2023

Community Redevelopment Agency
City of Newberry, Florida

Financial Statements and Independent Auditor's Report

September 30, 2023

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

COMMUNITY REDEVELOPMENT AGENCY

CITY OF NEWBERRY, FLORIDA

SEPTEMBER 30, 2023

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PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

To the Honorable City Commissioners
Community Redevelopment Agency
City of Newberry, Florida

Report on 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 Newberry, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the CRA, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Honorable City Commissioners
Community Redevelopment Agency
City of Newberry, 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 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 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.

Purvis Gray

April 2, 2024
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

As management of the Community Redevelopment Agency (CRA) of the City of Newberry, Florida (the City), we offer readers of the CRA's financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2023. The Management's Discussion and Analysis (MD&A) is designed to: assist the reader in focusing on significant financial issues, provide an overview of the CRA's financial activity, identify 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 or concerns.

Financial Highlights

- The CRA's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources on September 30, 2023, by $303,888.

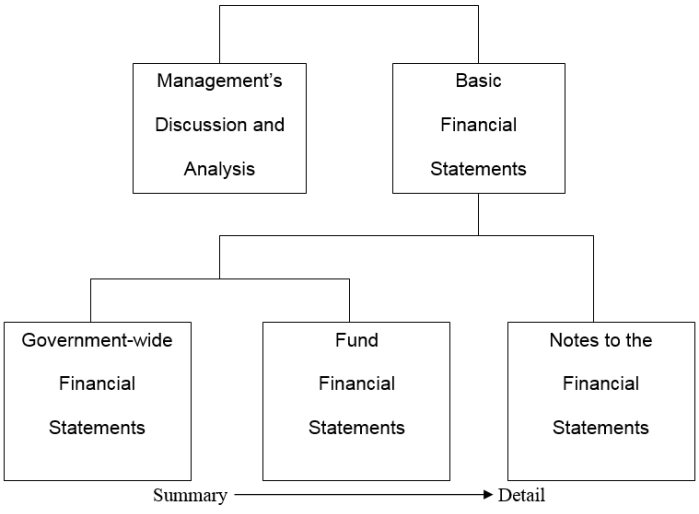
- CRA revenues were $324,390.

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 other supplementary information in addition to the basic financial statements themselves that will enhance the reader's understanding of the financial condition of the CRA.

The graph below is provided to assist in understanding the component parts of the financial statements:

Required Components of Annual Financial Report



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 of the CRA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.
>
> *The statement of activities* presents information showing how the CRA's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the CRA's general tax increment financing and other revenues.

Both financial statements distinguish the functions of the CRA, which are principally supported by tax increment funding based on property valuation. The CRA's governmental activities are intended to rehabilitate, conserve, and redevelop areas within the district's geographic boundaries.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund financial statements. The fund financial statements provide a more detailed look at the CRA's most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The CRA only reports as a governmental fund.

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*, and the *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.

All of the CRA's activities are accounted for in a governmental fund. Governmental funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Such information may be useful in evaluating a government's near-term financing requirements. Governmental funds are reported using an accounting method called *modified accrual accounting,* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the CRA's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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*.

The CRA reports one (1) individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the CRA general fund.

The CRA adopts an annual appropriated budget for its general fund. The budget is a legally adopted document that incorporates input from the City's citizens, management, and the commission's decisions about which services to provide and how to pay for them. It also authorizes the CRA to obtain funds from identified sources to finance these current-period activities. A budgetary comparison schedule has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12 and 13 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 on pages 14-16 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 budgetary information and pension and other postemployment benefits. Required supplementary information can be found on pages 17-18 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The CRA's assets and deferred outflows exceeded liabilities and deferred inflows by $303,888 at the close of the most recent fiscal year.

By far the largest portion of the CRA's net position (100%) reflects its cash balances.

Net Position

	Governmental Activities	
	2023	**2022**
Current and Other Assets	$ 303,888	$ -
Total Assets	303,888	-
Other Liabilities	-	13,499
Total Liabilities	-	13,499
Restricted Net Position	$ 303,888	$ 13,499

The balance of the *restricted net position*, $303,888, may be used to meet the CRA's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the CRA reports positive balances in net position.

Changes in Net Position

	Governmental Activities	
	2023	**2022**
Revenues		
General Revenues:		
Tax Increment Revenues	$ 324,148	$ -
Investments and Other Income	242	-
Total Revenues	324,390	-
Expenses		
Economic Development	17,824	2,678
Total Expenses	(17,824)	(2,678)
Change in Net Position	306,566	(2,678)
Net Position, Beginning of Year	(2,678)	-
Net Position, End of Year	$ 303,888	$ (2,678)

Governmental activities—Governmental activities increased the CRA's net position by $306,566 in 2023. This is primarily due to 2023 being the first year of CRA operations with the accumulation of tax increment funding from the City and Alachua County.

Financial Analysis of the Government's Funds

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds—The focus of the CRA's governmental funds is to provide information on *near-term* inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the CRA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year 2023, the CRA's governmental fund reported an ending fund balance of $303,888 an increase of $306,566 from the previous year.

General Fund Budgetary Highlights

On September 30, 2023, the CRA's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue in the amount of $242.

The CRA experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of $64,126. This is primarily due to projects that were not completed in the current fiscal year.

The schedule of revenues, expenditures, and changes in fund balance budget and actual can be found on page 17 of this report.

Economic Factors and Next Year's Budgets and Rates

Due to the impact of current economic trends, all the initiatives listed below were considered in preparing the CRA's budget for the 2024 fiscal year:

- **Generally**
  The final certified citywide incremental value of property within the CRA increased to $78.9 million, an increase of $14.7 million.

  The population is estimated to be 8,503 on September 30, 2023 which is a 5% increase from the previous fiscal year.

  The unemployment rate for the Gainesville MSA at December 31, 2023, was 3.0%, which includes the City of Newberry. This is an increase from the previous fiscal year's rate of 2.4%.

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 and to demonstrate the CRA's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Finance Officer, City of Newberry, 25440 West Newberry Road, Newberry, Florida 32669.

FINANCIAL STATEMENTS

COMMUNITY REDEVELOPMENT AGENCY
CITY OF NEWBERRY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Assets	
Cash and Cash Equivalents	$ 303,888
Total Assets	303,888
Total Liabilities	-
Net Position	
Restricted for Community Redevelopment	303,888
Total Net Position	$ 303,888

See accompanying notes.

COMMUNITY REDEVELOPMENT AGENCY
CITY OF NEWBERRY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions	**Expenses**	**Net Revenue (Expense) and Changes in Net Position** **Total Governmental Activities**
Governmental Activities:		
Economic Development	$ 17,824	$ (17,824)
Total Governmental Activities	$ 17,824	(17,824)
General Revenues:		
Tax Increment Revenues		324,148
Investment and Other Income		242
Total General Revenues		324,390
Change in Net Position		306,566
Net Position, Beginning of Year		(2,678)
Net Position, End of Year		$ 303,888

See accompanying notes.

COMMUNITY REDEVELOPMENT AGENCY
CITY OF NEWBERRY, FLORIDA
BALANCE SHEET
SEPTEMBER 30, 2023

	General Fund
Assets	
Cash and Cash Equivalents	$ 303,888
Total Assets	303,888
Liabilities and Fund Balance	
Total Liabilities	-
Fund Balance	
Restricted for:	
Economic Development	303,888
Total Fund Balance	303,888
Total Liabilities and Fund Balance	$ 303,888
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	
Fund Balance - Total Governmental Funds	$ 303,888
There are no differences in amounts reported for governmental activities in the Statement of Net Position.	-
Net Position of Governmental Activities	$ 303,888

See accompanying notes.

COMMUNITY REDEVELOPMENT AGENCY
CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund
Revenues	
Tax Increment Revenues	$ 324,148
Investment and Other Income	242
Total Revenues	324,390
Expenditures	
Economic Development:	
Professional Services	6,200
Operating Expenses	5,776
Capital Outlay	5,848
(Total Expenditures)	(17,824)
Net Change in Fund Balance	306,566
Fund Balance, Beginning of Year	(2,678)
Fund Balance, End of Year	$ 303,888
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	
Net Change in Fund Balance - Total Governmental Funds	$ 306,566
There are no differences in amounts reported for governmental activities in the Statement of Activities.	-
Change in Net Position of Governmental Activities	$ 306,566

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
COMMUNITY REDEVELOPMENT AGENCY
CITY OF NEWBERRY, FLORIDA

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

In 2021, the Community Redevelopment Agency (the CRA) was established by the City of Newberry, Florida (the City), by Ordinance No. 45 as a public body to implement the community redevelopment activities outlined under Chapter 163 and Chapter 189, Florida Statutes. As established by Resolution No. 13, the City Commission serves as the CRA Board and the City maintains operational responsibility for the CRA's activity. Although legally separate, the CRA is appropriately blended as a governmental fund type component unit into the primary government of the City.

The accounting policies of the CRA conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the governmental activities of the CRA. The government-wide focus is more on the sustainability of the CRA as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include operating and capital grants and contributions.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Tax increment financing from property taxes are recognized as revenue in the year when levied for. 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. Only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally included on their balance sheet. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

The CRA's operating statements present sources (revenue and financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recognized when due.

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

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

Assets, Liabilities, and Net Position

Deposits and Investments: The CRA's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid instruments with original maturities of three months or less from the date of acquisition.

Capital Assets: In the government-wide financial statements, capital assets may include land, buildings, improvements, infrastructure, and furniture and equipment.

The CRA engages in the construction, renovation, and/or acquisition of capital assets which may include land, buildings, improvements or furniture and equipment. These assets are not titled to the CRA, and the CRA does not have operational oversight nor obligation for ongoing repair and maintenance. These assets are transferred to the City upon acquisition or upon completion of construction 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 in governmental activities in the government-wide financial statements at historical cost, if purchased, and at estimated acquisition value, if donated. The CRA utilizes the City's capitalization policy and capitalizes assets with a cost in excess of $5,000 and an estimated life greater than one year. Buildings and building improvements are depreciated using the straight-line method over the asset's estimated useful life, which generally consist of a range between 10-50 years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed as incurred.

Nature and Purpose of Fund Balance: In the fund financial statements, the governmental fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Amounts that are

restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Per Florida Statutes, Section 163.387, resources deposited into a redevelopment trust fund are restricted for community redevelopment activities pursuant to the approved redevelopment plan.

Compensation Costs: The CRA has no employees of its own. Instead, the CRA reimburses the City for the portion of salaries and benefits attributable to CRA activities based on the estimated time spent on those activities as projected during the annual budget process. Any long-term payroll and benefit liabilities, such as compensated absences, other postemployment benefits, or pension liabilities, are reported on the City's financial statements.

Net Position: The government-wide statements utilized a net position presentation. Net investment in capital assets is that portion of net position that relates to the CRA's capital assets reduced by accumulated depreciation. Restricted net position is unspent tax increment financing revenues that are restricted for future community redevelopment.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Cash, Cash Equivalents, and Investments

Deposits

At September 30, 2023, the carrying amount of the CRA's cash deposits was $303,888. All of the City's cash deposits are held in banks that qualify as a public depository under the *Florida Security for Public Deposits Act* (the Act) as required by Chapter 280, Florida Statutes. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledged level. The pledging level may range from 25% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

Note 3 - Tax-Increment Financing Revenue

The CRA is primarily funded through tax-increment financing revenue. This revenue is computed by applying the operating tax for Alachua County (the County) and the City multiplied by 95% of the increased value of property in the CRA over the base property value. The City and County are required to fund this amount annually without regard to tax collections or other obligations.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

REQUIRED SUPPLEMENTARY INFORMATION
COMMUNITY REDEVELOPMENT AGENCY
CITY OF NEWBERRY, FLORIDA
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Tax Increment Revenues	$ 324,148	$ 324,148	$ 324,148	$ -
Miscellaneous	-	-	242	242
Total Revenues	324,148	324,148	324,390	242
Expenditures				
Economic Development:				
Professional Services	5,000	5,000	6,200	(1,200)
Operating Expenses	9,450	9,450	5,776	3,674
Capital Outlay	67,500	67,500	5,848	61,652
(Total Expenditures)	(81,950)	(81,950)	(17,824)	64,126
Net Change in Fund Balance	242,198	242,198	306,566	64,368
Fund Balance, Beginning of Year	-	-	(2,678)	(2,678)
Fund Balance, End of Year	$ 242,198	$ 242,198	$ 303,888	$ 61,690

See note to required supplementary information.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023
COMMUNITY REDEVELOPMENT AGENCY
CITY OF NEWBERRY, FLORIDA

Note 1 - Budgetary Procedures and Budgetary Accounting

The Community Redevelopment Agency (the CRA) adheres to the following procedures in establishing the budgetary data reflected in the accompanying financial statements.

The CRA's budget is first adopted by the CRA's Board and is then presented to the City of Newberry, Florida (the City) Commission for ratification prior to September 30. The City Commission serves as the CRA and governing board.

There were no budget amendments affecting the CRA during the fiscal year.

OTHER REPORTS

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

To the Honorable City Commissioners
Community Redevelopment Agency
City of Newberry, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Community Redevelopment Agency (the CRA), a component unit of the City of Newberry, 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 April 2, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable City Commissioners
Community Redevelopment Agency
City of Newberry, 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*

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

April 2, 2024
Gainesville, Florida

PURVIS GRAY

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

To the Honorable City Commissioners
Community Redevelopment Agency
City of Newberry, Florida

We have examined the Community Redevelopment Agency's (the CRA) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2023, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

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

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 of the CRA's compliance with specified requirements.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the 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 the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies and pass-through entities, the CRA Board members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

April 2, 2024
Gainesville, Florida

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

To the Honorable City Commissioners
Community Redevelopment Agency
City of Newberry, Florida

We have examined the Community Redevelopment Agency's (the CRA) compliance with Section 163.387(6) and (7), Florida Statutes, as of and for the year ended September 30, 2023, as required by Section 10.556(10)(f), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

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

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 of the CRA's compliance with specified requirements.

Our examination disclosed the following non-compliance with Section 163.387(6) and (7), Florida Statutes applicable to the CRA for the year ended September 30, 2023.

2023-01 – Budgetary Compliance

***Condition*—**Section 163.387(6)(b), Florida Statutes requires that the CRA 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 date of the amended budget. The CRA budget was not submitted to Alachua County Board of County Commissioners (BOCC) within 10 days.

***Effect*—**The CRA was not in compliance with 163.387(6)(b), Florida Statutes.

To the Honorable City Commissioners
Community Redevelopment Agency
City of Newberry, Florida

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

Recommendation—We recommend that the CRA review its internal controls and establish processes to ensure the budget and any related amendments are submitted to the BOCC within 10 days of adoption.

In our opinion, except for the non-compliance described in the preceding paragraph, the CRA complied, in all material respects, with the aforementioned requirements for the 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 the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies and pass-through entities, the CRA Board members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

April 2, 2024
Gainesville, Florida

MANAGEMENT LETTER

To the Honorable City Commissioners
Community Redevelopment Agency
City of Newberry, 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 Newberry, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 2, 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 American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in that report, which is dated April 2, 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 in the prior year.

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

MANAGEMENT LETTER

or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to 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, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)I, Florida Statues, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the CRA reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year as 0.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $0.
d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as $0.
e. Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as $0.
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 district amends a final adopted budget under Section 189.016(6), Florida Statutes, as $0.

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.

To the Honorable City Commissioners
Community Redevelopment Agency
City of Newberry, Florida

MANAGEMENT LETTER

Purpose of this Letter

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

Purvis Gray

April 2, 2024
Gainesville, Florida

Newberry
FLORIDA
ESTABLISHED 1895

25440 W Newberry Road
Newberry FL 32669
Tel: 352-472-2161
www.NewberryFL.gov

April 2, 2024

Auditor General's Office
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 32399-1450

Re: Community Redevelopment Agency of the City of Newberry FY22-23 10.550 Report

Dear Sir or Madam,

Pursuant to Auditor General Rule 10.558(1), please find a written statement of explanation and corrective actions related to disclosures noted in internal control over financial reporting and the management letter required by Chapter 10.550.

Recommendations to improve the local governmental entity's financial management accounting procedures and internal controls:

2023-01 Budgetary Compliance. Management accepts this finding. The Community Redevelopment Agency was unaware of this requirement. Management has included submitting the budget to the county within ten (10) days as part of its budget process/checklist and has submitted the past-due budget to the county.

Please do not hesitate to contact me with any questions or need any additional information.

Sincerely,

Bryan Thomas, AICP, CPM
Executive Director

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