COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF AVON PARK, FLORIDA (A COMPONENT UNIT OF THE CITY OF THE AVON PARK, FLORIDA)

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF AVON PARK, FLORIDA
(A COMPONENT UNIT OF THE CITY OF AVON PARK, FLORIDA)
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2023

INDEPENDENT AUDITORS' REPORT	**1**
MANAGEMENT'S DISCUSSION AND ANALYSIS	**5**
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	**10**
STATEMENT OF ACTIVITIES	**11**
BALANCE SHEET – GENERAL FUND	**12**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	**13**
NOTES TO FINANCIAL STATEMENTS	**14**
SUPPLEMENTARY INFORMATION	
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND	**20**
OTHER REPORTING	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	**22**
MANAGEMENT LETTER	**24**
INDEPENDENT ACCOUNTANTS' REPORT	**27**

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Redevelopment Agency
of the City of Avon Park, 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 Community Redevelopment Agency of the City of Avon Park, Florida (CRA), a component unit of the City of Avon Park, Florida, as of and for the year ended September 30, 2023, 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, 2023, and the respective changes in financial position and budgetary comparison for the general fund, 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 (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 Auditors' 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.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

Auditors' 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 auditors' 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 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 GAAS 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 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CRA's basic financial statements. The combining schedule of revenue, expenditures and changes in fund balance (combining schedule) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required *by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 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 CRA's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
September 20, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF AVON PARK, FLORIDA
(A COMPONENT UNIT OF THE CITY OF AVON PARK, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

As management of the Community Redevelopment Agency of the City of Avon Park, Florida (CRA), we offer the readers of the CRA's basic financial statements this narrative overview and analysis of the financial activities of the CRA for the year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

Financial Highlights

- The assets of the CRA exceeds its liabilities as of September 30, 2023 by $1,711,052 (Net Position).
- The CRA's total assets as of September 30, 2023, were $1,717,808 an increase of $391,023 or 29% from the prior year.
- The CRA's total revenue was $500,291 of CRA Incremental Tax Revenue up $131,443 or 36% from the prior year.
- The CRA's total expenses came to $111,299, a $90,330 or 45% decrease from the prior year.
- The increase in net position was $388,992 compared to $167,219 in the prior year, a $221,773 or 133% increase.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The CRA's basic financial statements comprise three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the CRA's finances using the accrual basis of accounting. The CRA's government-wide financial statements include the following:

- Statement of Net Position – reports the CRA's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at the end of the fiscal year and provides information about the nature and amounts of investment of resources and obligations to creditors.
- Statement of Activities – reports the results of activity over the course of the fiscal year. It details the costs associated with operating the CRA and how those costs were funded. It also provides an explanation of the change in net position from the previous fiscal year-end to the current fiscal year-end.
- The basic financial statements also include notes that provide required disclosures and other information necessary to gather the full meaning of the material presented in the statements.

The analysis of net position, revenue, and expenses are detailed and provide a comprehensive portrayal of financial conditions and related trends. The analysis includes all assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned or incurred regardless of when cash is received or paid.

Our analysis presents the CRA's net position, which can be thought of as the difference between what the CRA owns (assets) and what the CRA owes (liabilities). The net position analysis will allow the reader to measure the health or financial position of the CRA. The CRA's net position consists of restricted net position that can only be spent for specific purposes because of constraints imposed by external sources (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Over time, significant changes to the CRA's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any CRA, the reader must also consider other nonfinancial factors such as fluctuations in the local economy.

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

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The CRA is accounted for as a governmental fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The CRA adopts an annual appropriated budget. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

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

Notes to the Financial Statements

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

Government-Wide Financial Analysis

Summary of Net Position

	2023	2022
ASSETS		
Current and Other Assets	$ 1,717,808	$ 1,326,785
LIABILITIES		
Total Liabilities	6,756	4,725
Net Position		
Restricted for Community Redevelopment	$ 1,711,052	$ 1,322,060

Assets increased $391,023 from the prior year due to excess revenue over expenses. Liabilities increased $2,031 from the prior year. There was an increase in net position of $388,992 in the current year.

Summary of Statement of Activities

	2023	2022
REVENUES		
Taxes	$ 500,291	$ 368,848
EXPENSES		
Economic Environment	111,299	201,629
CHANGE IN NET POSITION	388,992	167,219
Net Position - Beginning of Year	1,322,060	1,154,841
NET POSITION - END OF YEAR	$ 1,711,052	$ 1,322,060

In fiscal year 2023, total revenue was $500,291, while total expenses were $111,299. This resulted in a net position increase of $388,992.

The taxable value of property located within the CRA District increased in fiscal year 2023 resulting in tax revenue increasing $131,443 over the previous year. Expenses decreased by $90,330 over the prior year primarily due to a decrease in façade grant expenses.

Governmental Fund Financial Analysis

General Fund

The general fund reported ending fund balance of $1,711,052, an increase of $388,992 over the prior year. The entire fund balance is restricted for community redevelopment. The changes in general fund activity are discussed in the government-wide analysis above.

General Fund Budgetary Highlights

The General Fund budget to actual statement is presented in the basic financial statements. The schedule shows the original adopted budget, the final budget, actual results, and the positive or negative variance between the final budget and actual results. After the original budget is approved, it may be amended for various reasons such as unanticipated revenues, unforeseen expenditures, or new grant awards.

- General Fund revenues were $172,169 less than the final budgeted amount.
- Actual expenditures in the General Fund were $1,098,781 less than the final budget.

Economic Factors and Next Year's Budget and Rates

The Community Redevelopment Agency of the City of Avon Park, Florida (CRA) is reported as a blended component unit of the City of Avon Park. Its annual budget for fiscal year 2024 was approved on September 25, 2023. The following factors were considered in preparing the CRA's budget for the 2024 fiscal year:

- Based on historical trends it is estimated the City's population growth will be 1% per year for the remainder of the decade.
- Revenue was budgeted at $649,960, a decrease of $22,500 or 3% from 2023 budgeted amounts.
- Budgeted expenditures totaled $1,786,870 resulting in budgeted CRA fund balance of $0 as of September 30, 2025.

The CRA is committed to the redevelopment of the main street, south side, and airport districts and undertaking initiatives that augment the permanent and visiting populace in order to compete with surrounding markets.

Requests for Information

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest. Questions concerning any of the information provided on this report or requests for additional information should be addressed to the Office of the City Manager, 110 E. Main Street, Avon Park, FL 33825.

BASIC FINANCIAL STATEMENTS

COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF AVON PARK, FLORIDA
(A COMPONENT UNIT OF THE CITY OF AVON PARK, FLORIDA)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

ASSETS	
Equity in Pooled Cash and Cash Equivalents	$ 1,717,808
LIABILITIES	
Accounts Payable and Accrued Liabilities	6,756
NET POSITION	
Restricted for Community Redevelopment	$ 1,711,052

See accompanying Notes to Financial Statements.

COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF AVON PARK, FLORIDA
(A COMPONENT UNIT OF THE CITY OF AVON PARK, FLORIDA)
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

EXPENSES	
Economic Environment	$ 111,299
GENERAL REVENUES	
Taxes	500,291
CHANGE IN NET POSITION	388,992
Net Position - Beginning of Year	1,322,060
NET POSITION - END OF YEAR	$ 1,711,052

See accompanying Notes to Financial Statements.

COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF AVON PARK, FLORIDA
(A COMPONENT UNIT OF THE CITY OF AVON PARK, FLORIDA)
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2023

ASSETS	
Equity in Pooled Cash and Cash Equivalents	$ 1,717,808
Total Assets	$ 1,717,808
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable and Accrued Liabilities	$ 6,756
Fund Balance:	
Restricted for Community Redevelopment	1,711,052
Total Liabilities and Fund Balance	$ 1,717,808

See accompanying Notes to Financial Statements.

COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF AVON PARK, FLORIDA
(A COMPONENT UNIT OF THE CITY OF AVON PARK, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 672,460	$ 672,460	$ 500,291	$ (172,169)
Total Revenues	672,460	672,460	500,291	(172,169)
EXPENDITURES				
Current:				
Economic Environment:				
Main Street	474,400	674,400	44,928	629,472
South Side	194,400	329,540	64,028	265,512
Airport	86,140	206,140	2,343	203,797
Total Expenditures	754,940	1,210,080	111,299	1,098,781
NET CHANGE IN FUND BALANCE	(82,480)	(537,620)	388,992	926,612
Fund Balance - Beginning of Year	82,480	537,620	1,322,060	784,440
FUND BALANCE - END OF YEAR	$ -	$ -	$ 1,711,052	$ 1,711,052

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Community Redevelopment Agency of the City of Avon Park (the CRA) was created on March 28, 1988, pursuant to Florida Statute 163.356, by the passage of City Ordinance No. 822 and is responsible for the redevelopment of defined areas within the city limits. Its mission is to improve the quality of residential life; revitalization of the central business district; locating industrial and commercial business to appropriate locations; and improving infrastructure in three designated areas: Main Street, South Side, and the Airport. The City Council of the City of Avon Park (City) serves as the board of directors for the CRA. The CRA is considered a blended component unit in the City's financial statements.

As required by accounting principles generally accepted in the United States of America, these financial statements present the CRA and component units for which the CRA is financially accountable. The application of these criteria provides for identification of any entities for which the CRA is financially accountable and other organizations that the nature and significance of their relationship with the CRA are such that exclusion would cause the CRA's basic financial statements to be misleading or incomplete. Based on the application of these criteria, the CRA has determined that there are no component units.

Basis of Presentation

The accounts of the CRA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Currently, the CRA has only one fund, the General Fund. The General Fund is a major fund and is the operating fund of the CRA. It is used to account for all financial resources and expenditures.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on activities of the CRA. The CRA reports only governmental activities; it does not have any business-type activities.

Government-Wide Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues consist of charges for services, grants and contributions that are restricted to meeting an operational or capital requirement of a particular function. Payments received from taxes, insurance proceeds and other items not properly included as program revenues are reported as general revenues.

Separate financial information is provided for the governmental fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA 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.

Budgets and Budgetary Data

The Following are the procedures in establishing the budget:

The CRA's management prepares the annual fiscal operating budget. The proposed budget is then presented to the CRA's board of directors for changes and final approval. Once adopted, the budget serves as legal authorization for expenditures.

Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Budgets for the general fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). All appropriations lapse at the close of the fiscal year.

Incremental Property Tax Revenue

The CRA's primary source of revenue is tax-increment funding. This revenue is computed by applying the respective tax rates for the City and Highlands County (County) multiplied by the increased value of property tax located within the boundaries of the redevelopment areas of the CRA in excess of the base property value.

The tax levy is established prior to October 1 of each year and the Highlands County Property Appraiser incorporates the millages established by the City and County into the total tax levy. All property is reassessed according to its fair value on January 1 of each year. All taxes are due and payable on November 1 (levy date) of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Incremental Property Tax Revenue (Continued)

Delinquent taxes on real property bear interest of up to 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – amounts that are not in spendable form (such as inventory or prepaid items) or are required to be maintained intact.

Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed – amounts constrained to specific purposes by the CRA itself, using its highest level of decision-making authority, the CRA Board. To be reported as committed, amounts cannot be used for any other purpose unless the CRA takes the same highest level action to remove or change the constraint.

Assigned – amounts the CRA intends to use for a specific purpose. Intent can be expressed by the CRA Board or by an official or body to which the CRA Board delegates the authority.

Unassigned – amounts that are available for any purpose. Positive amounts are reported only in the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Disbursements of fund balance will first be made from restricted amounts when both restricted and unrestricted fund balance is available. Additionally, the CRA will first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes where amounts in any of the unrestricted fund balance classifications could be used.

The CRA's fund balance is restricted for community redevelopment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the CRA or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the Unites States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents as of September 30, 2023 consisted of:

Statement of Net Position:	
Equity in Pooled Cash and Cash Equivalents	$ 1,717,808

Custodial Credit Risk is defined as the risk that, in the event of failure of the counterparty, the CRA will not be able to recover the value of its deposits and securities that are in the possession of an outside party. Bank balances of the CRA's deposits at September 30, 2023 were $1,717,808.

All balances in excess of the Federal Deposit Insurance Corporation (FDIC) for demand and time deposits are fully collateralized pursuant to Chapter 280, Florida Statutes. The CRA's investment policy requires that the deposit be entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. Other than the preceding, the CRA has no policy on custodial credit risk.

All deposit accounts of the CRA are placed in banks that qualify as a public depository, as required by law (Florida Security for Public Deposits Act, Chapter 280, Florida Statutes). Chapter 280 of the Florida Statutes provides that qualified public depositories must maintain eligible collateral having a market value equal to 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the 12 months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the CRA's name, nor specify which collateral is held for the CRA's benefit.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

The Public Deposit Security Trust Fund, as created under the laws of the state of Florida, would be required to pay the CRA for any deposits not covered by depository insurance or collateral pledged by the depository as previously described. Florida Statutes and the CRA's investment policy authorize the CRA to use interest bearing time deposit, savings accounts, and money market accounts in qualified public depositories. All deposits are entirely insured.

NOTE 3 RISK MANAGEMENT

The CRA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against this risk the CRA has purchased commercial insurance policies. The CRA is liable for deductibles on certain coverage. Insurance settlements have not exceeded insurance coverage in any of the three prior fiscal years.

SUPPLEMENTARY INFORMATION

COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF AVON PARK, FLORIDA
(A COMPONENT UNIT OF THE CITY OF AVON PARK, FLORIDA)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023

	Main Street Area Fund	South Side Area Fund	Airport Area Fund	Total
REVENUES				
Tax Increment Revenues	$ 345,821	$ 133,542	$ 20,928	$ 500,291
Total Revenues	345,821	133,542	20,928	500,291
EXPENDITURES				
Current:				
Economic Environment:				
Personal Services	5,849	3,014	-	8,863
Professional Services	2,259	2,231	2,203	6,693
Grants and Subsidies	36,008	48,095	-	84,103
Miscellaneous	812	10,688	140	11,640
Total Expenditures	44,928	64,028	2,343	111,299
NET CHANGE IN FUND BALANCE	300,893	69,514	18,585	388,992
Fund Balances - Beginning of Year	888,346	245,306	188,408	1,322,060
FUND BALANCE - END OF YEAR	$ 1,189,239	$ 314,820	$ 206,993	$ 1,711,052

OTHER REPORTING

CliftonLarsonAllen LLP
CLAconnect.com

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

Board of Directors
Community Redevelopment Agency
of the City of Avon Park, 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 general fund of the Community Redevelopment Agency of the City of Avon Park, Florida (CRA), a component unit of the City of Avon Park, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated September 20, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

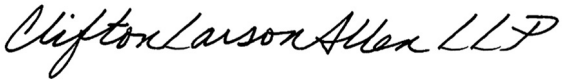
Board of Directors
Community Redevelopment Agency
of the City of Avon Park, Florida

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, noncompliance 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 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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
September 20, 2024

CliftonLarsonAllen LLP
CLAconnect.com

MANAGEMENT LETTER

Board of Directors
Community Redevelopment Agency
of the City of Avon Park, Florida

Report on the Financial Statements

We have audited the financial statements of the Community Redevelopment Agency of the City of Avon Park, Florida (CRA), a component unit of the City of Avon Park, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated September 20, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' 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 and schedule, which are dated September 20, 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 financial audit report. There were no recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 to the financial statements.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

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 to 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 Section 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the CRA. 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 the 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. The CRA contains no component units.

Special District Specific Information

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:

a) The total number of district employees compensated in the last pay period of the district's fiscal year as 1.
b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the fiscal year as 0.
c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $6,770.
d) All compensation earned by or awarded to nonemployee contractors, whether paid or accrued, regardless of contingency as $0.
e) 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 of such projects as $0.
f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statues, can be found in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.

Board of Directors
Community Redevelopment Agency
of the City of Avon Park, Florida

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 CRA's Board of Directors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
September 20, 2024

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
Community Redevelopment Agency
of the City of Avon Park, Florida

We have examined the Community Redevelopment Agency of the City of Avon Park, Florida's (CRA), a component unit of the City of Avon Park, compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies, during the year ended September 30, 2023. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA's compliance with the specified requirements 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 specified 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 noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on the CRA's compliance with specified requirements.

In our opinion, the CRA complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies; during the year ended September 30, 2023.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
September 20, 2024

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.