

FORT MEADE COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Fort Meade, Florida)

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS
SEPTEMBER 30, 2023

Fort Meade Community Redevelopment Agency

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FINANCIAL SECTION

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Redevelopment Agency
City of Fort Meade, 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 (the CRA), a component unit of the City of Fort Meade, Florida (the City), 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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

To the Board of Directors
Community Redevelopment Agency
City of Fort Meade, Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 judgement 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 considered 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 Statements of America, which consisted of inquiries of management about the methods of

preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Data Elements required by Section 218.32(1)(e), *Florida Statutes* but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 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 report or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CRA's internal control over financial reporting and compliance.

Purvis Gray

June 6, 2024
Sarasota, Florida

The Management's Discussion and Analysis (MD&A) is designed to provide a narrative overview and analysis of the financial activities of the Fort Meade Community Redevelopment Agency (the CRA) for the fiscal year ended September 30, 2023. The analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the CRA's financial activity, identify the changes in the CRA's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues of concern.

Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the CRA's financial statements and independent auditors' report.

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by $322,445 (net position) compared to $159,945 in the prior year. All of which is restricted for community redevelopment uses but $79,830 is specifically restricted for the Community Center Complex project.
- The CRA's total net position increased by $162,500 during the year ended September 30, 2023 as compared to an increase of $146,178 during the prior year.
- As of the close of the current fiscal year, the CRA's general fund reported ending fund balance of $1,242,615 compared to $1,138,565 at the end of the prior fiscal year, an increase of $104,050 or 9%.
- Long-term debt decreased from $978,620 in the prior year to $920,170 at the end of the current year due to regularly scheduled principal payments of $58,450. In 2022, the CRA issued the Redevelopment revenue bond, Series 2022 in the original amount of $1,000,000 to be used for acquisition of property and expansion of the City of Fort Meade's community center complex and related improvements. No bond proceeds have been used as of September 30, 2023.

OVERVIEW OF THE 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: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all the CRA's assets, liabilities, and deferred inflows and outflows of resources with the residual measure reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in net position are reported in a manner similar to the approach used by private-sector business in that revenue is recognized when earned or established criteria are satisfied, and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the year, and expenses are reported even though they may not have used cash during the current fiscal year.

Both government-wide financial statements are designed to distinguish functions of the CRA that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The CRA does not engage in business-type activities and as such, no business-type activities are reported in the financial statements

The governmental activities of the CRA are exclusively comprised of the community redevelopment function.

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

Fund financial statements: Funds are a group of self-balancing accounts. Funds are used to account for specific activities of the CRA, rather than reporting on the CRA as a whole. The CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The CRA maintains only one fund, a major governmental fund designated as the general fund.

The basic 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 to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found by referencing the table of contents of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the CRA's general fund budgetary comparisons. Required supplementary information can be found by referencing the table of contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. The following table reflects a summary of the statement of net position compared to the prior year. The statement of net position can be found by referencing the table of contents of this report. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table reflects a summary of net position compared to the prior year.

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

	Governmental Activities	
	2023	**2022**
Assets		
Current and other assets	$ 1,249,149	$ 1,158,582
Total assets	1,249,149	1,158,582
Liabilities		
Current liabilities	6,534	20,017
Non-current liabilities	920,170	978,620
Total liabilities	926,704	998,637
Net position:		
Restricted	322,445	159,945
Total net position	$ 322,445	$ 159,945

On September 30, 2023 and 2022, 100% of the CRA's net position is reported as restricted and can only be used for community redevelopment in accordance with Chapter 163, Florida Statutes and the community redevelopment plan. While all of the CRA's net position is restricted for community redevelopment, on September 30, 2023, $79,830 of the restricted net position is further restricted for the Community Center Complex project (equal to the unspent bond proceeds minus the outstanding balance on those bonds).

Statement of Activities. The following table reflects a summary of the statement of activities compared to the prior year. The statement of activities can be found by referencing the table of contents of this report.

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

	Governmental Activities	
	2023	**2022**
Revenues:		
Program Revenues:		
Charges for services	$ 3,708	$ -
General revenues:		
Taxes	433,760	319,058
Other	3,390	189
Total revenues	440,858	319,247
Expenses:		
Governmental activities:		
Community redevelopment	251,935	420,292
Interest on long-term debt	26,423	45,133
Total expenses	278,358	465,425
Change in Net Position	162,500	(146,178)
Net position - Beginning	159,945	306,123
Net position - Ending	$ 322,445	$ 159,945

Governmental activities

During 2023, governmental activities' net position increased by $162,500 compared to an decrease of $146,178 in the prior year. The main reason for current year changes are as follows:

- Total revenue increased by $121,611 or 38% mainly due to an increase in property tax increment revenue of $114,702 or 36% due to increased property values partially offset by decreased millage rates of the taxing authorities within the CRA district.

- Total expenses decreased by $187,067 or 40% mainly due to the following:

    - Interest on long term debt, including long term debt related issuance costs, was $45,133 in the prior year and $26,423 in the current year.

    - Façade grant expenses decreased by $98,526 or 67% due to decreased participation in this grant program.

    - Expenses incurred on projects within the CRA district decreased by $59,350 or 61% mainly due to the timing of the completion of these projects.

FINANCIAL ANALYSIS OF THE CRA'S FUNDS

Governmental funds: The focus of the CRA's governmental fund (general fund) statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements.

As of the end of the current fiscal year, the CRA's sole fund, the general fund, reported ending fund balances of $1,242,615 an increase of $104,050 in comparison with the previously reported balance in the prior year of $1,138,565. The entire fund balance of the CRA's general fund is restricted for community redevelopment expenditures.

The major changes in the current year in comparison to the prior year are detailed above in the governmental activities section. In addition to the items noted in the governmental activities section, in 2022 the general fund reported $1,000,000 of other financing sources which was related to the issuance of long-term debt in the form of the Redevelopment revenue bond, Series 2022. The CRA reported no such proceeds from long-term debt in 2023.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual resources were slightly higher than final budgeted resources by $348 and actual charges to appropriations were $1,227 less than budgeted resulting in an overall favorable budget variance of $1,575. The general fund budget for the year ended September 30, 2023 was amended by increasing budgeted revenue by $40,510 (10%) and decreasing budgeted expenditures by $1,087,415 (76%). The decrease in the budgeted expenditures was mainly due to the timing of projects costs that differed from the original budget assumptions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets: The CRA reported no capital assets as of September 30, 2023 or 2022.

The CRA often engages in the construction, renovation, and/or acquisition of capital assets which may include land, buildings, improvements or furniture and equipment. None of these assets are titled to the CRA and the CRA does not have operational oversight nor obligation for ongoing repair and maintenance of the assets rather the assets are transferred to the City upon acquisition or upon completion of construction or renovation.

During 2023 and 2022, long term construction or renovation project costs were transferred to the City and capitalized in the governmental activities of the City. For the year ended September 30, 2023, the CRA incurred capital outlay expenditures of $96,667 compared to $37,318 in the prior year.

Long-Term Debt: The CRA reported long-term obligations as of September 30, 2022 of $978,620 and reports $920,170 of long-term obligations as of September 30, 2023.

Long-term obligations as of September 30, 2023 and 2022 consist solely of the Redevelopment revenue bond, Series 2022 that was issued during the year in the original amount of $1,000,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Budget Highlights

The following significant item will affect the 2024 fiscal year:

- The approved budget for the fiscal year 2023-2024 provides for an increase in tax revenue of the general fund in the amount of $56,240 or a 13% increase due to increases in the property values within the CRA district partially offset by a decreased millage rate for the County while the City millage rate remained constant at 8.000.

REQUEST FOR INFORMATION

This financial report is designed to provide users with a general overview of the CRA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 8 West Broadway Street, Fort Meade, FL 33841 or telephone (863) 285-1100. You can also access our website at http://www.cityoffortmeade.com.

FORT MEADE COMMUNITY REDEVELOPMENT AGENCY
Statement of Net Position
September 30, 2023

	Governmental Activities
ASSETS	
Equity in pooled cash and cash equivalents	$ 1,248,655
Receivables, current:	
Customer accounts, net	494
TOTAL ASSETS	1,249,149
LIABILITIES	
Accounts payable and accrued expenses	6,534
Long-term obligations:	
Due within one year	60,030
Due in more than one year	860,140
TOTAL LIABILITIES	926,704
NET POSITION	
Restricted for:	
Community Center Complex project	79,830
Community redevelopment	242,615
TOTAL NET POSITION	$ 322,445

The accompanying notes are an integral part of these financial statements

FORT MEADE COMMUNITY REDEVELOPMENT AGENCY
Statement of Activities
For the year ended September 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grant and Contributions	Program Revenues: Capital Grant and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Community redevelopment	251,935	3,708	-	-	(248,227)
Interest on long-term debt	26,423	-	-	-	(26,423)
Total governmental activities	278,358	3,708	-	-	(274,650)
GENERAL REVENUES					
Taxes:					
Property taxes, levied for community redevelopment purposes					433,760
Investment earnings					3,390
Total general revenues					437,150
CHANGE IN NET POSITION					162,500
NET POSITION, beginning of year					159,945
NET POSITION, end of year					$ 322,445

The accompanying notes are an integral part of these financial statements

FORT MEADE COMMUNITY REDEVELOPMENT AGENCY
Balance Sheet – Governmental Fund
September 30, 2023

		General Fund
ASSETS		
Equity in pooled cash and cash equivalents	$	1,248,655
Receivables, net:		
Customer accounts, net		494
TOTAL ASSETS	$	1,249,149
LIABILITIES		
Accounts payable		6,534
TOTAL LIABILITIES		6,534
FUND BALANCE		
Restricted for:		
Community redevelopment		242,615
Community Center Complex project		1,000,000
TOTAL FUND BALANCES		1,242,615
TOTAL LIABILITIES AND FUND BALANCE	$	1,249,149
SUMMARY RECONCILIATION TO THE GOVERNMENT WIDE FINANCIAL STATEMENTS:		
FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	1,242,615
Reconciling Items:		
Long term debt is not due and payable in the current period and, therefore, not reported in the funds		(920,170)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	322,445

The accompanying notes are an integral part of these financial statements

FORT MEADE COMMUNITY REDEVELOPMENT AGENCY
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund
For the year ended September 30, 2023

	General Fund
REVENUES:	
Taxes	$ 433,760
Other	7,098
Total revenues	440,858
EXPENDITURES:	
Current:	
Economic environment	214,617
Capital outlay	37,318
Debt service	
Interest	26,423
Principal	58,450
Total expenditures	336,808
NET CHANGE IN FUND BALANCE	104,050
FUND BALANCE, beginning of year	1,138,565
FUND BALANCE, end of year	$ 1,242,615

SUMMARY RECONCILIATION TO THE GOVERNMENT WIDE FINANCIAL STATEMENTS:	
NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	$ 104,050
Reconciling Items:	
The issuance of long term debt provides current financial resources to the governmental funds while repayment of the principal consumes the current financial resources of the governmental funds. Neither transaction has any effect on net position.	
Principal payments on long term debt	58,450
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 162,500

The accompanying notes are an integral part of these financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fort Meade Community Redevelopment Agency's (the "CRA") financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its statements (GASBS) and Interpretations (GASBI). The more significant accounting policies established by GAAP and used by the CRA are discussed below.

A. REPORTING ENTITY

The CRA is a dependent special district created in 2008 by the City of Fort Meade, Florida (the "City") under Chapter 163, Part III, of the Florida Statutes via Ordinance No. 07-18. The CRA was created for the purpose of eliminating and preventing the development and spread of deterioration and blight through the clearance, re-planning, reconstruction, rehabilitation, conservation, or renewal of areas designated for residential, commercial, industrial, community, public, and other uses. The CRA's property taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. The Board of the CRA is comprised of the five members of the City Commission.

As the City and the CRA are separate legal entities, the parties also share the mutual goal of redeveloping the CRA areas. The City provides administrative support services in the same manner as provided by the City in the conduct of its own affairs or as otherwise provided by the CRA Plans or By-Laws. City Management has operational responsibility for the CRA and the employees that manage or are involved in day-to-day operations of the CRA are employees of the City. These personnel costs are allocated to the CRA and totaled $24,222 for the year ended September 30, 2023. For the year ended September 30, 2023, the CRA also paid the City $31,268 for the provision of administrative support services.

The accompanying financial statements present the CRA and its component units, entities for which the CRA is financially accountable. Criteria for determining if other entities are potential component units of the CRA which should be reported with the CRA's basic financial statements are identified and described in the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. The application of these criteria provides for identification of any entities for which the CRA is financially accountable and other organizations for which 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 these criteria, the financial reporting entity does not include or exclude any component units.

The City is financially accountable for the CRA and as such, the CRA is considered to be a blended component unit in the City's basic financial statements.

B. BASIS OF PRESENTATION

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

Government-Wide Financial Statements - The required government-wide financial statements are the Statement of Net Position and the Statement of Activities, which report information on all of the nonfiduciary activities of the CRA. The effects of interfund activity would have been removed from these statements if there were any interfund activity. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *Business-type activities*, which rely to a significant extent on fees and charges for support. The CRA does not engage in any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

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

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements - The financial transactions of the CRA are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues and expenditures/expenses. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Cod. Sec 2200 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Each major fund is presented in a separate column and all non-major funds are aggregated and presented in a single column. Due to the CRA's fund structure, there were no non-major funds.

The financial transactions of the CRA are recorded in a single governmental "general" fund. There are no other governmental funds, no proprietary funds nor any fiduciary funds.

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

C. 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 recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition under leases are reported as other financing sources.

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

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

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

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

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

CASH AND INVESTMENTS:

CASH AND CASH EQUIVALENTS – Cash and cash equivalents includes demand deposits, repurchase agreements with financial institutions, petty cash, money market funds and equity in pooled cash and cash equivalents. Equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less.

POOLED CASH AND CASH EQUIVALENTS - The City maintains an accounting system which centralizes the cash and cash equivalent function for all of the City's funds. The CRA's "share" of these pooled cash and cash equivalents is included in cash and cash equivalents on the accompanying balance sheet and statement of net position. Earnings on City deposits are distributed monthly in accordance with the participating fund's relative percentage of the total deposits.

INVESTMENTS - All investments are reported at fair value which is the price that would be received to sell an investment in an orderly transaction between market participants.

RECEIVABLES AND UNEARNED REVENUES - All receivables are reported at their gross value reduced by the estimated portion that is expected to be uncollectible. As of September 30, 2023, the CRA determined that all receivables were collectible and therefore no allowance for uncollectible accounts receivable was recorded. In the fund financial statements, recognition of governmental fund-type revenues is deferred until they become measurable and available, in accordance with the modified accrual basis of accounting. Receivables are considered available if received within 60 days of year-end.

Governmental funds report unavailable revenues in connection with receivables whose ultimate collection is not considered to be available to liquidate liabilities of the current period. All funds and activities may also report unearned revenue for resources that have been received, but not yet earned.

INVENTORIES – Inventory is immaterial and such items are recorded as expenditures/expenses when purchased.

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

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

CAPITAL ASSETS – In the government-wide financial statements capital assets may include land, buildings, improvements, infrastructure, and furniture and equipment.

The CRA often engages in the construction, renovation, and/or acquisition of capital assets which may include land, buildings, improvements or furniture and equipment. None of these assets are titled to the CRA and the CRA does not have operational oversight nor obligation for ongoing repair and maintenance of the assets rather the assets are transferred to the City upon acquisition or upon completion of construction or renovation.

For long term construction or renovation projects, the costs are capitalized in the governmental activities of the CRA and are transferred to the City upon completion.

In the event that capital assets are purchased and titled to the CRA or if the CRA has ongoing operational responsibility of a capital asset, the CRA would report these at historical cost, if purchased and at estimated acquisition value if donated. Capital assets are defined by City policy as personal or real property or improvements with an individual cost of $1,000 or more and an estimated useful life in excess of one year. Maintenance and repair costs which do not improve or extend the life of the respective assets are charged to expense.

In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the CRA's general fund upon acquisition.

INTEREST COSTS - Interest costs are recognized as an expense in the period in which the cost is incurred in the statement of activities or as an expenditure on a basis consistent with governmental fund accounting principles in the statement of revenues, expenditures and changes in fund balance.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and will *not* be recognized as an outflow of resources (expense/expenditure) until that time.

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

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

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

EQUITY CLASSIFICATIONS -

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

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement *of those assets*.

Restricted net position - Consists of restricted assets reduced by liabilities related to those assets. Net position is reported as restricted only when restricted by outside parties or enabling legislation.

Unrestricted net position - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

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

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted — This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Total fund balance of the CRA is reported as restricted in accordance with applicable State Statute requirements.

Committed — This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the CRA's Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned — This classification includes amounts that are constrained by the CRA's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the CRA Board of Directors or through the Board of Directors delegating this responsibility to the City Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned — all other spendable amounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont…)

The details of the fund balances are included in the governmental fund balance sheet. The CRA uses restricted funds first, followed by committed resources, and then assigned resources, as opportunities arise, but reserves the right to selectively spend unassigned resources first.

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

NOTE 2 – INCREMENTAL PROPERTY TAX REVENUE

The CRA's primary source of revenue is tax-increment funds. This revenue is computed by applying the respective operating tax rates for the City and Polk County, Florida (the "County") multiplied by the increased value of property located within the boundaries of the redevelopment areas of the CRA in excess of the base property value, minus 5%. The City and County are required to fund this amount annually by January 1 of each year without regard to tax collections or other obligations.

The City and County millage rates in effect for the fiscal year ended September 30, 2023 were 8.000 and 6.6920, respectively.

NOTE 3 - BUDGETARY LAW AND PRACTICE

The budget is approved by the Board of Directors of the CRA and then formally adopted by an Ordinance of the City Commission on or before October 1 of each year. Because the City has operational responsibility for the CRA, the CRA utilizes the City's budgetary level of control policy which establishes the legal level of budgetary control at the fund level for all the CRA's funds. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations subject to notification of the CRA's Board of Directors; however, any revisions that alter the total expenditure of any fund must be approved by an Ordinance of the City Commission. Budgets for all funds are adopted on the basis of cash receipts and disbursements which differs from the basis used for financial reporting purposes. These differences are usually not significant.

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

Section 163.387(6)(b), Florida Statutes require that the CRA shall submit its annual budget to the Board of County Commissioners for the County in which it is located within 10 days after the adoption of such budget and submit amendments of its annual budget within 10 days after the adoption of the amended budget. The CRA submitted the original budget and each budget amendment to Polk County within 10 days after being adopted.

NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

Deficit Fund Balance or Net Position of Individual Funds - As of September 30, 2023, no individual fund had a deficit fund balance or net position deficit.

Excess of Expenditures Over Budget Appropriations in Individual Funds - For the year ended September 30, 2023, no budgetary fund had an excess of expenditures over appropriations.

NOTE 5 - DEPOSITS AND INVESTMENTS

DEPOSITS IN FINANCIAL INSTITUTIONS - The CRA's deposits are insured by the FDIC up to $250,000 per financial institution. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the Chief Financial Officer, State of Florida (the "CFO") in such amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the CFO will implement procedures for payment of losses according to the validated claims of the City or the CRA pursuant to Section 280.08, Florida Statutes.

INVESTMENTS – Because City Management has operational responsibility for the CRA, the types of investments in which the CRA may invest are governed by the City's investment policy as established by Ordinance No. 09-06. According to the City's investment policy, the CRA is authorized to invest in the following instruments:

- Securities issued by the United States Treasury for which the full faith and credit of the United States government guarantees fully all principal and interest payments. At the time of purchase, these securities may not have a maturity of greater five years.

- Securities issued by the Federal Farm Credit Bank (FFCB), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA) or the Federal Agricultural Mortgage Corporation maintaining at least two AAA/Aaa/AAA long-term credit ratings from S&Ps, Moody's or Fitch, respectively. At the time of purchase, these securities may not have a maturity of greater than five years.

- General or revenue obligations of any state of the United States, the District of Columbia, or any territorial possession of the United States maintaining at least two AAA/Aaa/AAA long-term credit ratings from S&Ps, Moody's or Fitch, respectively. At the time of purchase, these securities may not have a maturity of greater than five years.

- United States dollar denominated debt instruments issued by a corporation or bank which is organized and operation within the United States maintaining at least two AA-/Aa3/AA- long-term credit ratings from S&Ps, Moody's or Fitch, respectively. Specifically, commercial paper must carry at least two short-term credit ratings of A1+ from S&P, PI from Moody's or F1+ from Fitch. At the time of purchase, these securities may not have a maturity of greater than one year.

- Non-negotiable interest-bearing CDs or savings accounts in banks or savings associations provided the deposits are secured by the Florida Security of Public Deposits Act, Chapter 280, Florida Statutes and provided that the institution is not recognized on a credit watch information service list. At the time of purchase, these securities may not have a maturity of greater than one year.

- Shares in local government investment pools organized under Chapter 163, part I, Florida Statutes that, at the time of purchase, carry a AAAm rating from S&P, or AAA from Moody's or AAA from Fitch. At the time of purchase, these investments must be fully redeemable on the next business day.

- Shares in the State Board of Administration pool (SBA) organized under Chapter 218, Park IV, Florida Statutes that, at the time of purchase, carry a AAAm rating from S&P, or AAA from Moody's or AAA from Fitch. These investments also require a written recommendation from the Finance Director to the City Manager and City Commission. At the time of purchase, these investments must be fully redeemable on the next business day.

NOTE 5 - DEPOSITS AND INVESTMENTS (concluded)

- Money market mutual funds registered as an investment company under the federal Investment Company Act of 1940, as amended that, at the time of purchase, carry a AAAm rating from S&P, or AAA from Moody's or AAA from Fitch. At the time of purchase, these investments must be fully redeemable on the next business day.

- Repurchase agreements

The policy limits the overall investment portfolio concentration and concentration into individual investment issues as follows:

Type of Investment	Maximum Portfolio Concentration	Maximum Individual Issue Concentration
United States Treasury	100%	10%
United States Agency	100%	10%
Government Sponsored Enterprises	75%	10%
State & Local Government	30%	10%
Corporations	30%	5%
Bank Deposits	50%	35%
Certificate of Deposit	30%	10%
Local Government Investment Pool	75%	75%
State Board of Administration Pool	50%	25%
Money Market Mutual Funds	50%	25%
Repurchase Agreements	50%	25%

On September 30, 2023, the carrying amount of the CRA's deposits is summarized below:

Equity in pooled cash and cash equivalents:		
Cash deposits in financial institutions:		
Insured or fully collateralized bank deposits	$	1,248,655
Total equity in pooled cash and cash equivalents	$	1,248,655

The CRA had no investments on, or during the year ended, September 30, 2023.

NOTE 6 – LONG TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2023:

	Balance October 1, 2022	Increases	Decreases	Balance September 30, 2023	Amounts Due within One Year
Governmental Activities:					
Long-term debt:					
Redevelopment revenue bond, Series 2022	$ 978,620	$ -	$ (58,450)	$ 920,170	$ 60,030
Total long-term debt	978,620	-	(58,450)	920,170	60,030
Less amounts due in one year				(60,030)	
Total noncurrent obligations due in more than one year				$ 860,140	

All of the CRA's debt arose through direct borrowings or direct placements.

- Redevelopment revenue bond, Series 2022 was issued on April 18, 2022, in the original amount of $1,000,000 to finance the acquisition of property and expansion of the community center complex and related improvements and is secured by the CRA's tax increment revenue as defined in Section 163.387(1), Florida Statutes. Principal is due annually on September 1 and interest is due semiannually on March 1 and September 1 and accrues interest at 2.7% per annum till maturity in 2036. None of the bond proceeds have been spent as of September 30, 2023.

  The bond allows the obligor to take whatever legal actions are necessary to collect the amounts due in the event of default and upon default, the interest rate shall be increased to 4.7% until the event of default has been cured.

Maturities: Annual debt service requirements to repay all long-term debt as of September 30, 2023, are as follows:

	Governmental Activities	
Fiscal Year Ending	Principal	Interest
2024	$ 60,030	$ 24,985
2025	61,650	23,355
2026	63,310	21,681
2027	65,020	19,962
2028	66,780	18,196
2029-2033	361,920	62,785
2034-2038	241,460	13,229
Total	$ 920,170	$ 184,193

Pledged Revenue: The CRA has pledged future revenues for payment of debt. The following table provides a summary of the pledged revenues for the CRA's outstanding debt issues.

Pledged Revenue	Revenue Pledged Through	Total Principal and Interest Outstanding	Current Year Principal and Interest Paid	Current Year Net Revenue	Percentage of Net Revenues to Principal and Interest Paid
CRA tax increment revenues	9/1/2036	$ 1,104,363	$ 84,873	$ 433,760	511.07%

NOTE 6 - RISK MANAGEMENT

During the ordinary course of its operations, the CRA is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters. The CRA is covered by the City's insurance plans. The City is a member of Public Risk Management of Florida (PRM), a local government risk management pool. The PRM program is structured under a self-insured insurance program, whereby PRM pays claims up to a specified amount annually for property and general liability, public officials' liability, automobile liability and workers' compensation. PRM purchases excess insurance or stop loss insurance from commercial carriers to cover losses above the self-insured retention amounts. PRM assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. PRM cannot make additional assessments against members. Insurance coverage has not changed significantly during the current or prior year.

REQUIRED SUPPLEMENTARY INFORMATION

FORT MEADE COMMUNITY REDEVELOPMENT AGENCY
Schedule of Revenue, Expenditures, and Changes in Fund Balance Budget to Actual – General Fund
for the year ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Taxes	$ 400,000	$ 433,800	$ 433,760	$ (40)
Other	-	6,710	7,098	388
Total revenues	400,000	440,510	440,858	348
EXPENDITURES:				
Economic environment	244,095	215,385	214,617	768
Capital outlay	1,150,000	37,750	37,318	432
Debt service	31,355	84,900	84,873	27
Total expenditures	1,425,450	338,035	336,808	1,227
NET CHANGE IN FUND BALANCE	$ (1,025,450)	$ 102,475	$ 104,050	$ 1,575

Note to the Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual

A budget-to-actual schedule is required supplementary information for the general fund.

The annual budget for the CRA is prepared in accordance with the modified accrual basis of accounting. Under 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. 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. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

The City Manager is authorized to transfer budgeted amounts within departments; however, any revisions that alter the total expenditures/expenses among departments, or in total, must be approved by the City Commission. During the year and up to 60-days subsequent to year-end, the CRA Board of Directors' may adopt an amended budget approving such additional expenditures. The accompanying schedules show the budget as originally adopted and as amended. All annual appropriations lapse at fiscal year-end.

OTHER INFORMATION

Data Element	Reference	Comment
The total number of CRA employees compensated in the last pay period of the CRA's fiscal year being reported.	Section 218.32(1)(e)(2)(a)	The CRA has no employees.
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year being reported.	Section 218.32(1)(e)(2)(b)	20
All compensation earned by or awarded to CRA employees, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(c)	The CRA has no employees.
All compensation earned by or awarded to CRA nonemployee independent contractors, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(d)	$95,451 for the fiscal year ended September 30, 2023.
Budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amended a final adopted budget under Section 189.016(6), Florida Statutes.	Section 218.32(1)(e)(3)	See page 26 of this annual financial report.
Each construction project with a total cost of at least $65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.	Section 218.32(1)(e)(2)(e)	None

Continued…

	Original Budget	Actual	Variance with Original Budget
REVENUES:			
Taxes	$ 400,000	$ 433,760	$ 33,760
Other	-	7,098	7,098
Total revenues	400,000	440,858	40,858
EXPENDITURES:			
Economic environment	244,095	214,617	29,478
Capital outlay	1,150,000	37,318	1,112,682
Debt service	31,355	84,873	(53,518)
Total expenditures	1,425,450	336,808	1,088,642
NET CHANGE IN FUND BALANCE	$ (1,025,450)	$ 104,050	$ 1,129,500



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GOVERNMENT AUDITING SECTION

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

To the Board of Directors
Community Redevelopment Agency
City of Fort Meade, 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 major fund of the Community Redevelopment Agency (the CRA), a component unit of the City of Fort Meade, Florida (the City), 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 June 6, 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 opinion 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified the below deficiency that we consider to be a material weakness.

To the Board of Directors
Community Redevelopment Agency
City of Fort Meade, Florida

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

- **2023-02 Bank Reconciliation Process – Material Weakness**

  Condition: During the audit, we noted that bank reconciliations were not being performed in a timely manner. The April 2023 reconciliation was not reviewed and approved until November 2023. Additionally, based on our testing of completed bank reconciliations we determined that they were not being completed correctly.

  Criteria: Bank reconciliations should be performed correctly on a timely basis to ensure the accuracy of financial records, detect and correct errors promptly, and safeguard against potentially fraudulent activity.

  Cause: Due to a delay in the prior year's financial reporting and turnover within the finance department, City staff experienced delays in routine functions.

  Effect: Lack of timely and accurate bank reconciliations could result in errors or irregularities not being detected on a timely basis.

  Recommendation: We recommend the City implement procedures to ensure that all bank accounts are reconciled within the following month, and that any identified discrepancies be properly investigated and corrected.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Purvis Gray

June 6, 2024
Sarasota, Florida

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH FLORIDA STATUTE SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS

To the Board of Directors
Community Redevelopment Agency
City of Fort Meade, Florida

We have examined the Community Redevelopment Agency's (the CRA), a component unit of the City of Fort Meade, Florida (the City), compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. City management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2023.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, the CRA Board, and its management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

June 6, 2024
Sarasota, Florida

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH FLORIDA STATUTE SECTION 163.387(6) and (7) – REDEVELOPMENT TRUST FUND

To the Board of Directors
Community Redevelopment Agency
City of Fort Meade, Florida

We have examined the Community Redevelopment Agency's (the CRA), a component unit of the City of Fort Meade, Florida (the City), compliance with Section 163.387(6) and (7), Florida Statutes, during the fiscal year ended September 30, 2023. City management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2023.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, the CRA Board, and its management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

June 6, 2024
Sarasota, Florida

MANAGEMENT LETTER

To the Board of Directors
Community Redevelopment Agency
City of Fort Meade, Florida

Report on the Financial Statements
We have audited the financial statements of the Community Redevelopment Agency (the CRA), a component unit of the City of Fort Meade, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 6, 2024.

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

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Reports on an examination conducted in accordance with the AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 6, 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 findings or recommendations made in the preceding financial 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. This is disclosed in Note 1 of the financial statements.

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.

To the Board of Directors
Community Redevelopment Agency
City of Fort Meade, Florida

MANAGEMENT LETTER

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 review of financial information provided by same.

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

Special District Component Unit
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, and 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 unit that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6., *Rules of the Auditor General*, the CRA reported the specific data elements on page 25.

Additional Matters
Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but 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 Florida House of Representatives, the Florida Auditor General, and the Board members and management of the CRA, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis Gray

June 6, 2024
Sarasota, Florida

City of Fort Meade

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MEMORANDUM
General Memo #GM-24-034

To: CRA Board
From: Interim City Manager Dustin Burke
Date: June 6, 2024
Subject: Management's Response to the Independent Auditor's Report for the CRA FY 2023 Audit

Dear CRA Board:

Attached please find management's response to the finding presented in the Independent Auditor's Report for the Community Redevelopment Agency (CRA) for the fiscal year ended September 30, 2023. This response letter outlines the corrective actions taken by management to address the identified issue and strengthen our financial reporting processes.

Finding 2023-02: Bank Reconciliation Process - Material Weakness

> Response: We acknowledge the importance of timely and accurate bank reconciliations. Management has established enhanced monitoring processes and accountability measures to ensure that all bank accounts are reconciled within the following month and any discrepancies are promptly investigated and corrected. These processes include clear deadlines for reconciliations and regular review by management. We will continue to enforce these processes to ensure the accuracy of our financial records and safeguard against potential errors or irregularities.

We appreciate the auditor's thorough examination and recommendation for improvement. The CRA remains committed to maintaining a strong internal control environment and ensuring compliance with all relevant laws and regulations.

We look forward to discussing the audit report and our response with you at the upcoming meeting. Should you have any questions or require additional information, please do not hesitate to contact us.

Sincerely,

Dustin Burke

Dustin Burke
Interim City Manager