LAKE ASBURY
MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Lake Asbury Municipal Service Benefit District
Clay County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Lake Asbury Municipal Service Benefit District, Clay County, Florida ("District") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2024, and the respective changes in financial position, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

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

Other Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c) but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 January 11, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Brew & Associates

April 7, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Lake Asbury Municipal Service Benefit District Clay County, Florida ("District") would like to offer the readers of the District's financial statements this discussion and analysis of the District's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of $2,412,149.

- The change in the District's total net position in comparison with the prior fiscal year was $733,852, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.

- At September 30, 2024, the District's governmental fund reported ending fund balance of $1,696,524, an increase of $733,852 in comparison with the prior fiscal year. A portion of the fund balance is assigned to capital projects, and the remainder is unassigned fund balance.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the lakes and dams in addition to the financial information provided in this report.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. An important purpose of the design of the statement of activities is to show the financial reliance of the District's activities or functions on revenues provided by the taxpayers through special assessments.

The government-wide financial statements include all governmental activities that are principally supported by special assessments. The District does not have any business-type activities. The governmental activities of the District include the general government and physical environment functions.

Fund Financial Statements

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District'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 District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered a major fund.

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

NET POSITION
SEPTEMBER 30,

	2024	2023
Assets, excluding capital assets	$ 1,708,621	$ 963,485
Capital assets	715,625	715,625
Total assets	2,424,246	1,679,110
Liabilities, excluding long-term liabilities	12,097	813
Total liabilities	12,097	813
Net position		
Investment in capital assets	715,625	715,625
Unrestricted	1,696,524	962,672
Total net position	$ 2,412,149	$ 1,678,297

The District's net position reflects its investment in capital assets (e.g. land, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. There was no outstanding debt at September 30, 2024.

The remaining balance of unrestricted net position may be used to meet the District's other obligations.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

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

	2024	2023
Program revenues		
Charges for service	$ 1,030,893	$ 1,031,773
General revenues		
Other revenues and interest	72,272	31,377
Total revenues	1,103,165	1,063,150
Expenses:		
General government	164,895	255,121
Physical environment	204,418	309,709
Total expenses	369,313	564,830
Change in net position	733,852	498,320
Net position - beginning	1,678,297	1,179,977
Net position - ending	$ 2,412,149	$ 1,678,297

As noted above and in the statement of activities, the cost of all district activities during the fiscal year ended September 30, 2024, was $369,313. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments, increased during the fiscal year primarily as a result of an increase in assessment rates. The decrease in the current fiscal year expenses is primarily the result of major repairs occurring in the prior fiscal year.

GENERAL BUDGETING HIGHLIGHTS

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2024, the District had $715,625 invested in capital assets for its governmental activities.

Modified Approach to Infrastructure Assets

Lake Asbury Municipal Service Benefit District (LAMSBD) has elected to use the modified approach for infrastructure reporting and to account for maintenance of the dams in accordance with guidelines for earthen dams recommended by Florida's State Dam Safety Official (SDSO) and St. Johns River Water Management District (SJRWMD). This means that, in lieu of reporting depreciation on infrastructure, LAMSBD reports as preservation expense the costs associated with maintaining the dams and preparing for capitol expense of improvements.

1. The earthen dam structures with a Slope Stability Factor of Safety of 1.5 or better.
2. Impoundment capacity to withstand overtopping conditions for a ½ Probable Maximum Precipitation (PMP) Storm, no pre-storm drawdown.
3. No seepage above the toe of the dam.
4. Impoundment capacity to withstand overtopping conditions for a ½ Probable Maximum Precipitation (PMP) Storm, 72-hour pre-storm drawdown.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Criteria listed in the 2024 and earlier audits are dam design centric and cannot be changed from a maintenance budget within the Preservation/Modified Expense approach. The criteria can only be changed with major capitol expense and new permits from the State permitting agency(SJWMD).

The following discussion focuses on Preservation Expenses.
Pursuant to best management practices, LAMSBD continues to plan for 50-year earthen dam upgrades for ever changing basin hydrology, correction for settlement dam cores, and improved slope stability safety.

Key Events:

1. LAMSBD hired a new engineering firm in 2022 to provide all future surveying, inspection, geotechnical exploration, and testing, design, permitting, bidding, and construction phase services.
2. A contractor was hired in 2021 to do monthly inspections and maintenance of all drawdown valves and structures for North Lake Asbury, South Lake Asbury, and Lake Ryan. As of October 1, 2022, all of the spillway valves were restored to operational status.
    a. NLA- West valve was repaired 5-11-21.
    b. SLA Valve was repaired 7-24-21.
    c. LR and NLA- East valve were repaired 8-31-21.
    d. All Piezometers are read monthly and documented.
3. The non-permitted broken siphon system on the North Lake was removed after the valves were all operational.
4. The engineering firm has reviewed past studies, conducted field inspections and completed required modeling of the dams, and coordinated with the State Dam Safety Officer and the St. Johns River Water Management District (SJRWMD) in order to meet regulatory compliance requirements for future rehabilitation plans.
5. LAMSBD has updated the Emergency Action Plan(EAP) and submitted it to Clay County Emergency Management.

More detailed information about the District's capital assets is presented in the notes of the financial statements.

Long-term Debt

On September 30, 2024, the District had no debt outstanding for its governmental activities.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District anticipates inflation-based increases to repair and maintenance expenditures for the subsequent fiscal year. It is anticipated that the general maintenance operations of the District will remain fairly constant since permits and final design are not yet in place for remediation. The districts' goal is to accumulate as much cash reserves as possible while maintaining the dams in order to pay for construction. In addition, we have engaged Kimberly -Horne Associates for seeking grant funding to assist with upcoming costs.

Depending upon success with grant funding, the District may turn to Municipal bonds to finance the balance of the work, but this is also dependent on interest rates and allowed timelines from the permitting agency.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the District at 276 Branscomb Rd, Green Cove Springs, Florida 32043 or email district.secretary@lamsbd.com.

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities
ASSETS	
Cash	$ 1,708,621
Capital assets:	
Nondepreciable assets	715,625
Total assets	2,424,246
LIABILITIES	
Accounts and wages payable	12,097
Total liabilities	12,097
NET POSITION	
Investment in capital assets	715,625
Unrestricted	1,696,524
Total net position	$ 2,412,149

See notes to the financial statements

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government:				
Governmental activities:				
General government	$ 164,895	$ 1,030,893	$ -	$ 865,998
Physical environment	204,418	-	-	(204,418)
Total governmental activities	369,313	1,030,893	-	661,580
General revenues:				
Net investment earnings				72,272
Total general revenues				72,272
Change in net position				733,852
Net position - beginning				1,678,297
Net position - ending				$ 2,412,149

See notes to the financial statements.

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Major Funds	Total Governmental Funds
	General	
ASSETS		
Cash	$ 1,708,621	$ 1,708,621
Total assets	$ 1,708,621	$ 1,708,621
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts and wages payable	$ 12,097	$ 12,097
Total liabilities	12,097	12,097
Fund balances:		
Assigned to:		
Capital projects	50,000	50,000
Unassigned	1,646,524	1,646,524
Total fund balances	1,696,524	1,696,524
Total liabilities, deferred inflows of resources, and fund balances	$ 1,708,621	$ 1,708,621

See notes to the financial statements

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:		
Fund balance in total governmental funds		$ 1,696,524
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.		
Cost of capital assets	715,625	
Accumulated depreciation	-	715,625
Net position of governmental activities		$ 2,412,149

See notes to the financial statements

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Major Funds	
	General	Total Governmental Funds
REVENUES		
Special assessments	$ 1,030,893	$ 1,030,893
Interest income	72,272	72,272
Total revenues	1,103,165	1,103,165
EXPENDITURES		
Current:		
General government	164,895	164,895
Physical environment	204,418	204,418
Total expenditures	369,313	369,313
Excess (deficiency) of revenues over (under) expenditures	733,852	733,852
Fund balances - beginning	962,672	962,672
Fund balances - ending	$ 1,696,524	$ 1,696,524

See notes to the financial statements

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

The District is a special district created by 1986 House Bill 696 of the State of Florida Legislature for the purpose of continuing maintenance of the lakes and dams known as Lake Asbury, South Lake Asbury and Lake Ryan in Clay County, Florida.

The District is governed by the Board of Trustees ("Board"), which is composed of nine members (trustees) residing within the District who are qualified electors of the State of Florida.

The Board has the responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)
Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments
Assessments are non-ad valorem assessments on certain land and all platted lots within the District. Assessments are levied each November 1 on property of record as of the previous January. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. Delinquent taxes and special assessments are subject to collection through the sale of tax certificates on real property and the issuance of warrants for seizure and sale of tangible personal property. If there is no sale of tax certificates, a certificate is issued in the name of the County.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. At September 30, 2024, there was no special assessment taxes receivable by the District.

The District reports the following major governmental funds:

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

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

Assets, Liabilities and Net Position or Equity

Restricted Assets
These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

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

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

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

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets
Capital assets, which include land and infrastructure assets are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $25,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Infrastructure Assets
The District has elected to use the "modified approach" to account for certain infrastructure assets, as provided in GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

Under this process, the District is not required to record depreciation expenses as long as certain requirements are met. Utilization of this approach requires the District to 1) commit to maintaining and preserving affected assets at or above a condition level established by the government, 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained, and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels.

Dams and spillways maintained by the District are accounted for using the modified approach.

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

Long-Term Obligations
In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

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

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

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

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

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

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

Other Disclosures

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

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

Investments
The District's had no investments on September 30, 2024.The District collects current Money market interest on the near $1mm currently in account. This interest was increased significantly in discussions with the bank.

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	$ 6,003	$ -	$ -	$ 6,003
Infrastructure	709,622	-	-	709,622
Total capital assets, not being depreciated	715,625	-	-	715,625
Governmental activities capital assets, net	$ 715,625	$ -	$ -	$ 715,625

NOTE 6 – Subsequent Events

Subsequent events have been evaluated through 4/7/25, the date the financial statements were available to be issued.

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH
SEPTEMBER 30, 2024

Lake Asbury Municipal Service Benefit District (LAMSBD) has elected to use the modified approach for infrastructure reporting and to account for maintenance of the dams in accordance with guidelines for earthen dams recommended by Florida's State Dam Safety Official (SDSO) and St. Johns River Water Management District (SJRWMD). This means that, in lieu of reporting depreciation on infrastructure, LAMSBD reports as preservation expense the costs associated with maintaining dams to meet the following criteria:

1. The earthen dam structures with a Slope Stability Factor of Safety of 1.5 or better.
2. Impoundment capacity to withstand overtopping conditions for a ½ Probable Maximum Precipitation (PMP) Storm, no pre-storm drawdown.
3. No seepage above the toe of the dam.
4. Impoundment capacity to withstand overtopping conditions for a ½ Probable Maximum Precipitation (PMP) Storm, 72-hour pre-storm drawdown.

The following table summarizes the rating given to each dam related to its ability to meet the four criteria listed above. The rating is between 0 and 100. The overall system is the average of the ratings for each dam.

The ratings for each criteria are shown below.

Criteria #	Rating	Rating	Rating
	North Lake Asbury Dam	**South Lake Asbury Dam**	**Lake Ryan Dam**
1	100	100*	100
2	0	50	50
3	50	100	100
4	100	100	100
Average for each Dam	**62.5**	**87.5**	**75**

Since each dam must stand alone there is no calculation for a "system average".
* See Jackson ,2020, 5.8.4

The ratings provided are based, in part, on engineering studies/reports developed or completed in 2020/2021.

- Report of Dam Assessment for Lake Asbury, South Lake Asbury and Lake Ryan Dams. September 2020, Jackson Geotechnical Engineering LLC (**Jackson, 2020**)
- Lake Drawdown Analysis for Lake Asbury, South Lake Asbury, Lake Ryan and Lake Larc, October 2020, Tocoi Engineering LLC (**Tocoi, 2020**)
- Inundation Modeling and Mapping for Lake Asbury Dams, Lake Asbury Municipal Services Benefit District, Green Cove Springs. Clay County, Florida: July 2020, Florida Department of Environmental Protection, Florida Dam Safety Program, Division of Water Resources. *[This study was conducted by the FDEP for the benefit of LAMSBD]*
- Report of Geotechnical Exploration Lake Asbury Dam Stability Analysis, Lake Asbury, Florida. February 2021. Jackson Geotechnical Engineering LLC (**Jackson, 2021**)

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH
SEPTEMBER 30, 2024

Criteria #1: The results of **Jackson 2021** show that Criteria #1 (Slope Stability Factor) is being met by each dam.

Criteria #2: With no drawdown allowed for this criterion, only the South Lake Asbury and Lake Ryan Dams partially meet this criteria.

Criteria #3: Seepage has been noted during inspections above the toe of the dam in the Lake Asbury and Lake Ryan Dams, due to the fact the dams are not designed with a toe drain system.; therefore, Criteria #3 is only met by one of the dams in the system. Seepage in Lake Asbury and Lake Ryan Dams is moderate and will be addressed when the dams are upgraded.

Criteria #4: Each dam meets the requirements for Criteria #4 at this time.

Pursuant to best management practices LAMSBD continues to plan for 50-year earthen dam upgrades for ever changing basin hydrology, correction for settlement dam cores, new regulatory requirements, and improved slope stability safety. LAMSBD, in conjunction with Hanson Engineering, is creating an updated Capital Improvement Plan and Maintenance Plan .

For the year ending September 30, 2024, Lake Asbury Municipal Service Benefit District estimated the cost of maintaining and preserving its dams and spillways in good or better condition to be $262,962. The actual costs incurred to keep these infrastructure assets in good or better condition was $186,607.

The budget-to-actual expenditures for infrastructure maintenance for the past five years are as follows:

Fiscal Year	Budget	Actual
2024	$ 262,962	$ 186,607
2023	$ 148,600	$ 284,746
2022	$ 126,100	$ 84,296
2021	$ 78,000	$ 150,275
2020	$ 73,000	$ 30,095

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Special assessments	$ 994,300	$ 1,030,893	$ 36,593
Interest income	90,000	72,272	(17,728)
Total revenues	1,084,300	1,103,165	18,865
EXPENDITURES			
Current:			
General government	683,213	164,895	518,318
Physical environment	114,472	204,418	(89,946)
Capital outlay	315,490	-	315,490
Total expenditures	1,113,175	369,313	743,862
Excess (deficiency) of revenues over (under) expenditures	$ (28,875)	733,852	$ 762,727
OTHER FINANCING SOURCES (USES)			
Use of fund balance	28,875	-	(28,875)
Total other financing sources (uses)	28,875	-	(28,875)
Net change in fund balance	$ -	733,852	$ 733,852
Fund balances - beginning		962,672	
Fund balances - ending		$ 1,696,524	

See notes to required supplementary information

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
CLAY COUNTY, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
UNAUDITED

Element	Comments
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	1
Number of independent contractors compensated to w hom nonemployee compensation w as paid in the last month of the District's fiscal year being reported.	7
Employee compensation	$9,656
Independent contractor compensation	$259,505
Construction projects to begin on or after October 1; ($65K)	$0
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Non ad valorem special assessments;	
Special assessment rate	$2,400
Special assessments collected	$1,030,893
Outstanding Bonds:	Not applicable

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

To the Board of Trustees
Lake Asbury Municipal Service Benefit District
Clay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Lake Asbury Municipal Service Benefit District, Clay County, Florida ("District") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated April 7, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Brown & Associates

April 7, 2025

Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Trustees
Lake Asbury Municipal Service Benefit District
Clay County, Florida

We have examined Lake Asbury Municipal Service Benefit District, Clay County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2024. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

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

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Trustees of Lake Asbury Municipal Service Benefit District, Clay County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

April 7, 2025

Grau & Associates
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MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL FOR THE STATE OF FLORIDA

To the Board of Trustees
Lake Asbury Municipal Service Benefit District
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Lake Asbury Municipal Service Benefit District ("District") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 7, 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 G*overnment Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards;* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 7, 2025, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

We wish to thank Lake Asbury Municipal Service Benefit District, Clay County, Florida, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

April 7, 2025

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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

   There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2023.

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

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

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

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

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

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

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

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 21.

8. A PACE program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the geographical boundaries of Lake Asbury Municipal Service Benefit District during the fiscal year ending September 30, 2024.