CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY

(A Blended Component Unit of Charlotte County, FL)

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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PREPARED BY:

ROGER D. EATON
CLERK OF THE CIRCUIT COURT AND
COUNTY COMPTROLLER

STACY WEAR
FINANCE DIRECTOR

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FINANCIAL SECTION

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Honorable Board of Charlotte Harbor
Community Redevelopment Agency
Port Charlotte, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of Charlotte Harbor Community Redevelopment Agency (the "CRA"), a component unit of Charlotte County, 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 General Fund of the CRA, as of September 30, 2023, and the respective changes in financial position 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 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.

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 the required supplementary 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 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 March 21, 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.

Cherry Bekaert LLP

Orlando, Florida
March 21, 2024

Charlotte Harbor Community Redevelopment Agency
Charlotte County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Charlotte Harbor Redevelopment Agency (CRA) management's discussion and analysis offers readers of the CRA's financial statements a narrative overview and analysis of the financial activity for the year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the financial statements and notes to the financial statements.

The CRA is a blended component unit of Charlotte County, Florida (County), and the financial information detailed in this report is also contained in the Charlotte County, Florida Annual Comprehensive Financial Report.

FINANCIAL HIGHLIGHTS

At the close of business September 30, 2023, the CRA's net position was $9.7 million (assets exceeded liabilities). This amount is the net investment in capital assets or is unrestricted funds that will be used for revitalization projects located within the boundaries of the CRA.

The net position of the CRA increased by $1.3 million, compared to the previous year, primarily due to intergovernmental revenues received for the construction of the Bayshore Park Parking area.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The basic financial statements consist of entity-wide financial statements, fund financial statements and also include notes to the financial statements that provide more detail regarding information in the financial statement.

REQUIRED BASIC FINANCIAL STATEMENTS

The entity-wide financial statements report information about the CRA in a manner similar to a private-sector business, and are designed to provide readers with a broad overview of the CRA's finances. The statement of net position presents information on all of the CRA's assets and liabilities, and provides information about the nature and amounts of investments in resources (assets) and obligations (liabilities).

The statement of activities presents information showing the CRA's current year revenues and expenses. The difference between revenues and expenses is reported as the change in net position 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, expenses are reported in this statement for some items where the related cash outflow will occur in future fiscal periods.

FINANCIAL ANALYSIS

The statement of net position may serve over time as a useful indicator of a CRA's financial position. The balance of net position, or the difference between assets and liabilities, is one indicator which can be used to determine if the CRA's financial position is improving or deteriorating. At September 30, 2023, the CRA's assets exceed liabilities by $9.7 million, representing an increase in total net position for the year of $1.3 million as compared to prior year.

The table below presents a summary of the CRA's statement of net position over the last two fiscal years:

Charlotte Harbor Community Redevelopment Agency
Summary of Net Position
September 30, 2023 and 2022

	2023	2022
Current Assets	$ 1,756,682	$ 1,332,889
Capital Assets	8,075,275	7,127,328
Total Assets	9,831,957	8,460,217
Liabilities	130,320	86,773
Net Position		
Net Investment in Capital Assets	7,982,819	7,127,328
Restricted for Charlotte Harbor	1,718,818	1,246,116
Total Net Position	$ 9,701,637	$ 8,373,444

Current assets are comprised of cash and cash equivalents, along with accrued interest earned and amounts due from other governments. Net position increased during the year ended September 30, 2023 as a result of intergovernmental revenues received for the construction of the Bayshore Park Parking area.

The changes in net position displayed below shows the activities during the previous two fiscal years.

Charlotte Harbor Community Redevelopment Agency
Summary of Revenues and Expenses
Year Ended September 30, 2023 and 2022

	2023	2022
General revenues		
Taxes	$ 616,903	$ 481,911
Miscellaneous	-	47,925
Investment income (loss)	102,809	(47,802)
Intergovernmental revenue	1,476,999	-
Total revenues	2,196,711	482,034
Program expenses		
Contract/professional services	108,461	85,983
Purchased services	13,494	14,029
Loss on sale of land	-	264,987
Conveyance to Charlotte County	-	4,240,872
Depreciation expense	746,563	746,010
Total program expenses	868,518	5,351,881
Change in net position	1,328,193	(4,869,847)
Net position, October 1	8,373,444	13,243,291
Net position, September 30	$ 9,701,637	$ 8,373,444

The CRA is financed through a portion of the countywide millage assessed on the taxable value of the property located within the boundaries of the CRA. As the taxable value increased during the year ended September 30, 2023, the portion allocated to the CRA also increased by $135 thousand when compared to 2022. Intergovernmental revenues increased by approximately $1.5 million due to an increase in governmental revenue contributions from County government funds for capital projects. Program expenses decreased by $4.5 million due to the $4.2 million conveyance of land to Charlotte County in 2022 and a $265 thousand loss on the sale of land in 2022. These changes resulted in an increase of $1.3 million in net position of the Charlotte Harbor Community Redevelopment Agency.

CAPITAL ASSETS

The CRA's investment in capital assets as of September 30, 2023 was $8.1 million (net of accumulated depreciation). The investment in capital assets includes land and improvements other than buildings. The CRA's capital assets increased from the prior year, before depreciation, due to the addition of Construction in Progress of $1.6 million for the construction of the Bayshore Park Parking area. The CRA's capital assets are geared toward achieving their redevelopment goals by enhancing the waterfront area.

Charlotte Harbor Community Redevelopment Agency
Capital Assets
September 30, 2023 and 2022

	2023	2022
Capital assets not depreciated:		
Land	$ 2,650	$ 2,650
Construction in progress	1,657,494	62,709
Total assets not depreciated	1,660,144	65,359
Capital assets depreciated:		
Improvements other than buildings	10,163,427	10,063,702
Less accumulated depreciation:		
Improvements other than buildings	3,748,296	3,001,733
Total depreciable capital assets, net	6,415,131	7,061,969
Total capital assets	$ 8,075,275	$ 7,127,328

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The current approved redevelopment plan was adopted in 2005, then amended in 2005, 2010, and 2017. The public purpose statement for this CRA: Charlotte Harbor is envisioned to be a mixed use, integrated development which provides for the needs of current and future populations through creating a destination which provides:

- Charlotte County and the surrounding southwest Florida area with a mix of attractions, housing and employment.

Sunseeker Resort - Sunseeker Florida, Inc. (Sunseeker) has purchased approximately 22 acres of land along the Peace River within Charlotte Harbor CRA for the development of Sunseeker Resort. The associated lots and interior streets have been vacated to create a contiguous acreage area. Infrastructure improvements along the Main Street area are complete, and Phase 1 will be completed in December 2023. Charlotte Harbor CRA is currently working on improvements to pedestrian access to the waterfront through potential private investment in the area. Specialty Restaurants purchased CRA property and plan to develop the remaining Charlotte Harbor Gateway area.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information, contact the Comptroller Division, Charlotte County Clerk of the Circuit Court, 18500 Murdock Circle, Port Charlotte, Florida 33948.

BASIC FINANCIAL STATEMENTS

CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

ASSETS	Governmental Activities
Cash and cash equivalents	$ 1,753,356
Interest receivable	3,326
Capital assets	
Land	2,650
Improvements other than buildings	10,163,427
Construction in progress	1,657,494
Less accumulated depreciation	(3,748,296)
Total capital assets	8,075,275
Total assets	9,831,957
LIABILITIES	
Accounts and vouchers payable	37,864
Contracts payable	92,456
Total liabilities	130,320
NET POSITION	
Net investment in capital assets	7,982,819
Restricted for:	
Charlotte Harbor	1,718,818
Total net position	$ 9,701,637

See accompanying notes.

CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

Program expenses		
Contract/professional services	$	108,461
Purchased services		13,494
Depreciation		746,563
Total program expenses		868,518
General revenues		
Taxes		616,903
Intergovernmental revenues		1,476,999
Investment income		102,809
Total general revenues		2,196,711
Change in net position		1,328,193
Net position - beginning		8,373,444
Net position - ending	$	9,701,637

See accompanying notes.

CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET - GENERAL FUND
September 30, 2023

Assets		
Cash and cash equivalents	$	1,753,356
Interest receivable		3,326
Total assets	$	1,756,682
Liabilities and Fund Balances		
Liabilities		
Accounts and vouchers payable	$	37,864
Contracts payable		92,456
Total liabilities		130,320
Fund Balance		
Committed		1,626,362
Total fund balances		1,626,362
Total liabilities and fund balances	$	1,756,682

Reconciliation of the Balance Sheet to the Statement of Net Position - General Fund

Amounts reported in the statement of net position differ from amounts reported above as follows:		
Fund balance - General Fund	$	1,626,362
Capital assets used in governmental activities are not financial resources and therefore are not reported above		8,075,275
Net position of governmental activities	$	9,701,637

See accompanying notes.

CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended September 30, 2023

Revenues:		
Taxes	$	616,903
Intergovernment revenues		1,200,000
Investment income		102,809
Total revenues		1,919,712
Expenditures:		
Current		
Contract/professional services		108,461
Purchased services		13,494
Capital outlay		1,417,511
Total expenditures		1,539,466
Net change in fund balance		380,246
Fund balances, October 1, 2022		1,246,116
Fund balances, September 30, 2023	$	1,626,362

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balance - General Fund	$	380,246
Capital outlay, reported as expenditures in the governmental fund, is shown as capital assets in the Statement of Net Position		1,417,511
Donation of capital assets revenue included on the Statement of Activities		276,999
Depreciation expense on governmental capital assets included on the Statement of Activities		(746,563)
Change in net position of government activities	$	1,328,193

See accompanying notes.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies:

(a) Defining the Governmental Reporting Entity

Charlotte Harbor Community Redevelopment Agency (CRA) is a blended component unit of Charlotte County, Florida (County) and was established by County Resolution 92-251, pursuant to Chapter 163. Part III of the Florida Statutes. The purpose of this special district is to direct redevelopment in the Charlotte Harbor area of the County. Blended component units are legally separate entities that are in substance part of the County's operations, as they either have governing bodies that are substantially the same as the Charlotte County Board of County Commissioners (Board) or there is a financial benefit or burden relationship between the Board and the blended component unit, or they provide their services exclusively or almost exclusively to the County. The governing body of the CRA is the Board, which provides substantial funding of operations and adopts the budget for the CRA.

Effective for the fiscal year 2020, the State of Florida Legislature enacted Chapter 2019-163 Laws of Florida, which amended section 163.387(8), Florida Statutes, to require a CRA that has revenues or a total of expenditures and expenses in excess of $100,000 to have performed a separate audit. In accordance with Florida Auditor General Rule 10.557(3), the CRA audit report must include basic financial statements, notes to the financial statements and management's discussion and analysis and other required supplementary information.

The accompanying basic financial statements present the financial position and results of operations of the Charlotte Harbor Community Redevelopment Agency.

(b) Basic Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements include a Statement of Net Position and a Statement of Activities. The Statement of Net Position reports all financial and capital resources of CRA activities. It is presented in a net position format (assets less liabilities equal net position) and shown with three components: net investment in capital assets; restricted net position; and unrestricted net position. The Statement of Activities reports functional categories of programs provided by the CRA and demonstrates how, and to what degree, those programs are supported by program revenue.

The CRA reports the following Major Governmental Fund:

The General Fund is the CRA's primary operating fund. It accounts for the operations of the Charlotte Harbor CRA.

(c) Fund Accounting

The accounts of the CRA operations are organized on the basis of a fund. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to, and accounted for, based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Note 1. Summary of Significant Accounting Policies (continued)

(d) Budgets and Budgetary Accounting

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States from the perspective of inclusion as a blended component unit in the County's financial statements. Because advances from the County are included as a blended component unit, conveyances to the County are not budgeted. Estimated beginning fund balances are considered in the budgetary process, but are not included in the basic financial statements as budgeted revenue.

(e) Measurement Focus

Charlotte Harbor Community Redevelopment Agency complies with accounting principles generally accepted (GAAP) in the United States. GAAP includes all relevant Governmental Accounting Standard Board (GASB) pronouncements, and other accounting and financial reporting literature codified by the GASB.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With the economic resources measurement focus, all assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. Government-wide financial statements show increases (revenues) and decreases (expenses) in net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

(f) Basis of Accounting

Governmental fund financial statements are presented using the current financial resources and modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds show increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when they become both measurable and available to pay liabilities of the current period. The CRA considers all revenues available if they are collected within sixty (60) days after year end, with the exception of insurance and grant proceeds, for which the period is six months. Primary revenues, such as taxes, are treated as susceptible to accrual and so have been recognized.

(g) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded as a reservation of fund balance, is employed as an extension of the statutorily required budgetary process under Florida Statutes. Appropriations, even if encumbered, lapse at fiscal year-end. It is the CRA's intention to substantially honor these lapsed appropriations under authority provided in the subsequent year's budget.

(h) Cash and Cash Equivalents

All funds of the CRA are invested with the Board's cash and investment pool, which consists of the Board's cash and investments and that of the component unit redevelopment agencies. There are no restrictions on the CRA's ability to withdraw funds from the Board's pool, so all amounts

Note 1. Summary of Significant Accounting Policies (continued)

(h) Cash and Cash Equivalents (continued)

are considered cash and cash equivalents. All cash equivalents are stated at fair value, based on the CRA's investment portion of the fair value of the Board's pooled investments. The Board's investment pool is not rated.

(i) Capital Assets

Capital assets include land, construction in progress and improvements other than buildings. Capital assets are reported in the government-wide financial statements. The CRA has a threshold for capitalizing capital assets of $5,000, except as it relates to capitalizing infrastructure, for which the threshold is $100,000. Constructed or purchased assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at the estimated acquisition value on the date of donation.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

The ranges of the useful lives are as follows:

Asset	Years
Improvements other than Buildings	10-45

(j) Net Position/Fund Balance Classification

The governmental fund reports fund balance as either nonspendable or spendable. Spendable fund balances are further classified as restricted, committed, assigned or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances.

Nonspendable fund balances include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The CRA does not have any nonspendable fund balance.

Spendable Fund Balances:

Restricted Fund Balance: Amounts that are restricted to specific purposes, and are restricted through enabling legislation and are legally enforceable. The legislation that creates the revenue stream must also stipulate the purposes for which that revenue can be used.

Committed Fund Balance: Amounts that are committed for specific purposes by formal action of the government's highest level of decision-making authority which, dependent on the nature of the matter, may be in the form of county ordinance, resolution, or agreement, in which are equally binding. These amounts are not subject to legal enforceability as in restricted; however, those amounts cannot be used for any other purpose unless the government removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.

Note 1. Summary of Significant Accounting Policies (continued)

(j) Net Position/Fund Balance Classification (continued)

Assigned Fund Balance: Amounts that are intended by the government to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself, or (b) a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance: Is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, limited, or assigned to specific purposes within the general fund.

Government-wide statements utilize an economic resources measurement focus and categorize net position among the following components:

Net Investment in Capital Assets - indicates that portion of net position which represents the County's equity in capital assets, less the amount of related debt.

Restricted Net Position - indicates that portion of net position which is segregated due to external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - indicates that portion of net position which is available for general operations.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, expenditures will be applied first to restricted fund balance and then to unrestricted fund balance.

(k) Use of Estimates

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

Note 2. Cash and Cash Equivalents

Deposits

All CRA depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280 of the Florida Statutes (Florida Security for Public Deposits Act) provides procedures for public deposits to insure deposits in banks and savings and loans are collateralized as public funds.

Financial institutions qualifying as public depositories shall deposit with the Treasurer eligible collateral having a fair value equal to or in excess of the average daily balance times the depository collateral – pledging the level required pursuant to Chapter 280 as computed and reported monthly or 25 percent of the average monthly balance, whichever is greater. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Chapter 280 defines deposits as time deposit accounts, demand deposit accounts, and certificates of deposit. The bank balance of deposits insured by Federal Depository Insurance or pursuant to Chapter 280 of the Florida Statutes was $823,746 as of September 30, 2023.

Cash Equivalents

The Charlotte Harbor Community Redevelopment Agency is authorized to invest directly in the following, or through the Board's investment pool, which is authorized to invest in the following:

(1) The Local Government Surplus Funds Trust Fund, the State Investment Pool administered by the State Board of Administration.

(2) The Florida Local Government Investment Trust, administered by the Florida Association of Court Clerks and Comptrollers and the Florida Association of Counties.

(3) Negotiable direct obligations of, or obligations of which the principal and interest are unconditionally guaranteed by, the United States Government.

(4) The Florida Fixed Income Trust administered by Water Walker Investments.

(5) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by United States Government agencies, provided such obligations are backed by the full faith and credit of the United States Government.

(6) Bonds, debentures, notes or other evidence of indebtedness, including collateralized mortgage obligations and structured notes, issued or guaranteed by United States Government agencies (Federal Instrumentalities) which are not full-faith and credit agencies.

(7) Non-negotiable interest-bearing time certificates of deposit, money market accounts or savings accounts in banks/savings and loan associations organized under the laws of the United States, doing business and situated in the State, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

Note 2. Cash and Cash Equivalents (continued)

(8) Repurchase agreements (for purchase and subsequent sale) for any of the investments authorized in numbers 3 and 5 above.

(9) State and/or local government taxable and tax-exempt debt, General Obligation and/or Revenue Bonds rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rated at least MIG-2 by Moody's and SP2 by Standard & Poor's for short-term debt.

(10) Mutual funds comprised of only those investment instruments as authorized in numbers 3, 5, and 8 above.

Note 3. Capital Assets

Capital assets activity for the year ended September 30, 2023 are as follows:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
Capital assets not depreciated:				
Land	$ 2,650	$ -	$ -	$ 2,650
Construction in progress	62,709	1,594,785	-	1,657,494
Total assets not depreciated	65,359	1,594,785	-	1,660,144
Capital assets depreciated:				
Improvements other than buildings	10,063,702	99,725	-	10,163,427
Less accumulated depreciation:				
Improvements other than buildings	3,001,733	746,563	-	3,748,296
Total depreciable capital assets, net	7,061,969	(646,838)	-	6,415,131
Total capital assets	$ 7,127,328	$ 947,947	$ -	$ 8,075,275

Note 4. Taxes

The CRA funding is determined each year and the funding amount is 95% of the difference between the amount of ad valorem taxes levied in the base year within the district boundaries and the amount of ad valorem taxes which is levied in the most recent assessment roll.

Note 5. Expenditures in Excess of Appropriations

For the year ended September 30, 2023, there were no expenditures in excess of appropriations, at the legal level of budgetary control.

Note 6. Related Party Transactions

As explained in Note 1, the CRA is a blended component unit of Charlotte County, FL and is presented as a nonmajor special revenue fund in the County's Annual Comprehensive Financial Report. As required by Florida Statute, additional information regarding the CRA financial activity during the year ended September 30, 2023, is as follows:

Source of Deposits	Charlotte Harbor CRA
County tax increment funds	$ 616,903
Funding from Charlotte County	1,200,000
Investment income	102,809
Accrued payables	43,547
Total deposits	$ 1,963,259
Purpose of withdrawals	
Administration fees	$ 13,494
Parking improvements	1,342,651
Multi use path	86,621
Street improvements	96,700
Total withdrawals	$ 1,539,466

Indebtedness

The CRA does not have pledged incremental revenues or incurred any debt to carry out its activities.

REQUIRED SUPPLEMENTARY INFORMATION

CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GENERAL FUND - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 650,040	$ 650,040	$ 616,903	$ (33,137)
Intergovernmental revenues	1,200,000	1,200,000	1,200,000	-
Investment income	3,000	3,000	102,809	99,809
Total revenues	1,853,040	1,853,040	1,919,712	66,672
Expenditures:				
Current				
Contract/Professional services	532,500	532,500	108,461	424,039
Purchased services	45,423	45,423	13,494	31,929
Capital outlay	2,239,000	2,239,000	1,417,511	821,489
Total expenditures	2,816,923	2,816,923	1,539,466	1,277,457
Net change in fund balance	(963,883)	(963,883)	380,246	1,344,129
Fund balance, October 1, 2022	1,404,554	1,404,554	1,246,116	(158,438)
Fund balance, September 30, 2023	$ 440,671	$ 440,671	$ 1,626,362	$ 1,185,691

COMPLIANCE SECTION

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Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Board of Charlotte Harbor
Community Redevelopment Agency
Port Charlotte, Florida

We have audited, 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, the financial statements of the governmental activities and the General Fund of Charlotte Harbor Community Redevelopment Agency (the "CRA"), a component unit of Charlotte County, 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, and have issued our report thereon dated March 21, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 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.

Cherry Bekaert LLP

Orlando, Florida
March 21, 2024

Cherry Bekaert LLP
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Independent Auditor's Management Letter

To the Honorable Board of Charlotte Harbor
Community Redevelopment Agency
Port Charlotte, Florida

Report of the Financial Statements

We have audited the financial statements of the governmental activities and the General Fund of Charlotte Harbor Community Redevelopment Agency (the "CRA"), a component unit of Charlotte County, Florida, as of and for the year ended September 30, 2023, and have issued our report thereon dated March 21, 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 Report of Independent Auditor 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 Report of Independent Accountant on Compliance with Local Government Investment Policies and Community Redevelopment Agency Requirements. Disclosures in those reports, which are dated March 21, 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. No findings or recommendations were made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor Genera*l*, requires 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. Such disclosure is included in the notes to the financial statements. There were no component units related to the CRA.

Financial Condition and Management

Section 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, the results of our tests did not indicate the CRA met any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the 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 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.

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 CRA employees compensated in the last pay period of the CRA's fiscal year as zero.

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as zero.

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as zero.

e. Each construction project with a total cost of at least $65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as none.

f. 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 CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as zero.

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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
March 21, 2024

Cherry Bekaert LLP
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Report of Independent Accountant on Compliance with Local Government Investment Policies and Community Redevelopment Agency Requirements

To the Honorable Board of Charlotte Harbor
Community Redevelopment Agency
Port Charlotte, Florida

We have examined Charlotte Harbor Community Redevelopment Agency's (the "CRA") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, and the community redevelopment agency requirements of Section 163.387, Florida Statutes, 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 the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

The purpose of this report is to comply with the audit requirements of Sections 218.415 and 163.387, Florida Statutes, and Rules of the Auditor General.

In our opinion, the CRA complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, and the community redevelopment agency requirements of Section 163.387, Florida Statutes, during the year ended September 30, 2023.

Cherry Bekaert LLP

Orlando, Florida
March 21, 2024