$80,000 and because the Polk Regional Water Cooperative began charging an alternative water charge of approximately \$159,000 for 2024. This is the first year the alternative water charge was applied but is expected to be a recurring cost in each year of the future.
  - Sanitation expenses increased by approximately \$143,000 or 34% due to increased utility customers caused by recent construction within the City.
  - Stormwater expenses increased by approximately \$89,000 or 164% due to noncapital costs associated with a stormwater infiltration and intrusion study and report.
  - The remainder of the increase in expenses was driven by a myriad of changes in a diverse set of expense categories.

### **Financial Analysis of the City's Funds**

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

As of the end of the current fiscal year, the City's governmental funds (the general fund and CRA) reported ending fund balances of \$10,213,705 an increase of \$2,599,068 in comparison with the previously reported balance in the prior year. Of this total, \$5,045,859 for the general fund constitutes unassigned fund balance, which is available for spending at the government's discretion. The total unassigned fund balance represents 132% of 2024 total governmental fund expenditures compared to the prior year percentage of 119%. The remainder of fund balance is restricted by enabling legislation or contract and can only be spent on the purposes for which it is intended.

Activity during the current fiscal year included the following key components:

- Total governmental funds revenue increased by \$429,502 (7%) mainly due the following:
  - A \$765,684 (35%) increase in overall tax revenue due to increased property values and general improvement in economic activity within the City, county and State.
  - The increase in tax revenue was partially offset by a decrease of approximately \$245,000 in charges for service revenue due to reduced building inspection fees caused by decreased residential construction in the current year.
- Total expenditures of the governmental funds increased by \$748,009 (24%) mainly due to the following:
  - General government expenditures increased by \$238,249 or 26% due to an increase of approximately \$77,000 (18%) in personnel related expenditures and an approximate increase of \$91,000 (29%) in engineering expenditures to oversee current and planned construction within the City.
  - Capital outlay expenditures increased by \$430,542 or 130% due to more capital assets purchased or project costs incurred during 2024 compared to the previous year.

**Financial Analysis of the City's Funds (completed)**

*Proprietary funds:* The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The major changes between 2024 and 2023 are discussed above under the "business-type activities" heading.

**General Fund Budgetary Highlights**

Actual resources were more than budgeted resources by \$1,911,720 and actual charges to appropriations were \$57,675 less than budgeted resulting in an overall positive budget variance of \$1,969,395. The budget for the year ended September 30, 2024 was amended by the City Commission increasing budgeted expenditures by \$935,000 to reflect capital expenditures that were not included in the original budget and for residential-construction driven expenditures such as engineering review and building inspection fees that exceeded expectations during the year. Budgeted revenue was amended \$805,400 higher to partially offset the changes to budgeted expenditures.

**Capital Assets and Debt Administration**

*Capital assets:* The city's investment in capital assets for its governmental and business type activities as of September 30, 2024, amounts to \$9,087,681 (net of accumulated depreciation) which is an increase of 13%. This increase is the result of current year additions in excess of annual depreciation expense.

Information on the City's capital assets is summarized in the following table.

	<b>Capital Assets Activity</b>					
	(net of accumulated depreciation)					
	as of September 30,					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>2024</u>	<u>2022</u>	<u>2024</u>	<u>2022</u>	<u>2024</u>	<u>2022</u>
Land	\$ 259,714	\$ 259,714	\$ 28,527	\$ 28,527	\$ 288,241	\$ 288,241
Buildings and improvements	530,381	621,377	5,591,505	5,381,503	6,121,886	6,002,880
Equipment	414,081	318,293	690,578	647,824	1,104,659	966,117
Infrastructure	1,005,009	619,409	-	-	1,005,009	619,409
Right-to-use leased equipment	623	1,120	-	-	623	1,120
Construction in progress	<u>233,638</u>	<u>96,326</u>	<u>333,625</u>	<u>97,794</u>	<u>567,263</u>	<u>194,120</u>
Total	<u>\$ 2,443,446</u>	<u>\$ 1,916,239</u>	<u>\$ 6,644,235</u>	<u>\$ 6,155,648</u>	<u>\$ 9,087,681</u>	<u>\$ 8,071,887</u>

Additional information on the City's capital assets can be found in note 6 of the notes to financial statements.

**Capital Assets and Debt Administration (completed)**

*Long-Term Debt:* As shown in the table below, the City had total long-term debt outstanding of \$540,252 which represents a decrease of approximately 6% over the prior year due to scheduled debt payments.

	<b>Outstanding Debt and Other Financing</b>					
	as of September 30,					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2024</u></b>	<b><u>2022</u></b>	<b><u>2024</u></b>	<b><u>2022</u></b>	<b><u>2024</u></b>	<b><u>2022</u></b>
Bonds and notes payable	\$ -	\$ 652	\$ 540,078	\$ 570,782	\$ 540,078	\$ 571,434
Leases payable	174	842	-	-	174	842
<b>Total</b>	<b>\$ 174</b>	<b>\$ 1,494</b>	<b>\$ 540,078</b>	<b>\$ 570,782</b>	<b>\$ 540,252</b>	<b>\$ 572,276</b>

Additional information on the City's long-term debt and other noncurrent liabilities can be found in note 7 of the notes to financial statements.

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

It is anticipated that the following significant items will affect the 2025 fiscal year:

- The City's millage rate in effect for the fiscal year ended September 30, 2025 remains consistent at 7.6516 but because of increased property values, the expected ad valorem tax revenue is expected to increase by approximately 43% or \$786,900.
- Residential construction activity is expected to remain strong in 2025.

These significant factors were considered in preparing the City's budget for the 2024-25 fiscal year and are expected to influence the City's fiscal year 2024-25 financial results.

**Requests for information**

This financial report is designed to provide a general overview of the City of Eagle Lake, Florida, finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Eagle Lake, P.O. Box 129, Eagle Lake, Florida 33839.

**CITY OF EAGLE LAKE, FLORIDA**

Statement of Net Position

September 30, 2024

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,596,023	\$ 5,229,306	\$ 10,825,329
Receivables, current:			
Customer accounts, net	37,036	490,415	527,451
Intergovernmental	76,780	201,079	277,859
Franchise and public service taxes	45,039	-	45,039
Inventory and prepaids	-	10,749	10,749
Internal balances	(360,489)	360,489	-
Lease receivable	331,398	-	331,398
Restricted assets:			
Cash and cash equivalents	5,234,672	14,253,567	19,488,239
Capital assets:			
Non-depreciable	493,352	362,152	855,504
Depreciable, net	1,950,094	6,282,083	8,232,177
<b>TOTAL ASSETS</b>	<b>13,403,905</b>	<b>27,189,840</b>	<b>40,593,745</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	354,562	106,411	460,973
Accrued wages	71,717	24,909	96,626
Unearned revenue	-	153,534	153,534
Accrued interest payable	-	8,992	8,992
Customer deposits	-	521,474	521,474
Long-term obligations:			
Due within one year	174	31,641	31,815
Due in more than one year	136,542	701,780	838,322
<b>TOTAL LIABILITIES</b>	<b>562,995</b>	<b>1,548,741</b>	<b>2,111,736</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease related	320,475	-	320,475
<b>NET POSITION</b>			
Net investment in capital assets	2,443,272	6,104,157	8,547,429
Restricted for:			
Debt service	-	72,936	72,936
Water system improvements	-	6,791,957	6,791,957
Wastewater system improvements	-	6,124,184	6,124,184
Stormwater management	-	580,490	580,490
Building code enforcement	1,193,499	-	1,193,499
Transportation infrastructure	31,537	-	31,537
Public building improvements	2,978,792	-	2,978,792
Parks and recreation facilities	707,411	-	707,411
Community redevelopment	256,607	-	256,607
Unrestricted	4,909,317	5,967,375	10,876,692
<b>TOTAL NET POSITION</b>	<b>\$ 12,520,435</b>	<b>\$25,641,099</b>	<b>\$ 38,161,534</b>

The accompanying notes are an integral part of these financial statements

**CITY OF EAGLE LAKE, FLORIDA**  
Statement of Activities  
for the year ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grant and Contributions	Capital Grant and Contributions	Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
<b>Governmental activities:</b>							
General government	\$ 1,287,660	\$ 361,248	\$ -	\$ 819,286	\$ (107,126)	\$ -	\$ (107,126)
Building and code enforcement	613,834	1,153,609	-	-	539,775	-	539,775
Library	263,906	1,591	-	145,493	(116,822)	-	(116,822)
Community redevelopment	45,528	-	-	-	(45,528)	-	(45,528)
Law enforcement	704,830	16,711	-	-	(688,119)	-	(688,119)
Streets	157,602	196,201	-	-	38,599	-	38,599
Parks and recreation	288,676	783	7,150	239,339	(41,404)	-	(41,404)
Interest on long-term debt	40	-	-	-	(40)	-	(40)
<b>Total governmental activities</b>	<b>3,362,076</b>	<b>1,730,143</b>	<b>7,150</b>	<b>1,204,118</b>	<b>(420,665)</b>	<b>-</b>	<b>(420,665)</b>
<b>Business-type activities</b>							
Water utility	937,847	2,075,146	-	2,277,682	-	3,414,981	3,414,981
Wastewater utility	832,680	1,998,595	-	2,109,190	-	3,275,105	3,275,105
Sanitation	561,305	909,095	-	-	-	347,790	347,790
Stormwater management	143,191	135,236	-	196,348	-	188,393	188,393
<b>Total business-type activities</b>	<b>2,475,023</b>	<b>5,118,072</b>	<b>-</b>	<b>4,583,220</b>	<b>-</b>	<b>7,226,269</b>	<b>7,226,269</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 5,837,099</b>	<b>\$ 6,848,215</b>	<b>\$ 7,150</b>	<b>\$ 5,787,338</b>	<b>(420,665)</b>	<b>7,226,269</b>	<b>6,805,604</b>
<b>GENERAL REVENUES</b>							
Taxes:							
Property taxes, levied for general purposes					1,847,597	-	1,847,597
Property taxes, levied for community redevelopment purposes					79,119	-	79,119
Public service taxes and franchise fees					860,692	-	860,692
State shared revenue					447,123	-	447,123
Investment earnings					16,744	21,411	38,155
Miscellaneous					49,975	-	49,975
<b>TRANSFERS</b>					252,936	(252,936)	-
Total general revenues and transfers					3,554,186	(231,525)	3,322,661
<b>CHANGE IN NET POSITION</b>					3,133,521	6,994,744	10,128,265
<b>NET POSITION, beginning of year</b>					9,386,914	18,646,355	28,033,269
<b>NET POSITION, end of year</b>					<b>\$ 12,520,435</b>	<b>\$ 25,641,099</b>	<b>\$ 38,161,534</b>

The accompanying notes are an integral part of these financial statements

**CITY OF EAGLE LAKE, FLORIDA**  
Balance Sheet – Governmental Funds  
September 30, 2024

	<u>General Fund</u>	<u>Community Redevelopment Agency</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,596,023	\$ 323,433	\$ 5,919,456
Receivables, net			
Customer accounts, net	37,036	-	37,036
Intergovernmental	76,780	-	76,780
Franchise and public service taxes	45,039	-	45,039
Due from community redevelopment fund	66,826	-	66,826
Lease receivable	331,398	-	331,398
Restricted assets:			
Cash and cash equivalents	4,911,239	-	4,911,239
<b>TOTAL ASSETS</b>	<u>\$ 11,064,341</u>	<u>\$ 323,433</u>	<u>\$ 11,387,774</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 354,562	\$ -	\$ 354,562
Accrued wages and benefits	71,717	-	71,717
Due to general fund	-	66,826	66,826
Due to enterprise fund	360,489	-	360,489
<b>TOTAL LIABILITIES</b>	<u>786,768</u>	<u>66,826</u>	<u>853,594</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease related	320,475	-	320,475
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>320,475</u>	<u>-</u>	<u>320,475</u>
<b>FUND BALANCE</b>			
Restricted for:			
Building code enforcement	1,193,499	-	1,193,499
Transportation infrastructure	31,537	-	31,537
Public building improvements	2,978,792	-	2,978,792
Parks and recreation facilities	707,411	-	707,411
Community redevelopment	-	256,607	256,607
Unassigned:			
General fund	5,045,859	-	5,045,859
<b>TOTAL FUND BALANCES</b>	<u>9,957,098</u>	<u>256,607</u>	<u>10,213,705</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 11,064,341</u>	<u>\$ 323,433</u>	<u>\$ 11,387,774</u>

The accompanying notes are an integral part of these financial statements

**CITY OF EAGLE LAKE, FLORIDA**

Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position

September 30, 2024

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

<b>FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	\$ 10,213,705
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	2,443,446
Long-term liabilities (including bonds, notes and leases payable, compensated absences liability and the other postemployment benefit liability) are not due and payable in the current period and, therefore are not reported in the governmental funds. This is the amount of the long-term liabilities	(136,716)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 12,520,435</u>

The accompanying notes are an integral part of these financial statements

**CITY OF EAGLE LAKE, FLORIDA**

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds  
for the year ended September 30, 2024

	<b>General Fund</b>	<b>Community Redevelopment Agency</b>	<b>Total</b>
<b>REVENUES:</b>			
Taxes	\$ 2,872,427	\$ 79,119	\$ 2,951,546
Licenses and permits	852,887	-	852,887
Intergovernmental revenue	595,791	-	595,791
Charges for services	332,831	-	332,831
Fines and forfeitures	16,711	-	16,711
Other	1,472,640	256	1,472,896
Total revenues	<u>6,143,287</u>	<u>79,375</u>	<u>6,222,662</u>
<b>EXPENDITURES:</b>			
Current:			
General government	1,143,060	-	1,143,060
Public safety	1,306,733	-	1,306,733
Economic environment	-	45,528	45,528
Transportation	124,643	-	124,643
Culture/recreation	495,046	-	495,046
Capital outlay	760,159	-	760,159
Debt service			
Principal	668	-	668
Interest	693	-	693
Total expenditures	<u>3,831,002</u>	<u>45,528</u>	<u>3,876,530</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>2,312,285</u>	<u>33,847</u>	<u>2,346,132</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>252,936</u>	-	<u>252,936</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>252,936</u>	-	<u>252,936</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,565,221	33,847	2,599,068
<b>FUND BALANCE, beginning of year</b>	<u>7,391,877</u>	<u>222,760</u>	<u>7,614,637</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 9,957,098</u>	<u>\$ 256,607</u>	<u>\$ 10,213,705</u>

The accompanying notes are an integral part of these financial statements

**CITY OF EAGLE LAKE, FLORIDA**

Reconciliation of The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
for the year ended September 30, 2024

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

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	\$ 2,599,068
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
This is the amount of capital assets recorded in the current period.	737,152
This is the amount of depreciation recorded in the current period.	(137,427)
This is the book value of dispositions and transfers recorded in the current period.	(72,518)
Long-term obligations including bonds, notes and leases payable, compensated absences and the other postemployment benefits liabilities are reported as liabilities in the government-wide statement of net position but are not reported as liabilities in the governmental funds because they do not require the use of current financial resources:	
This is the repayment of notes payable principal reported as expenditures in governmental funds.	652
This is the repayment of leases payable principal reported as expenditures in governmental funds.	668
This is the change in accrued compensated absences during the year.	(10,049)
This is the change in the total other postemployment benefit liability during the year.	15,975
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 3,133,521</u>

The accompanying notes are an integral part of these financial statements

**CITY OF EAGLE LAKE, FLORIDA**

## Statement of Net Position – Proprietary Fund

September 30, 2024

	<u>Enterprise Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 5,229,306
Receivables:	
Customers, net	490,415
Intergovernmental and other	201,079
Inventory	10,749
Due from general fund	360,489
Total current assets	<u>6,292,038</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	14,253,567
Capital assets:	
Non-depreciable	362,152
Depreciable, net	6,282,083
Total noncurrent assets	<u>20,897,802</u>
<b>TOTAL ASSETS</b>	<u>27,189,840</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	106,411
Accrued wages	24,909
Unearned revenue	153,534
Bonds and notes payable, current	31,641
Total current liabilities	<u>316,495</u>
Noncurrent liabilities:	
Liabilities payable from restricted assets:	
Customer deposits	521,474
Interest payable	8,992
Due to other governments	71,820
Compensated absences	95,662
Post employment obligation payable	25,861
Bonds and notes payable, noncurrent portion	508,437
Total noncurrent liabilities	<u>1,232,246</u>
<b>TOTAL LIABILITIES</b>	<u>1,548,741</u>
<b>NET POSITION</b>	
Net investment in capital assets	6,104,157
Restricted for:	
Water system improvements (expendable)	6,791,957
Wastewater system improvements (expendable)	6,124,184
Stormwater management (expendable)	580,490
Revenue bond retirement (expendable)	72,936
Unrestricted	5,967,375
<b>TOTAL NET POSITION</b>	<u>\$ 25,641,099</u>

The accompanying notes are an integral part of these financial statements

**CITY OF EAGLE LAKE, FLORIDA**Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund  
for the year ended September 30, 2024

	<b>Enterprise Fund</b>
<b>OPERATING REVENUES:</b>	
Charges for services	
Water and wastewater customer user fees	\$ 4,073,741
Sanitation customer user fees	909,095
Stormwater customer user fees	135,236
Total charges for services	<u>5,118,072</u>
Total operating revenues	<u>5,118,072</u>
<b>OPERATING EXPENSES:</b>	
Personnel services	483,818
Operating expenses	1,618,517
Depreciation	380,145
Total operating expenses	<u>2,482,480</u>
<b>OPERATING INCOME (LOSS)</b>	2,635,592
<b>NONOPERATING REVENUE (EXPENSE)</b>	
Interest revenue	21,411
Interest expense	(17,134)
Other, net	24,591
Total nonoperating revenues (expense)	<u>28,868</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>2,664,460</u>
<b>CAPITAL CONTRIBUTIONS</b>	
Capital grants and contributions	357,494
Impact fees	4,225,726
Total capital contributions	<u>4,583,220</u>
<b>TRANSFERS IN (OUT)</b>	<u>(252,936)</u>
<b>CHANGE IN NET POSITION</b>	6,994,744
<b>NET POSITION, beginning of year</b>	<u>18,646,355</u>
<b>NET POSITION, end of year</b>	<u>\$ 25,641,099</u>

The accompanying notes are an integral part of these financial statements

**CITY OF EAGLE LAKE, FLORIDA**Statement of Cash Flows - Proprietary Funds  
for the year ended September 30, 2024

	<u>Enterprise Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 5,201,174
Payments to suppliers	(1,567,586)
Payments for salaries and benefits	(480,977)
	<u>3,152,611</u>
Net cash flows from operating activities	<u>3,152,611</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers (to) from other funds, net of change in due to/from	(703,262)
	<u>(703,262)</u>
Net cash flows from noncapital financing activities	<u>(703,262)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition and construction of capital assets, net of related payables	(827,898)
Principal paid on notes, bonds and lease obligations	(30,704)
Interest paid on borrowings and other debt costs	(17,376)
Capital contributions and impact fees received, net of change in related receivables	4,284,189
	<u>4,284,189</u>
Net cash flows from capital and related financing activities	<u>3,408,211</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on invested funds	21,411
Other nonoperating payments	24,591
	<u>24,591</u>
Net cash flows from investing activities	<u>46,002</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,903,562
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>13,579,311</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 19,482,873</u>
<b>As shown in the Accompanying Financial Statements</b>	
Equity in pooled cash and cash equivalents	\$ 5,229,306
Restricted equity in pooled cash and cash equivalents	14,253,567
<b>Total cash and cash equivalents</b>	<u>\$ 19,482,873</u>
<b>Noncash financing and investing activities:</b>	
None	<u>\$ -</u>

Continued...

The accompanying notes are an integral part of these financial statements

**CITY OF EAGLE LAKE, FLORIDA**

Statement of Cash Flows - Proprietary Funds - Concluded  
for the year ended September 30, 2024

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	<u>Enterprise Fund</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ 2,635,592
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	380,145
(Increase) decrease in accounts receivable	(34,580)
Increase (decrease) in accounts payable	50,931
Increase (decrease) in customer deposits	117,682
Increase (decrease) in accrued wages and compensated absences	12,160
Increase (decrease) in the other postemployment benefit obligation	(9,319)
Net cash flows from operating activities	<u>\$ 3,152,611</u>

The accompanying notes are an integral part of these financial statements

**CITY OF EAGLE LAKE, FLORIDA**

Statement of Fiduciary Net Position – Fiduciary Fund  
September 30, 2024

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	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 274,896
<b>TOTAL ASSETS</b>	<u>274,896</u>
<b>LIABILITIES</b>	
Due to other governments	274,896
<b>TOTAL LIABILITIES</b>	<u>274,896</u>
<b>NET POSITION</b>	
<b>TOTAL NET POSITION</b>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**CITY OF EAGLE LAKE, FLORIDA**

Statement of Changes in Fiduciary Net Position – Fiduciary Fund  
for the year ended September 30, 2024

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	<b>Custodial Fund</b>
<b>ADDITIONS:</b>	
Fees collected on behalf of other governments	\$ 6,381,676
Total additions	<u>6,381,676</u>
<b>DEDUCTIONS:</b>	
Remittance of fees to other governments	<u>6,381,676</u>
Total deductions	<u>6,381,676</u>
<b>NET INCREASE (DECREASE)</b>	-
<b>NET POSITION - beginning of year</b>	-
<b>NET POSITION - end of year</b>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City'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 statements (GASBS) and Interpretations (GASBI). The more significant accounting policies established in GAAP and used by the City are discussed below.

### REPORTING ENTITY

The City of Eagle Lake, Florida (the "City") is a Municipal Corporation incorporated in 1921 by Chapter 8943, Laws of Florida. The Corporation operates under a charter form of government created by an unnumbered City Ordinance dated November 11, 1975, and most recently recodified and readopted by Ordinance No. 596 in 1978 and again in 1993 by Ordinance No. 93-7. The City is governed by a board of five elected commissioners. These financial statements include all of the funds, organizations, agencies, and departments of the City (the "primary government") and any "legally separate entities ("component units") required by generally accepted accounting principles to be included in the reporting entity.

The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Criteria for determining if other entities are potential component units of the City which should be reported with the City's basic financial statements are identified and described in the GASB Codification of Governmental Accounting and Financial Reporting Standards. The application of these criteria provides for identification of any entities for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. A blended component unit, although legally separate, is in substance part of the City's operations and presented in the financial statements as "blended" components. Blending refers to the fact that the component unit's funds are combined with those of the primary government for financial reporting purposes.

Based on these criteria, the entity included as a blended component unit of the primary government is the Eagle Lake Community Redevelopment Agency ("CRA"), created by Ordinance 00-06, because the CRA exclusively benefits the primary government. The CRA does not issue a separately audited Component Unit Financial Statement (CUFS).

The financial reporting entity does not include the assets of the employee defined contribution pension plans, which were determined not to be assets of the City.

### BASIS OF PRESENTATION

The basic financial statements consist of the government-wide financial statements and fund financial statements.

**Government-wide Financial Statements** - The required government-wide financial statements are the Statement of Net Position and the Statement of Activities, which report information on all of the nonfiduciary activities of the City. The effects of interfund activity have been removed from these statements. The City's fiduciary fund is excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to fund activities or obligations of the government.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)**

**BASIS OF PRESENTATION (cont...)**

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from Business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment, including depreciation. The City does not allocate the interest expense of governmental fund debt or indirect costs such as finance, personnel, legal, etc. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements** - The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures/expenses. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Cod. Sec 2200 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Non-major funds by category are summarized into a single column. Due to the City's fund structure, there were no non-major funds. The various funds are reported by type within the financial statements.

Funds are classified into three categories: governmental, proprietary and fiduciary. The funds used by the City are as follows:

**Governmental Funds** - The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City;

- **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Eagle Lake Community Redevelopment Agency** (the "CRA") was created by City Ordinance No. 00-06 pursuant to Florida Statutes Chapter 163. Due to its profile in the community, the City electively added the Eagle Lake CRA as a major fund and is reported as a special revenue fund. The CRA has the power to levy taxes or appropriate funds to preserve and enhance the downtown Eagle Lake area. The CRA receives the incremental ad valorem taxes generated in future years by the increase in property values in the redevelopment area. The CRA's property taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. The City commission also serves as the CRA's Board of Directors along with two additional appointed board members.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)**

**BASIS OF PRESENTATION (concluded)**

**Proprietary Funds** - The focus of proprietary fund measurement is upon determination of operating income, changes in net position, overall financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

- **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City has one Enterprise Fund which accounts for the activities associated with providing potable water, sanitary sewer/wastewater collection, stormwater management and sanitation services to area residents.

**Fiduciary Fund** - The City also reports one fiduciary fund type; a custodial fund, which is used to account for impact fees collected on behalf of Polk County, Florida (the "County"). These funds are collected on behalf of the County as new construction takes place within the City and remitted to the County monthly.

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The government-wide financial statements and the proprietary fund financial statements reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are 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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition under leases are reported as other financing sources.

Property taxes are recognized as revenues in the year for which they are levied. Franchise and public service taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)**

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (concluded)**

Imposed nonexchange resources (property taxes, fines) are reported as deferred inflows if received before the tax is levied or before the date when use is first permitted. Government mandated nonexchange transactions and voluntary nonexchange transactions are reported as liabilities until the eligibility requirements (excluding time requirements) are met and as deferred inflows if received before time requirements are met and all other eligibility requirements have been satisfied.

Proprietary fund operating revenues generally result from producing or providing goods and services related to sanitation, water and wastewater services and stormwater management. Operating expenses for these operations include all costs related to providing the service or product. These costs include billing and collection, personnel and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**CASH AND CASH EQUIVALENTS**

The financial caption “cash and cash equivalents” includes all bank demand deposits, certificates of deposit, money-market and savings accounts and all short-term, highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less when purchased. On September 30, 2024, all of the City's cash and investments met this definition.

**RESTRICTED CASH AND CASH EQUIVALENTS**

Include cash and cash equivalents that are legally restricted to specific uses by external parties or enabling legislation. The City generally uses restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

**RECEIVABLES**

The City accrues the unbilled service of its enterprise fund which represents the estimated value of service from the last billing date to year end and totaled \$137,410 on September 30, 2024. A reserve for doubtful accounts is maintained in the enterprise fund equal to the value of the utility customer receivables that are not expected to be collected. On September 30, 2024, such reserves totaled \$9,562.

**INTERFUND BALANCES**

To the extent any current interfund balances exist, management anticipates that they will be settled in cash as opposed to a permanent transfer.

**INVENTORY**

Enterprise fund inventories are valued at the lower of cost or market determined on a first-in, first-out basis.

**PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The Cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)**

**CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., utility systems and roads), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial estimated useful life in excess of one year and individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Donated assets are recorded at acquisition cost. Depreciation of exhaustible fixed assets used by these funds is charged as an expense against operations and, accumulated depreciation is reported on the statement of net position of the funds in which the assets are capitalized. Depreciation has been provided over the estimated useful life of each asset using the straight-line method. The range of estimated useful lives of capital assets are:

<u>Asset Type</u>	<u>Years</u>
Buildings and improvements	20-40
Utility plant in service	38-49
Machinery and equipment	3-15
Infrastructure	20-30

**INTEREST COSTS**

Interest costs incurred before the end of a construction period is a financing activity separate from the related capital asset and interest costs incurred before the end of the construction period are recognized as an expense in the period in which the cost is incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of net 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 assets that applies to a future period(s) and will *not* be recognized as an outflow of resources (expense/expenditure) until that time.

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

The City has one item that qualifies for reporting in this category which is the deferred amounts related to leases.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)**

**LONG-TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Debt issuance costs are reported as an expense in the period incurred. Bond premiums and discounts are reported, net of amortization, in the related debt balances shown in the financial statements. For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is the shorter. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements; rather the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

**COMPENSATED ABSENCES**

Employees accumulate vacation days ranging from 6 to 20 days per year to a maximum total of 30 days (15 days for permanent part-time employees). Accrued vacation is paid by the City upon retirement or termination at the employee's current hourly rate of pay. Accrued vacation paid upon the death of an active employee is not subject to the 15 or 30 day maximum.

Employees accumulate sick days ranging from 6 to 12 days per year without limitation. The City pays accrued sick leave to employees retiring or terminating with continuous service of at least two years at 25 percent to 50 percent of accrued sick leave depending on their years of service up to a maximum of 800 paid hours for employees hired prior to September 25, 2006 and 400 paid hours for employees hired thereafter.

**INTERFUND TRANSFERS**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide presentation.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)**

**CONNECTION FEES AND IMPACT FEES**

Water and wastewater connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities and are recorded as operating revenue when received. Impact fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as capital contributions when received. Prepaid impact fees received, which reserve capacity in the City's future water or wastewater facilities, are deferred and reported as capital contributions when the requirements of the developer agreements are met by the City.

**EQUITY CLASSIFICATIONS**

**Government-wide Statements** - The difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and displayed in three components:

- a) *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) *Restricted net position* - Consists of restricted assets reduced by liabilities related to those assets. Net position is reported as restricted only when restricted by outside parties or enabling legislation.
- c) *Unrestricted net position* - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

**Fund Statements** - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. Spendable resources are to be shown as restricted, committed, assigned and unassigned as considered appropriate in the City's circumstances. The following classifications describe the relative strength of the spending constraints:

- a) *Nonspendable* - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. These amounts also include long-term interfund receivables.
- b) *Restricted* - amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)**

**EQUITY CLASSIFICATIONS (concluded)**

- c) *Committed* - amounts constrained to specific purposes by formal action (ordinance) of the City using its highest level of decision-making authority (the City Commission). To be reported as committed, amounts cannot be used for any other purpose unless the City Commission takes the same highest-level action (ordinance) to remove or change the constraint.
- d) *Assigned* - amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Commission or through the City Commission delegating this responsibility to the City Manager through the budgetary process. The City Commission has not established a formal policy regarding authorization to assign fund balance amounts for a specific purpose.
- e) *Unassigned* - all other spendable amounts.

The City uses restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**USE OF ESTIMATES**

The preparation of the basic financial statements in conformity with generally accepted accounting principles, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the basic financial statements. Actual results could differ from estimates.

**LEASES**

*Lessee:* The City is a lessee for a noncancellable lease of equipment and recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term, subsequently reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include the determination of the discount rate used to discount the lease payments to present value and determination of the lease term.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate for a similar transaction as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (concluded)

**LEASES** (concluded)

*Lessor:* The City is a lessor for a noncancellable lease of City property for cell phone antenna placement. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date and recognized as revenue over the life of the lease term on a straight-line basis. Key estimates and judgements include how the City determines the discount rate it uses to discount the lease receipts to present value and determination of the lease term.

- The City's lease agreement does not contain an explicit interest component that is charged to the lessee and has decided to discount the lease receipts using the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices as a proxy for the incremental borrowing rate for general City obligations.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the leases receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**NOTE 2 - PROPERTY TAX CALENDAR**

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The tax levy of the City is established by the City commission prior to October 1 of each year and the Polk County Property Appraiser incorporates the millages into the total tax levy, which includes the municipalities, the County, independent districts and the County School Board tax requirements. State statutes permit cities to levy property taxes at a rate of up to 10 mills. The City's millage rate in effect for the fiscal year ended September 30, 2024 was 7.6516.

All taxes are due and payable on November 1 (levy date) of each year and unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment as follows: 4% in November, 3% in December, 2% in January, 1% in February. The taxes paid in March are without discount. Delinquent taxes on real and personal property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property.

**NOTE 3 - BUDGETARY LAW AND PRACTICE**

The budget is adopted by Ordinance on a City-wide basis for all City funds on or before October 1 of each year as required by State Statute. City Ordinance establishes the legal level of budgetary control at the individual fund level. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations subject to notification of the City commission; however, any revisions that alter the total expenditure of any fund must be approved by Ordinance. Budgets for all funds are adopted on the basis of cash receipts and disbursements which differs from the basis used for financial reporting purposes. These differences are usually not significant for the governmental funds, however they are for the enterprise fund as the budget includes capital outlay and debt principal repayments as expenses and does not include depreciation.

During the year and subsequent to year-end, the City Commission may adopt an amended budget approving such additional expenditures/expenses. A budgetary comparison schedule is presented as required supplementary information for the general fund and the community redevelopment agency special revenue fund.

All final budget amounts presented in the accompanying supplementary information have been adjusted for legally authorized amendments.

**NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*Compliance with Finance Related Legal and Contractual Provisions* - the City had no material violations of finance related legal and contractual provisions.

*Deficit Fund Balance or Net Position of Individual Funds* - As of September 30, 2024, no individual fund had a deficit fund balance or net position deficit.

*Excess of Expenditures Over Budget Appropriations in Individual Funds* - For the year ended September 30, 2024, no budgetary fund had an excess of expenditures over appropriations with the exception of the CRA special revenue fund whose expenditures exceeded budgeted appropriations by \$8,324.

**NOTE 5 - DEPOSITS AND INVESTMENTS**

On September 30, 2024, the carrying amount of the City's deposits and investments is summarized below:

**Cash and cash equivalents:**

Cash on hand	\$	73,578
Cash deposits in financial institutions:		
Insured or fully collateralized bank deposits		<u>30,239,990</u>
Total cash and cash equivalents	\$	<u><u>30,313,568</u></u>

**Investments:**

None	\$	<u><u>-</u></u>
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**DEPOSITS IN FINANCIAL INSTITUTIONS**

All of the City's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280. Qualified public depositories are required to pledge collateral to the Chief Financial Officer, State of Florida ("CFO") with a market value equal to 50% of the average daily balance of all public deposits in excess of any federal deposit insurance. In addition, to the extent that total public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a market value equal to 125% of the deposits. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the CFO from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are considered fully insured or collateralized.

**INVESTMENTS**

The types of investments in which the City may invest are governed by State Statutes and City Policy. According to State Statutes, the City is authorized to invest in the following instruments: Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized through the Florida Interlocal Cooperation Act; S.E.C. registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories or direct obligations of the U.S. Treasury.

**CITY OF EAGLE LAKE, FLORIDA**

Notes to Financial Statements

September 30, 2024

**NOTE 6 - CAPITAL ASSETS**

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

	Balance October 1, 2023	Transfers	Increases	Decreases	Balance September 30, 2024
<b><u>Governmental Activities:</u></b>					
<b>Capital assets, not being depreciated:</b>					
Land	\$ 259,714	\$ -	\$ -	\$ -	\$ 259,714
Construction in process	96,326	(17,490)	154,802	-	233,638
Total capital assets, not being depreciated	<u>356,040</u>	<u>(17,490)</u>	<u>154,802</u>	<u>-</u>	<u>493,352</u>
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	3,014,435	-	-	(49,500)	2,964,935
Equipment	428,602	(30,072)	177,185	(12,709)	563,006
Infrastructure	737,203	-	405,165	-	1,142,368
Right-to-use leased equipment	2,487	-	-	-	2,487
Total capital assets, being depreciated	<u>4,182,727</u>	<u>(30,072)</u>	<u>582,350</u>	<u>(62,209)</u>	<u>4,672,796</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,393,058)	-	(62,015)	20,519	(2,434,554)
Equipment	(110,309)	6,724	(55,350)	10,010	(148,925)
Infrastructure:	(117,794)	-	(19,565)	-	(137,359)
Right-to-use leased equipment	(1,367)	-	(497)	-	(1,864)
Total accumulated depreciation	<u>(2,622,528)</u>	<u>6,724</u>	<u>(137,427)</u>	<u>30,529</u>	<u>(2,722,702)</u>
Total capital assets being depreciated, net	<u>1,560,199</u>	<u>(23,348)</u>	<u>444,923</u>	<u>(31,680)</u>	<u>1,950,094</u>
Governmental activities capital assets, net	<u>\$ 1,916,239</u>	<u>\$ (40,838)</u>	<u>\$ 599,725</u>	<u>\$ (31,680)</u>	<u>\$ 2,443,446</u>
<b><u>Business-type activities:</u></b>					
<b>Capital assets, not being depreciated:</b>					
Land	\$ 28,527	\$ -	\$ -	\$ -	\$ 28,527
Construction-in-progress	97,794	(47,145)	282,976	-	333,625
Total capital assets, not being depreciated	<u>126,321</u>	<u>(47,145)</u>	<u>282,976</u>	<u>-</u>	<u>362,152</u>
<b>Capital assets, being depreciated:</b>					
Buildings, utility plant and improvements	11,031,107	47,145	425,452	-	11,503,704
Equipment	1,184,578	47,559	119,470	-	1,351,607
Total capital assets, being depreciated	<u>12,215,685</u>	<u>94,704</u>	<u>544,922</u>	<u>-</u>	<u>12,855,311</u>
Less accumulated depreciation for:					
Buildings, utility plant and improvements	(5,649,604)	-	(262,595)	-	(5,912,199)
Equipment	(536,754)	(6,725)	(117,550)	-	(661,029)
Total accumulated depreciation	<u>(6,186,358)</u>	<u>(6,725)</u>	<u>(380,145)</u>	<u>-</u>	<u>(6,573,228)</u>
Total capital assets being depreciated, net	<u>6,029,327</u>	<u>87,979</u>	<u>164,777</u>	<u>-</u>	<u>6,282,083</u>
Business-type activities capital assets, net	<u>\$ 6,155,648</u>	<u>\$ 40,834</u>	<u>\$ 447,753</u>	<u>\$ -</u>	<u>\$ 6,644,235</u>

**NOTE 6 - CAPITAL ASSETS** (concluded)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:

General government	\$	45,455
Building and code enforcement		5,858
Law enforcement		3,799
Streets		31,229
Library		2,831
Parks and recreation		<u>48,255</u>
Total depreciation expense - governmental activities	\$	<u>137,427</u>

Business-type Activities:

Water	\$	189,947
Wastewater		135,893
Stormwater		<u>54,305</u>
Total depreciation expense - business-type activities	\$	<u>380,145</u>

**NOTE 7 - LONG-TERM OBLIGATIONS**

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

	Balance October 1, 2023	Increases	Decreases	Balance September 30, 2024	Amounts Due within One Year
<b>Governmental Activities:</b>					
<b>Long-term debt:</b>					
Notes payable:					
Equipment purchase note, 2020	\$ 652	\$ -	\$ (652)	\$ -	\$ -
<b>Other liabilities:</b>					
Leases	842	-	(668)	174	174
Other postemployment benefits	48,217	-	(15,975)	32,242	-
Compensated absences	94,251	10,049	-	104,300	-
Total long-term obligations	<u>\$ 143,962</u>	<u>\$ 10,049</u>	<u>\$ (17,295)</u>	\$ 136,716	<u>\$ 174</u>
Less amounts due in one year				(174)	
Total noncurrent obligations due in more than one year				<u>\$ 136,542</u>	
<b>Business-type Activities:</b>					
<b>Long-term debt:</b>					
Bonds and notes payable:					
Water System Revenue Bonds, Series 2007	\$ 196,695	\$ -	\$ (23,437)	\$ 173,258	\$ 24,185
Wastewater System Revenue Bonds, Series 2015	374,087	-	(7,267)	366,820	7,456
Total long-term debt	<u>570,782</u>	<u>-</u>	<u>(30,704)</u>	<u>540,078</u>	<u>31,641</u>
<b>Other liabilities:</b>					
Other postemployment benefits	35,180	-	(9,319)	25,861	-
Compensated absences	88,755	6,907	-	95,662	-
Prepaid impact fees due to City of Bartow, Florida	71,820	-	-	71,820	-
Total other liabilities	<u>195,755</u>	<u>6,907</u>	<u>(9,319)</u>	<u>193,343</u>	<u>-</u>
Total long-term obligations	<u>\$ 766,537</u>	<u>\$ 6,907</u>	<u>\$ (40,023)</u>	733,421	<u>\$ 31,641</u>
Less amounts due in one year				(31,641)	
Total noncurrent obligations due in more than one year				<u>\$ 701,780</u>	

**Notes to Long-Term Obligations Table**

Long term liabilities, including accumulated compensated absences are typically liquidated by the individual fund to which the liability is directly associated.

All the City's long-term debt arose through direct borrowings or direct placements.

**NOTE 7 - LONG-TERM OBLIGATIONS (cont...)**

**Governmental Activities:**

- The Equipment Purchase Note, 2020 was issued to purchase a multifunction copier at an implied interest rate of 6% and matured in January 2024. The loan is secured by the equipment and requires monthly payments of principal and interest totaling \$165.
- Leases Payable – The City financed the acquisition of a right-to-use postage processing machine that requires monthly principal and interest payments of \$58 and maturing in December 2024. The lease agreement does not have an explicit interest rate and the City utilized an estimated incremental borrowing rate of 6% to determine the lease liability. The book value of this right-to-use asset at the end of the current fiscal year is \$621 and has a five-year estimated useful life ending in December 2024.

**Business-Type Activities:**

- The USDA Rural Utilities Service Series 2007 Water Revenue Bonds are secured by the net revenues of the water system. The bonds bear interest at 4.125% with a final maturity of September 1, 2046. The bond proceeds were used to construct extensions and improvements to the water system. The bonds require the maintenance of sinking, reserve and renewal and replacement funds.

In the event of default, the bond holders have the right to take whatever action necessary to collect the amounts due including the appointment of a receiver to manage the water system.

The City was in compliance with all significant requirements of the loan resolutions as of September 30, 2024.

- The USDA Rural Utilities Service Series 2015 Wastewater System Revenue Bonds are secured by the net revenues of the wastewater system. The bonds bear interest at 2.625% with a final maturity of November 19, 2055. The bond proceeds were used for lift station improvements to the wastewater system. The bonds require the maintenance of sinking, reserve and short-lived asset reserve funds.

In the event of default, the bond holders have the right to take whatever action necessary to collect the amounts due including the appointment of a receiver to manage the water system.

The City was in compliance with all significant requirements of the loan resolutions as of September 30, 2024.

- The amount due to City of Bartow, Florida represents the portion of wastewater impact fees paid in advance that are due to the City of Bartow in accordance with their wastewater service agreement with the City of Eagle Lake. In accordance with the agreement, these amounts are due when a utility customer connects to the City's wastewater system and were paid in advance by a property developer in September 2007.

**NOTE 7 - LONG-TERM OBLIGATIONS (concluded)**

Annual debt service requirements of the City’s bonds and notes payable as of September 30, 2024, are as follows:

Fiscal Year Ending	Business-type Activities	
	Principal	Interest
2025	\$ 31,641	\$ 17,351
2026	32,864	16,127
2027	34,137	14,854
2028	35,460	13,531
2029	36,837	12,155
2030-2034	86,335	44,761
2035-2039	50,913	36,303
2040-2044	57,954	29,262
2045-2049	65,970	21,246
2050-2054	75,096	12,120
2055-2059	32,871	2,015
<b>Total</b>	<b>\$ 540,078</b>	<b>\$ 219,725</b>

Annual debt service requirements of the City’s leases payable as of September 30, 2024, are as follows:

Fiscal Year Ending	Governmental Activities	
	Principal	Interest
2025	\$ 174	\$ 2
<b>Total</b>	<b>\$ 174</b>	<b>\$ 2</b>

**NOTE 8 - INTERFUND TRANSACTIONS**

Interfund receivables and payables as of September 30, 2024 consisted of:

Receivable Fund	Payable Fund	Amount
Enterprise fund	General fund	\$ 360,489
General fund	Community Redevelopment Fund	66,826

Interfund receivables represent expenditures paid by those funds on behalf of another fund that were not repaid until after year end.

Interfund transfers for the year ended September 30, 2024, consisted of:

Receiving Fund	Paying Fund	Amount
General fund	Enterprise fund	\$ 252,936

The transfer from the enterprise fund to the general fund is the budgeted annual transfer to finance services accounted for in the general fund.

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description* – The Other Postemployment Benefits Plan (OPEB Plan) is a single employer defined benefit plan administered by the City. The OPEB Plan allows employees who retire and meet retirement eligibility requirements under the City’s defined contribution plan to continue medical insurance coverage as a participant in the City’s health insurance plan.

Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the City are eligible to participate in the City’s healthcare and life insurance benefits. The City subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The City does not offer any explicit subsidies for retiree coverage. The City doesn’t issue a stand-alone report for the OPEB Plan, and the OPEB Plan is not included in the annual report of a public employee retirement system or another entity.

There are currently 19 active plan members and no inactive plan members who are receiving benefits.

*Funding Policy* – OPEB Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes. The City has not advance-funded or established a funding methodology for the annual other postemployment benefit (OPEB) costs or the OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis.

*Benefits Provided* – The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the City who meet the eligibility requirements of the City’s defined contribution plan are eligible to receive postemployment health care benefits. All retiree, spouse and dependent coverage is at the expense of the retiree.

*Total OPEB Liability* – The City’s total OPEB liability was determined by an actuarial valuation as of September 30, 2023, updated to September 30, 2024 (measurement date) using the assumptions below.

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.06%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Year to Ultimate Trend Rate	51

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using projection scale MP-2019.

*Discount Rate* – The discount rate was based on a high-quality municipal bond rate of 4.06%, The high-quality bond rate was based on the week closest but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal Bond 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch, if there are multiple ratings, the lowest rate is used.

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS** (concluded)

*OPEB Expense* – For the year ended September 30, 2024, the City recognized a negative OPEB expense of \$(15,697).

*Changes in Total OPEB Liability:*

	<b>Total OPEB Liability</b>
<b>Reporting period ending September 30, 2023</b>	\$ 83,397
<b>Changes for the year:</b>	
Service cost	3,403
Interest	4,323
Differences between expected and actual experience	5,485
Changes of assumptions	(31,358)
Benefit payments	(7,147)
<b>Net changes</b>	<b>(25,294)</b>
<b>Reporting period ending September 30, 2024</b>	<b>\$ 58,103</b>

*Sensitivity of the Total OPEB Liability to changes in the discount rate* - The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease (3.06%)</b>	<b>Discount Rate (4.06%)</b>	<b>1% Increase (5.06%)</b>
Total other postemployment benefits liability	\$ 63,222	\$ 58,103	\$ 53,620

*Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease (3.00% to 6.00%)</b>	<b>Discount Rate (4.00% to 7.00%)</b>	<b>1% Increase (5.00% to 8.00%)</b>
Total other postemployment benefits liability	\$ 53,048	\$ 58,103	\$ 63,969

**NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN**

The City commission has established by Resolution an Internal Revenue Code Section 457 and a 401(a) defined contribution pension plan covering all full-time employees and permanent part-time employees who have completed one year of employment. The plan trust is administered by the Florida League of Cities, Inc. and the assets of the plans are not considered part of the City's reporting entity. Benefits vest at a rate of 20% per year of service up to 100% vesting upon completion of the sixth year of service. Participation is voluntary, and the employee determines the amount of their contribution. The City contributes seven percent of the employees' compensation regardless of the employee contribution. Most employees of the City were eligible and did participate in the plan during the year ended September 30, 2024. Pension costs are accrued and funded on a current basis and all required contributions for the year were made. Contributions for the fiscal year ended September 30, 2024 totaled \$111,902 which consisted of \$54,194 contributed by employees and \$57,708 contributed by the City. The City's payroll totaled approximately \$1,038,000 of which pension contributions were provided on approximately \$825,000

**NOTE 11 - RISK MANAGEMENT**

During the ordinary course of its operations, the City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees, and natural disasters. The City maintains commercial insurance coverage in amounts management feels is adequate to protect and safeguard the assets of the City. There have been no significant reductions in coverage nor have settlement amounts exceeded the City's coverage during the year ended September 30, 2024 or the previous two fiscal years. In the opinion of the City's management and legal counsel, legal claims and litigation are not anticipated to have material impact on the financial position of the City. The City's workers compensation coverage is provided through a nonassessable, nonprofit, tax-exempt risk sharing pool. Settled claims resulting from these risks have not exceeded insurance coverage.

**NOTE 12 - COMMITMENT AND CONTINGENCIES**

The City participates in several programs that are fully or partially funded by grants received from Federal, state, or county agency sources. Expenditures financed by grants are subject to audit by the appropriate grantor government/agency. If expenditures are disallowed due to non-compliance with grant program regulations, the City may be required to reimburse the grantor government/agency. As of September 30, 2024, the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

**NOTE 13 - SEGMENT INFORMATION FOR ENTERPRISE FUND**

The City has outstanding debt secured by its water and wastewater system revenues. The water and wastewater operations are accounted for in a single enterprise fund along with sanitation and stormwater management. Because many of the assets and liabilities of the enterprise fund are not separately identifiable with any one operating segment (e.g. cash, accounts receivable, accounts payable, etc.), it is not possible to present segment information disclosures for some components of net position, revenues and cash flows. Segment financial information that can be separately identified for the water and wastewater system operations as of and for the year ended September 30, 2024, is presented below:

	Water System	Wastewater System	Combined Water & Wastewater System
<b>Condensed statement of revenues, expenses and changes in net position:</b>			
Operating revenues	\$ 2,075,146	\$ 1,998,595	\$ 4,073,741
Operating expenses	(765,018)	(687,126)	(1,452,144)
Depreciation	(189,947)	(135,893)	(325,840)
Nonoperating revenues (expenses):			
Interest income	21,411	-	21,411
Interest expense	(7,473)	(9,661)	(17,134)
Other nonoperating expense	24,591	-	24,591
Capital contributions	2,277,682	2,109,190	4,386,872
Transfers	(90,866)	(90,866)	(181,732)
Change in net position	<u>\$ 3,345,526</u>	<u>\$ 3,184,239</u>	<u>\$ 6,529,765</u>
<b>Summary information from statement of net position:</b>			
Capital assets, net	<u>\$ 2,409,330</u>	<u>\$ 2,777,933</u>	<u>\$ 5,187,263</u>
Long-term debt	<u>\$ 173,258</u>	<u>\$ 366,820</u>	<u>\$ 540,078</u>

**NOTE 14 - FUTURE REVENUES THAT ARE PLEDGED**

The City has pledged various future revenue sources for various debt issues. For the water and wastewater systems, the City has pledged future revenues, net of certain operating expenses. The following table provides a summary of the pledged revenues for the City's outstanding debt issues. Additional information regarding the City's pledged revenue can be found in note 7.

Pledged Revenue	Revenue Pledged Through	Total Principal and Interest Outstanding	Current Year Principal and Interest Paid	Current Year Net Revenue	Percentage of Net Revenues to Principal and Interest Paid
Water and wastewater system net revenue	11/19/2055	\$ 759,803	\$ 48,080	\$ 6,868,734	14286.05%

**NOTE 15 – JOINT VENTURE**

The Polk Regional Water Cooperative (PRWC) was created on April 1, 2016 by a interlocal agreement between the City of Eagle Lake, City of Auburndale, City of Bartow, City of Davenport, City of Fort Meade, City of Frostproof, City of Haines City, City of Lake Alfred, City of Lakeland, City of Lake Wales, City of Mulberry, Polk City, City of Winter Haven, Town of Dundee, Town of Lake Hamilton and Polk County in accordance with Chapters 163 and 373 of the Florida Statutes. These local government units are collectively considered the Member Governments. The PRWC is a separate legal entity organized under the laws of the State of Florida, and the City Member Governments have no equity ownership in the PRWC.

The PRWC is devoted to encouraging the development of fully integrated, robust public water supply systems comprised of diverse sources managed in a manner that take full advantage of Florida’s intense climatic cycles to ensure reliable, sustainable and drought resistant systems which maximize the use of alternative water supplies to the greatest extent practicable. The PRWC will evaluate, plan and implement water projects and coordinate partnerships with other water users.

The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC’s annual working capital needs which are established annually by a resolution of the PRWC’s Board of Directors. For the year ended September 30, 2024, the total annual working capital needs of the PRWC was \$260,078 of which the City’s proportionate share was \$1,482.

During 2022, the City agreed to be a project participant in the West Polk Lower Floridan Aquifer Wellfield (the Project), a new lower Floridan aquifer public water supply wellfield located in west Polk County, Florida. Project participants agree to receive potable water from the Project once completed. The Project is being funded through the PRWC using a combination of grants and loans and the ultimate debt service and operating costs of the project will be passed through to the project participants through the water service charges which are determined each year by the PRWC board of directors. The City water charges to the PRWC for the fiscal year ending September 30, 2024 are \$157,625.

Complete financial statements of the PRWC may be obtained from the PRWC’s Executive Director at 330 W. Church Street, P.O. Box 9005, Drawer CA01, Bartow, FL 33831-9005.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF EAGLE LAKE, FLORIDA**  
 Budgetary Comparison Schedule – General Fund  
 for the year ended September 30, 2024

	<u>Budgeted Amounts</u>		<b>Actual</b>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<b>Amounts</b> <b>(Budgetary</b>	<b>Final Budget</b> <b>Favorable</b>
			<b>basis)</b>	<b>(Unfavorable)</b>
<b>RESOURCES (inflows):</b>				
Taxes	\$ 2,580,683	\$ 2,876,083	\$ 2,892,427	\$ 16,344
Licenses and permits	88,300	488,300	852,887	364,587
Intergovernmental revenue	595,416	595,416	595,791	375
Charges for services	75,140	75,140	332,831	257,691
Fines and forfeitures	8,100	8,100	16,711	8,611
Other	110,500	220,500	1,472,640	1,252,140
Transfers in	276,208	276,208	288,180	11,972
Total revenues	<u>3,734,347</u>	<u>4,539,747</u>	<u>6,451,467</u>	<u>1,911,720</u>
<b>CHARGES TO APPROPRIATIONS (outflows):</b>				
General government	1,112,433	1,222,433	1,198,304	24,129
Public safety	920,200	1,320,200	1,306,733	13,467
Transportation	130,825	130,825	124,643	6,182
Culture/recreation	475,463	475,463	495,046	(19,583)
Capital outlay	370,000	795,000	760,159	34,841
Debt service	-	-	1,361	(1,361)
Total expenditures	<u>3,008,921</u>	<u>3,943,921</u>	<u>3,886,246</u>	<u>57,675</u>
<b>EXCESS OF RESOURCES OVER</b>				
<b>CHARGES TO APPROPRIATIONS</b>	725,426	595,826	<u>\$ 2,565,221</u>	<u>\$ 1,969,395</u>
Surplus carried forward to subsequent fiscal year	(725,426)	(595,826)		
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>		

Continued...

**CITY OF EAGLE LAKE, FLORIDA**

Budgetary Comparison Schedule – General Fund - Concluded  
for the year ended September 30, 2024

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Reconciliation of the budgetary comparison schedule – general to the statement of revenues, expenditures and changes in fund balances – governmental funds.

**Explanation of differences between budgetary inflows and outflows of GAAP Revenues and Expenditures:**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 6,451,467
Differences - budget to GAAP:	
Budgetary inflows representing interfund reimbursements that are recorded as expenditures for financial reporting purposes.	(35,244)
Budgetary outflows representing interfund transactions that are recorded as revenues for financial reporting purposes.	(20,000)
Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 6,396,223</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriation" from the budgetary comparison schedule.	\$ 3,886,246
Differences - budget to GAAP:	
Budgetary inflows representing interfund reimbursements that are recorded as expenditures for financial reporting purposes.	(35,244)
Budgetary outflows representing interfund transactions that are recorded as revenues for financial reporting purposes.	(20,000)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 3,831,002</u>

**CITY OF EAGLE LAKE, FLORIDA**

Budgetary Comparison Schedule – Community Redevelopment Agency  
for the year ended September 30, 2024

	<u>Budgeted Amounts</u>		<b>Actual Amounts (Budgetary basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>RESOURCES (inflows):</b>				
Taxes	\$ 72,000	\$ 72,000	\$ 79,119	\$ 7,119
Other	100	100	256	156
Total resources	<u>72,100</u>	<u>72,100</u>	<u>79,375</u>	<u>7,275</u>
<b>CHARGES TO APPROPRIATIONS (outflows)</b>				
Economic environment	<u>37,204</u>	<u>37,204</u>	<u>45,528</u>	<u>(8,324)</u>
Total charges to appropriations	<u>37,204</u>	<u>37,204</u>	<u>45,528</u>	<u>(8,324)</u>
<b>EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	34,896	34,896	<u>\$ 33,847</u>	<u>\$ (1,049)</u>
Surplus carried forward to subsequent year	<u>(34,896)</u>	<u>(34,896)</u>		
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>		

**CITY OF EAGLE LAKE, FLORIDA**

**Schedule of Changes in the Total Other Post-Employment Benefits Liability and Related Ratios  
Last 10 Fiscal Years**

Measurement date	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Reporting period ending	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
<b>Total OPEB Liability</b>							
Service cost	\$ 3,403	\$ 5,214	\$ 7,473	\$ 7,176	\$ 7,727	\$ 6,302	\$ 6,584
Interest	4,323	3,952	2,624	1,954	3,494	3,412	2,895
Change in assumptions	(31,358)	(721)	(27,425)	(2,554)	(12,605)	4,879	(4,200)
Differences between expected and actual experience	5,485	-	14,615	-	3,828	-	-
Benefit payments	<u>(7,147)</u>	<u>(5,331)</u>	<u>(5,665)</u>	<u>(3,971)</u>	<u>(4,821)</u>	<u>(2,976)</u>	<u>(2,743)</u>
Net change in total pension liability	(25,294)	3,114	(8,378)	2,605	(2,377)	11,617	2,536
Total OPEB liability, beginning	<u>83,397</u>	<u>80,283</u>	<u>88,661</u>	<u>86,056</u>	<u>88,433</u>	<u>76,816</u>	<u>74,280</u>
Total OPEB liability, ending	<u>\$ 58,103</u>	<u>\$ 83,397</u>	<u>\$ 80,283</u>	<u>\$ 88,661</u>	<u>\$ 86,056</u>	<u>\$ 88,433</u>	<u>\$ 76,816</u>
Covered payroll	\$ 884,119	\$ 744,985	\$ 726,814	\$ 602,680	\$ 587,981	\$ 508,213	\$ 495,818
Total OPEB liability as a percentage of covered-employee payroll	6.57%	11.19%	11.05%	14.71%	14.64%	17.40%	15.49%

**Notes to Schedule:**

No assets are being accumulated in a trust to pay for plan benefits.

Information is not available for years preceding fiscal year 2018.

*Changes in Assumptions:*

- For measurement date September 30, 2024 the discount rate was 4.06%
- For measurement date September 30, 2023 the discount rate was 4.87%
- For measurement date September 30, 2022 the discount rate was 4.77%
- For measurement date September 30, 2021 the discount rate was 2.43%
- For measurement date September 30, 2020 the discount rate was 2.14%
- For measurement date September 30, 2019 the discount rate was 3.58%
- For measurement date September 30, 2018 the discount rate was 4.18%
- For measurement date September 30, 2017 the discount rate was 3.64%



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## **OTHER INFORMATION**

**CITY OF EAGLE LAKE, FLORIDA**

Data Elements required by Section 218.32(1)(e), *Florida Statutes*

September 30, 2024

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<u>Data Element</u>	<u>Reference</u>	<u>Comment</u>
The total number of CRA employees compensated in the last pay period of the CRA’s fiscal year being reported	Section 218.32(1)(e)(2)(a)	The CRA has no employees.
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA’s fiscal year being reported.	Section 218.32(1)(e)(2)(b)	None
All compensation earned by or awarded to CRA employees, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(c)	The CRA has no employees.
All compensation earned by or awarded to CRA nonemployee independent contractors, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(d)	None
Budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amended a final adopted budget under Section 189.016(6), Florida Statutes.	Section 218.32(1)(e)(3)	See page 47 of this annual financial report. The CRA did not amend their budget for 2024.
Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.	Section 218.32(1)(e)(2)(e)	None

## **OTHER REPORTS**



Herman V. Lazzara	Michael E. Helton
Sam A. Lazzara	James K. O'Connor
Kevin R. Bass	David M. Bohnsack
Jonathan E. Stein	Julie A. Davis
Stephen G. Douglas	Karl N. Swan
Marc D. Sasser, of Counsel	
Cesar J. Rivero, in Memoriam (1942-2017)	

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of City Council  
City of Eagle 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, the business-type activities and each major fund of City of Eagle Lake, Florida as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Eagle Lake, Florida's basic financial statements, and have issued our report thereon dated April 11, 2025.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Eagle Lake, Florida's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Eagle Lake, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Eagle Lake, Florida'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 and significant deficiencies may exist that were not identified.



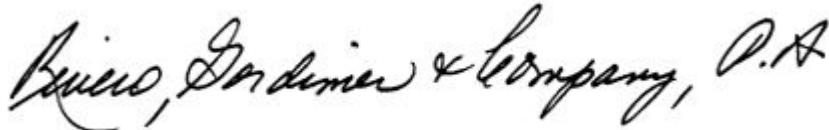
## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Eagle Lake, Florida'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.

Tampa, Florida  
April 11, 2025

A handwritten signature in black ink that reads "Benicio, Gordinier & Company, P.A." The signature is written in a cursive, flowing style.



RIVERO, GORDIMER & COMPANY, P.A.

Member  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES

Honorable Mayor and Members of City Council  
City of Eagle Lake, Florida

We have examined the City of Eagle Lake, Florida's compliance with the requirements of Section 218.415, *Florida Statutes* during the year ended September 30, 2024. Management is responsible for City of Eagle Lake, Florida's compliance with those requirements. Our responsibility is to express an opinion on City of Eagle Lake, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether City of Eagle Lake, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether City of Eagle Lake, Florida 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on City of Eagle Lake, Florida's compliance with specified requirements.

In our opinion, City of Eagle Lake, Florida complied, in all material respects, investment policy compliance with the requirements of Section 218.415, *Florida Statutes* during the year ended September 30, 2024.

Tampa, Florida  
April 11, 2025





Herman V. Lazzara	Michael E. Helton
Sam A. Lazzara	James K. O'Connor
Kevin R. Bass	David M. Bohnsack
Jonathan E. Stein	Julie A. Davis
Stephen G. Douglas	Karl N. Swan
Marc D. Sasser, of Counsel	
Cesar J. Rivero, in Memoriam (1942-2017)	

MANAGEMENT LETTER BASED ON RULE 10.554 OF THE  
AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor and Members of City Council  
City of Eagle Lake, Florida

**Report on the Financial Statements**

We have audited the financial statements of City of Eagle Lake, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 11, 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 Auditors’ 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* and Independent Accountant’s Report on Compliance with the Requirements of Section 218.415, *Florida Statutes* 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 11, 2025, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings or recommendations were 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. See Note 1 to the financial statements for such information.



## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not City of Eagle Lake, 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 City of Eagle Lake, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City of Eagle Lake, Florida's 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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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

As required by Section 10.544(1)(i)6.a., Rules of the Auditor General, The City of Eagle Lake, Florida, a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate under the purview of the City of Eagle Lake, Florida during the year under audit.

## **Specific Information**

City of Eagle Lake, Florida has included certain information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General for the Eagle Lake Community Redevelopment Agency in Other Information included on page 49.

## **Additional Matters**

Section 10.554(1)(i)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 did not have any such findings.

## **Purpose of this Letter**

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

Tampa, Florida  
April 11, 2025

