2022

Dade City Community
Redevelopment Agency

Financial Statements and Independent Auditor's Report

September 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

DADE CITY COMMUNITY REDEVELOPMENT AGENCY
DADE CITY, FLORIDA

SEPTEMBER 30, 2022

TABLE OF CONTENTS

Independent Auditor's Report 1-3

Management's Discussion and Analysis 4-8

Financial Statements
- Statement of Net Position and Governmental Fund Balance Sheet 9
- Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance 10
- Notes to Financial Statements 11-14

Required Supplementary Information
- Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual 15

Other Reports
- 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* 16-17
- Independent Accountant's Report on Compliance with Section 163.387(6) and (7), Florida Statutes 18
- Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes 19
- Management Letter 20-22
- Management Letter Response 23

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Dade City Community Redevelopment Agency
Dade City, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Dade City Community Redevelopment Agency (the CRA), a component unit of the City of Dade City, Florida (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the CRA as of September 30, 2022, and the respective changes in financial position, 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 the CRA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA'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.

The Board of Directors
Dade City Community Redevelopment Agency
Dade City, Florida

INDEPENDENT AUDITOR'S REPORT

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 the CRA'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 CRA'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, as listed in the table of contents, 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

The Board of Directors
Dade City Community Redevelopment Agency
Dade City, Florida

INDEPENDENT AUDITOR'S REPORT

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2024, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA'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 City's internal control over financial reporting and compliance.

Purvis Gray

May 15, 2024
Ocala, Florida

COMMUNITY REDEVELOPMENT AGENCY
CITY OF DADE CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

This supplement to the Independent Auditor's Report and Financial Statements has been developed in accordance with the Government Accounting Standards Board Statement No. 34. It is intended to provide the readers of this report with a general overview of the financial activities of the Community Redevelopment Agency (the CRA). The CRA provides the following discussion and analysis of the CRA's financial activities for the fiscal year ended September 30, 2022. Management's Discussion and Analysis is designed to: (a) assist the reader to focus on significant financial issues, (b) provide an overview of the CRA's financial activities, (c) identify changes in the CRA's financial position, (d) identify material deviations from the financial plan, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

The CRA

The CRA was created by the Dade City, Florida (the City) Resolution No. 526 as authorized by Part III of Chapter 163 of the Florida Statutes. The CRA was further expanded in 2008. The Governing Board of the CRA (the Board) is appointed by the City Council and the Pasco County Board of County Commissioners and, therefore, the City exercises significant influence over its operations and fiscal management. The CRA is considered a component unit for financial reporting purposes and is included as a blended special revenue fund within the City's overall basic financial statements.

These financial statements are presented for the purpose of complying with state law, specifically Florida Statute Section 163.387(8)(a), which requires separate audited financial statements for each community redevelopment agency that has revenues or expenditures that exceed $100,000.

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by $234,408.
- The CRA's fund balance increased by $41,455 as a result of 2022 operations.
- Revenues for fiscal year 2022 were $106,377, transfers in tax incremental funds were $100,9041, and expenditures totaled $85,823. In addition, the CRA transferred funds to the City's general fund to cover operational needs provided by the general fund in the amount of $80,000. Capital Outlay of $6,463 for the purchase of a Christmas Tree was transferred to the City's general fund.
- For the year ended September 30, 2022, actual revenues were less than budgeted revenues by $6,623 while actual expenditures were $189,127 less than budgeted expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of the following four (4) components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information

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

The *Statement of Net Position* presents financial information on all of the CRA's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

The *Statement of Activities* presents information showing how the CRA'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 for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements listed above distinguish functions of the CRA that are principally supported by ad-valorem 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 activity of the CRA is community redevelopment.

The government-wide financial statements include only the activities of the CRA. However, the CRA is considered a blended component unit the City and, as such, the financial information of the CRA is included in the City's financial statements for each fiscal year.

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 CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 the CRA'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 CRA'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*.

Special Revenue Funds
Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The CRA's expendable financial resources and the related liabilities are accounted for through a special revenue fund.

Restricted Fund Balance
Fund Balance should be reported as restricted when constraints are placed on the use of resources, such as enabling legislation, which authorizes the government to access, levy, charge, or otherwise mandate payment of resources. All of the CRA's fund balance is considered restricted.

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
Included in this section of the report is the Budgetary Comparison Schedule.

Government-Wide Financial Analysis

Statement of Net Position
As noted earlier, net position may serve over time as a useful indicator of the CRA's financial position. In the case of the CRA, assets exceeded liabilities by $234,408 (*net position*) as of the close of the most recent fiscal year, an increase of $41,455 in comparison with the prior year.

The following table reflects a summary of the *Statement of Net Position* for the current and prior year:

Community Redevelopment Agency

	2022	2021
Assets		
Cash and Cash Equivalents	$ 259,757	$ 202,770
Total Assets	259,757	202,770
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	4,568	9,817
Due to Other Governments	20,781	-
Total Liabilities	25,349	9,817
Net Position		
Restricted	234,408	192,953
Total Net Position	$ 234,408	$ 192,953

Statement of Activities
The following table reflects the *Statement of Activities* for the current and prior year:

Community Redevelopment Agency

	2022	2021
Revenues		
Property Taxes - Pasco County	$ 106,377	$ 102,931
Total Revenues	106,377	102,931
Expenses		
Current:		
Economic Development	79,360	67,383
Capital Outlay:		
Economic Development - Contributed to Primary Government	-	-
Total Expenses	79,360	67,383
Excess of Revenues Over Expenditures	27,017	35,548
Transfers and Capital Contributions		
Capital Contributions to Primary Government	(6,463)	-
Transfers (In) TIF Revenue from Primary Government	100,901	97,632
Transfers (Out) to Primary Government - Allocated Costs	(80,000)	(75,000)
Total Transfers and Capital Contributions	14,438	22,632
Change in Net Position	41,455	58,180
Net Position, Beginning of Year	192,953	134,773
Net Position, End of Year	$ 234,408	$ 192,953

Fiscal year 2022 activities increased the CRA's net position by $41,455 in comparison with the prior year. The increase in net position of $41,455 in the current year, compared to an increase in net position of $58,180 in the prior year, is due to less expenditures than budgeted.

Financial Analysis of the CRA's Funds

Governmental Funds

The focus of the CRA's *governmental funds* is to provide information on *near-term* inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the CRA's financing requirements. In particular, *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.

The CRA's fund balance of $234,408 is restricted for redevelopment projects within the CRA district.

Property taxes from Pasco County totaled $106,377, while the transfer in from the primary government for property taxes totaling $100,901 represented approximately 100% of all revenues. The CRA's fund balance increased by $41,455 in the current year. The increase in tax increment financing revenues received by the CRA in the current year resulted from increased property values within the CRA district.

Capital Assets and Debt Administration

The CRA's capital assets are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements. Capital asset activity for the year ended September 30, 2022, can be found in the City's audited financial statements.

At September 30, 2022, the CRA had no long-term debt. Throughout each fiscal year, when applicable, the CRA transfers funds to the City's general fund to cover a portion of infrastructure projects.

Budgetary Highlights

An annual budget is prepared for the CRA and approved by the Board. The legal level of control is maintained at the fund level. During 2022, the Board approved a budget appropriation to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of the fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles.

There were no amendments from the adopted and final budget. Capital projects budgeted for were not started in the current year.

Economic Factors and Future Developments

The CRA will continue to plan projects and infrastructure improvements that align with its redevelopment priorities for the designated district. The CRA will continue to implement the community's shared development goals through its redevelopment strategies and critical tasks.

Request for Information

This financial information is designed to present users with a general overview of the CRA's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Community Development Department of the City of Dade City located at 38020 Meridian Ave, Dade City, Florida 33525.

FINANCIAL STATEMENTS

COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION AND GOVENMENTAL FUND BALANCE SHEET-SPECIAL REVENUE FUND
SEPTEMBER 30, 2022

	Balance Sheet	Adjustments (Note 2)	Statement of Net Position
Assets			
Cash and Cash Equivalents	$ 259,757	$ -	$ 259,757
Total Assets	259,757	-	259,757
Liabilities			
Accounts Payable	4,568	-	4,568
Due to Other Governments	20,781	-	20,781
Total Liabilities	25,349	-	25,349
Fund Balance			
Restricted	234,408	(234,408)	-
Total Fund Balance	234,408	(234,408)	-
Total Liabilities and Fund Balance	$ 259,757		
Net Position			
Restricted for:			
Community Redevelopment Projects		234,408	234,408
Total Net Position		$ 234,408	$ 234,408

See accompanying notes

COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SEPTEMBER 30, 2022

	Special Revenue Fund	Adjustments (Note 2)	Statement of Activities
Revenues			
Property Taxes - Pasco County	$ 106,377	$ -	$ 106,377
Total Revenues	106,377	-	106,377
Expenditures			
Current:			
Economic Development	79,360	-	79,360
Capital Outlay:			
Economic Development - Contributed to Primary Government	6,463	(6,463)	-
Total Expenditures	85,823	(6,463)	79,360
Excess (Deficiency) of Revenue Over (Under) Expenditures	20,554	6,463	27,017
Transfers and Capital Contributions			
Capital Outlay Transfer to City	-	(6,463)	(6,463)
Transfers (In) TIF Revenue from Primary Government	100,901	-	100,901
Transfers (Out) to Primary Government - Allocated Costs	(80,000)	-	(80,000)
Total Transfers and Capital Contributions	20,901	(6,463)	14,438
Net Change in Fund Balance/Net Position	41,455	-	41,455
Fund Balance/Net Position, Beginning of Year	192,953	-	192,953
Fund Balance/Net Position, End of Year	$ 234,408	$ -	$ 234,408

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
COMMUNITY REDEVELOPMENT AGENCY
CITY OF DADE CITY, FLORIDA

Note 1 - Summary of Significant Accounting Policies

The Dade City Community Redevelopment Agency's (the CRA) financial statements are prepared in accordance with generally accepted accounting principles, as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

The CRA was created under the Florida Statutes, Chapter 163.410 and Ordinance No. 1496 of the City of Dade City, Florida (the City). The purpose of the CRA is to establish the redevelopment priorities for the designated CRA. The Governing Board of the CRA (the Board) is appointed by the City Council (the Council) and the Pasco County Board of County Commissioners and, therefore, the City exercises significant influence over its operations and fiscal management. The CRA is considered a blended component unit for financial reporting purposes and is included as a special revenue fund within the City's overall basic financial statements.

Financial Statements

These financial statements are presented for the purpose of complying with state law, specifically Florida Statutes, Section 163.387(8)(a), which requires separate audited financial statements for each community redevelopment agency that has revenues or expenditures that exceed $100,000.

Entity-wide financial statements are prepared at the City-wide level by the City and include the CRA. Copies of that report can be obtained from the City's Office of Budget and Finance.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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 the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

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 generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recorded only when payment is due.

Considering that the fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

Tax increment financing revenue, when levied for, and interest associated with the current fiscal period are both considered to be measurable and have been recognized as revenues of the current fiscal year, if available.

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

The CRA reports the special revenue fund as a major governmental fund. The special revenue fund is used to account for all financial resources received by the CRA. The special revenue fund serves as the primary operating fund of the CRA. The CRA does not have any non-major funds.

Budgetary Requirements

An annual budget is prepared for all funds of the City, including the CRA. The budget amounts presented in the accompanying financial statements are as originally adopted, or as legally amended, by the Council during the year ended September 30, 2022. The City Manager is authorized to transfer budgeted amounts within the fund; however, all budget amendments require CRA Board approval and any budget amendments that alter the total expenditures of the fund must be approved by the Council. The Council approved supplemental budget appropriations to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles.

Assets, Liabilities, Fund Balance and Net Position

Cash and Cash Equivalents and Investments

The CRA participates in the City's pooled cash fund. This pool includes deposits with a financial institute. Interest income earned as a result of pooling is distributed to the appropriate funds based on the average daily balance of cash in each fund for the period.

Capital Assets

Capital assets include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). The CRA's capital assets are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements. Capital asset activity for the year ended September 30, 2022, can be found in the City's audited financial statements. As the capital assets are retained by the City, the CRA contributes capital to the City's general fund for capital outlay related to the CRA's redevelopment and infrastructure projects.

Nature and Purpose of the Fund Balance

In the fund financial statements, the governmental fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation, are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board through an ordinance or resolution are classified a

committed fund balances. Amounts that are constrained by the CRA's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the Board or the City Manager. Non-spendable fund balances include amounts that cannot be spent because they are either: a) not in spendable form, or b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that is not restricted, committed, or assigned to specific purposes within the general fund.

Unspent tax increment financing revenues are restricted for future redevelopment projects and are reported as restricted fund balance in the financial statements. Unassigned fund balance, if any, represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund.

Net Position
The government-wide statements utilized a net position presentation. Restricted net position is unspent tax increment financing revenues that are restricted for future redevelopment projects. Unrestricted net position represents the net position of the CRA that is not restricted for any project or purpose.

Other Significant Accounting Policies

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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Transfers and Contributions
The CRA makes transfers to the City's general fund to cover a portion of the operating expenses allocated from the general fund. Overhead allocation transfers from the CRA to the City's general fund totaled $80,000 for the year ended September 30, 2022.

Capital assets are contributed by the CRA to the general fund for capital outlay incurred for the CRA's redevelopment and infrastructure projects.

Payroll-Related Expenses and Liabilities
The employees that manage or are involved in day-to-day operations of the CRA are employees of the City. Per an agreement with the City, the CRA is charged an administrative fee related to those employees. Payroll-related activity for the year ended September 30, 2022, can be found in the City's audited financial statements. Accordingly, no payroll-related long-term liabilities, such as compensated absences, net pension liabilities, or other postemployment benefits are recorded by the CRA.

Note 2 - Explanation of Certain Differences Between the Government-Wide and Fund Financial Statements

Statement of Net Position and Governmental Fund Balance Sheet
The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position.

Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between the capital outlay of the governmental fund and the capital contribution to the primary government as reported in the government-wide statement of activities.

Note 3 - Cash and Equity in Pooled Cash and Investments

At September 30, 2022, the carrying amount of the CRA's cash deposits was $259,757. These funds are a part of the City's pooled cash funds. The City's cash deposits are held by a bank that qualifies as a public depository under the *Florida Security for Public Deposits Act* as required by Chapter 280, Florida Statutes. The City maintains an investment policy managing pooled cash and investments. Further information on the City's pooled cash and investments can be found in the notes to the annual financial statements of the City.

Note 4 - Tax Increment Financing Revenue

The CRA is primarily funded through tax increment financing revenue. The tax increment revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations within the designated CRA districts, using the year in which they were established as the "base year". The City is required to contribute a minimum of 50% and maximum of 95% of the incremental property taxes levied each year. Pasco County is required to contribute 50% of the incremental property taxes levied each year for 20 years. The CRA's taxable value is 151% of its base year taxable value.

REQUIRED SUPPLEMENTARY INFORMATION

COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SEPTEMBER 30, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes - Pasco County	$ 113,000	$ 113,000	$ 106,377	$ (6,623)
Total Revenues	113,000	113,000	106,377	(6,623)
Expenditures				
Current:				
Economic Development	129,950	129,950	79,360	50,590
Capital Outlay:				
Economic Development	145,000	145,000	6,463	138,537
Total Expenditures	274,950	274,950	85,823	189,127
Excess of Revenues Over Expenditures	(161,950)	(161,950)	20,554	182,504
Transfers				
Transfers (In) TIF Revenue from Primary Government	107,177	107,177	100,901	(6,276)
Transfers (Out) to Primary Government - Allocated Costs	(80,000)	(80,000)	(80,000)	-
Total Other Financing Sources (Uses)	27,177	27,177	20,901	(6,276)
Net Change in Fund Balance	(134,773)	(134,773)	41,455	176,228
Fund Balances, Beginning of Year	134,773	134,773	192,953	58,180
Fund Balances, End of Year	$ -	$ -	$ 234,408	$ 234,408

OTHER REPORTS

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*

The Board of Directors
Dade City Community Redevelopment Agency
Dade City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Dade City Community Redevelopment Agency (the CRA) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CRA's financial statements, and have issued our report thereon dated May 15, 2024.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the CRA'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 CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA'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 CRA'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below as 2022-001, that we consider to be a material weakness:

2022-001 Timely Reconciliation of Account Balances and Closing Out of Accounting Records in Preparation of the Annual Financial Audit
For the year ended September 30, 2022, the audit of the City's basic statements and the financial statements of the CRA were not timely reconciled and closed out, which created a significant delay for the audit to be completed.

The Board of Directors
Dade City Community Redevelopment Agency
Dade City, Florida

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*

Several key events caused the issues noted above:

- Implementation of new software for the financial accounting records and training of the software to management was not properly fulfilled and all accounting records had to be transferred back to the old system.
- The contract with the outsourced Finance Director's was terminated subsequent to year-end before the accounting records could be prepared for the September 30, 2022 audit.
- The City subsequently hired a new Finance Director to attempt to ensure all accounting records were reconciled but was unable to perform this task in a timely manner due to the complexities with reconciling the accounting records.
- A trial balance was sent in preparation of the audit in March 2024, which required multiple accounting adjustments for the City's basic financial statements.

As a result of the above issues, the audit of the CRA was significantly delayed, ensuring that that the accounting transactions and account balances were corrected before the Independent Auditor's Reports could be issued.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance 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 CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

May 15, 2024
Ocala, Florida

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 163.387(6) AND (7), FLORIDA STATUTES

The Board of Directors
Dade City Community Redevelopment Agency
Dade City, Florida

We have examined the Dade City Community Redevelopment Agency's (the CRA) compliance with the requirements of Section 163.387(6) and (7), Florida Statutes, during the fiscal year ended September 30, 2022, as required by Section 10.556(10)(f), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA'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 CRA complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specific requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, 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 CRA's compliance with specific requirements.

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2022.

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, the CRA, its management, and the Board of Directors of the City of Dade City, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

May 15, 2024
Ocala, Florida

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, INVESTMENT OF PUBLIC FUNDS

The Board of Directors
Dade City Community Redevelopment Agency
Dade City, Florida

We have examined the Dade City Community Redevelopment Agency's (the CRA) compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA'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 CRA complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA 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 non-compliance, 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 CRA'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 engagement.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2022.

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, the CRA, its management, and the Board of Directors of the City of Dade City, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

May 15, 2024
Ocala, Florida

PURVIS GRAY

MANAGEMENT LETTER

The Board of Directors
Dade City Community Redevelopment Agency
Dade City, Florida

Report on the Financial Statements
We have audited the financial statements of the Dade City Community Redevelopment Agency (the CRA) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated May 15, 2024.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and Chapter 10.550, *Rules of the Auditor General.*

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountant's Report on examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General* and Section 163.387(6) and (7), Florida Statutes, regarding compliance requirements in accordance with Section 10.556(10)(f), *Rules of the Auditor General.* Disclosures in the reports and schedule, which are dated May 15, 2024, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority
Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in the Management Letter, unless disclosed in the notes to the financial statements (see Note 1 of the CRA's financial statements as of and for the year ended September 30, 2022, for this information).

The Board of Directors
Dade City Community Redevelopment Agency
Dade City, Florida

MANAGEMENT LETTER

Financial Condition and Management
Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that the CRA 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. It is management's responsibility to monitor the CRA'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.

Special District Component Units
Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the CRA reported the following information that was not subject to auditing procedures:

- The total number of district employees compensated in the last pay period of the district's fiscal year as none.
- The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year as none.
- All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $0.
- All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as $0.

The Board of Directors
Dade City Community Redevelopment Agency
Dade City, Florida

MANAGEMENT LETTER

- Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project is $0.

- A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes (see Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual as presented in financial statements for the year ended September 30, 2022).

Additional Matters
Section 10.554(1)(i)3., *Rules of the Auditor General,* requires us to communicate non-compliance 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 warrants the attention of those charged with governance. In connection with our audit, we did not note 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, the Honorable Mayor, the City of Dade City, and City Council and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

May 15, 2024
Ocala, Florida

CITY OF DADE CITY

"Proud Heritage, Promising Future"

Scott Black, Mayor
Normita L. Woodard, Mayor Pro Tem
Kristin Church, Commissioner
Ann Cosentino, Commissioner
James D. Shive, Commissioner

Leslie Porter, City Manager
Angelia Guy, City Clerk
Peter Altman, Finance Officer
Patrick Brackins, City Attorney

May 15th, 2024

Board of Directors
Community Redevelopment Agency
Dade City Florida

Chairman Black and Board Members,

The following response and Correction Action Plan is herein provided as required to address a material weakness identified in the Report on Internal Control Over Financial Reporting. The following material weakness has been identified in the audit.

2022-001 Timely Reconciliation of Account Balances and Closing Out of Accounting Records in Preparation of the Annual Financial Audit.

For the year ended September 30, 2022, the audit of the City's basic statements and the financial statements of the CRA were not timely reconciled and closed out, which created a significant delay for the audit to be completed.

In response, we agree that the key events outlined by the auditors accurately reflect the general conditions that caused the delay in the issuance of the audit. The City has taken action to resolve problems with the implementation of an alternative ERP software which had been installed on a trial basis in the last quarter of the fiscal year. Upon determination that the implementation and training did not meet the City's needs, the City terminated that effort and returned to its previous system.

Additional actions have been taken to correct the deficiency to include:

- Additional staff has been added to the Finance Department.
- A permanent Finance Director has been employed by the Commission replacing contracted services.
- The City is utilizing the support of a CPA consultant to assist in audit preparation.
- Legacy Issues have been resolved and updated software functionality is ongoing
- Timing of Corrective Action: Underway and Ongoing

Peter Altman, Finance Officer

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com