2023

Oviedo Community Redevelopment Agency

Financial Statements and Independent Auditor's Report

September 30, 2023

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

OVIEDO COMMUNITY REDEVELOPMENT AGENCY
OVIEDO, FLORIDA

SEPTEMBER 30, 2023

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PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Oviedo Community Redevelopment Agency
Oviedo, Florida

Opinions
We have audited the accompanying financial statements of the governmental activities and the major fund of the Oviedo Community Redevelopment Agency (the CRA), a component unit of the City of Oviedo, 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 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 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.

The Board of Directors
Oviedo Community Redevelopment Agency
Oviedo, Florida

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Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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 MD&A and the budgetary comparison information

The Board of Directors
Oviedo Community Redevelopment Agency
Oviedo, Florida

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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 MD&A and the budgetary comparison information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 25, 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, 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

March 25, 2024
Ocala, Florida

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

This supplement to the Independent Auditor's Report and Financial Statements has been developed in accordance with the Government Accounting Standards Board Statement No. 34. It is intended to provide the readers of this report with a general overview of the financial activities of the Oviedo Community Redevelopment Agency (the CRA). The CRA provides the following discussion and analysis of the CRA's financial activities for the purpose of forming opinions on the fiscal year ended September 30, 2023. Management's Discussion and Analysis is designed to: (a) assist the reader to focus on significant financial issues, (b) provide an overview of the CRA's financial activities, (c) identify changes in the CRA's financial position, (d) identify material deviations from the financial plan, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

The CRA

The CRA was created under Chapter 163, Florida Statutes (2007), and Ordinance No. 1496 of the City of Oviedo, Florida (the City). The Governing Board of the CRA (the Board) is appointed by the City Council and the Seminole County Board of County Commissioners and, therefore, the City exercises significant influence over its operations and fiscal management. The CRA is considered a component unit for financial reporting purposes and is included as a blended special revenue fund within the City's overall basic financial statements.

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

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by $3,147,383.
- The CRA's fund balance increased by $1,128,953 as a result of 2023 operations.
- Revenues for fiscal year 2023 were $1,419,998 while expenditures totaled $236,045. In addition, the CRA transfers funds to the City's general fund for administrative purposes. Transfers for fiscal year 2023 totaled $55,000.
- For the period ended September 30, 2023, actual revenues exceeded budgeted revenues by $124,436 while actual expenditures were $2,854,003 less than budgeted expenditures.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

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

The *Statement of Activities* presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements listed above distinguish functions of the CRA that are principally supported by ad-valorem taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activity of the CRA is community redevelopment.

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

Fund Financial Statements
A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the CRA's *near-term* financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

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

Government-Wide Financial Analysis

Statement of Net Position
As noted earlier, net position may serve over time as a useful indicator of the CRA's financial position. In the case of the CRA, assets exceeded liabilities by $3,147,383 (*net position*) as of the close of the most recent fiscal year, an increase of $1,128,953 in comparison with the prior year.

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

Oviedo Community Redevelopment Agency

	2023	2022
Assets		
Cash and Cash Equivalents	$ 1,175,764	$ 710,593
Investments	2,010,000	1,320,000
Total Assets	3,185,764	2,030,593
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	38,381	12,163
Total Liabilities	38,381	12,163
Net Position		
Restricted	3,147,383	2,018,430
Total Net Position	$ 3,147,383	$ 2,018,430

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

Oviedo Community Redevelopment Agency

	2023	2022
Revenues		
Property Taxes	$ 1,295,427	$ 1,034,175
Investment Income	124,571	4,972
Total Revenues	1,419,998	1,039,147
Expenditures		
Current:		
Economic Development	41,507	176,450
Total Expenditures	41,507	176,450
Excess of Revenues Over Expenditures	1,378,491	862,697
Other Financing Sources (Uses)		
Capital Outlay Contributed to Primary Government	(194,538)	-
Transfer (Out)	(55,000)	(419,842)
Total Other Financing Sources (Uses)	(249,538)	(419,842)
Net Change in Net Position	1,128,953	442,855
Net Position, Beginning of Year	2,018,430	1,575,575
Net Position, End of Year	$ 3,147,383	$ 2,018,430

Fiscal year 2023 activities increased the CRA's net position by $1,128,953, or 56%, in comparison with the prior year.

Financial Analysis of the CRA's Funds

Governmental Funds

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

The CRA's fund balance of $3,147,383 is restricted for redevelopment projects within the CRA district.

Property taxes totaling $1,295,427 represented approximately 91% of all revenues. The CRA's fund balance increased by $1,128,953 in the current year. The incremental tax financing revenues exceeded expenses for the year resulting in an increase of the CRA's fund balance.

Capital Assets and Debt Administration

The CRA's capital assets are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements. Capital asset activity for the year ended September 30, 2023, can be found in the City's audited financial statements.

At September 30, 2023, the CRA had no long-term debt. Throughout each fiscal year, the CRA transfers funds to the City's general fund to cover a portion of the long-term debt that was incurred to be used for redevelopment and infrastructure projects.

Budgetary Highlights

An annual budget is prepared for the CRA and approved by the Board. The legal level of control is maintained at the fund level. During 2023, the Board approved supplemental budget appropriations to provide for unanticipated requirements of the period. These appropriations caused an increase from the original budget of $2,124,486 for Economic Development and Physical Environment expenditures. Budget appropriations may not be legally exceeded on a fund basis, and appropriations lapse at the end of the fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles.

Economic Factors and Future Developments

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

Request for Information

This financial information is designed to present users with a general overview of the CRA's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director located at 400 Alexandria Boulevard, Oviedo, Florida 32765.

FINANCIAL STATEMENTS

OVIEDO COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION AND GOVENMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2023

	Special Revenue Fund	Adjustments (Note 2)	Statement of Net Position
Assets			
Cash and Cash Equivalents	$ 1,175,764	$ -	$ 1,175,764
Investments	2,010,000	-	2,010,000
Total Assets	3,185,764	-	3,185,764
Liabilities			
Accounts Payable	38,381	-	38,381
Total Liabilities	38,381	-	38,381
Fund Balance			
Restricted	3,147,383	(3,147,383)	-
Total Fund Balance	3,147,383	(3,147,383)	-
Total Liabilities and Fund Balance	$ 3,185,764		
Net Position			
Restricted for:			
Community Redevelopment Projects		3,147,383	3,147,383
Total Net Position		$ 3,147,383	$ 3,147,383

See accompanying notes.

OVIEDO COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Fund	Adjustments (Note 2)	Statement of Activities
Revenues			
Property Taxes	$ 1,295,427	$ -	$ 1,295,427
Investment Income	124,571	-	124,571
Total Revenues	1,419,998	-	1,419,998
Expenditures			
Current:			
Economic Development	41,507	-	41,507
Capital Outlay:			
Physical Environment	194,538	(194,538)	-
Total Expenditures	236,045	(194,538)	41,507
Excess (Deficiency) of Revenue Over (Under) Expenditures	1,183,953	194,538	1,378,491
Other Financing Sources (Uses)			
Capital Outlay Contributed to Primary Government	-	(194,538)	(194,538)
Transfers Out to Primary Government	(55,000)	-	(55,000)
Total Other Financing Sources (Uses)	(55,000)	(194,538)	(249,538)
Net Change in Fund Balance	1,128,953	-	1,128,953
Fund Balance/Net Position, Beginning of Year	2,018,430	-	2,018,430
Fund Balance/Net Position, End of Year	$ 3,147,383	$ -	$ 3,147,383

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
OVIEDO COMMUNITY REDEVELOPMENT AGENCY
OVIEDO, FLORIDA

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recorded only when payment is due.

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

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

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

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

Budgetary Requirements

An annual budget is prepared for all funds of the City, including the CRA. The budget amounts presented in the accompanying financial statements are as originally adopted, or as legally amended, by the Board during the year ended September 30, 2023. The appropriated budget is prepared by fund, function, and department. The City's department directors may make transfers of appropriations within a department, but not between funds. Transfers of appropriations between funds require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. During 2023, the Board approved supplemental budget appropriations to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles.

Assets, Liabilities, and Net Position

Cash and Cash Equivalents and Investments

The CRA participates in the City's pooled cash and investment portfolio. This pool includes deposits and overnight repurchase agreements, amounts with the State Board of Administration (SBA), and Florida SAFE. Interest income earned as a result of pooling is distributed to the appropriate funds based on the average daily balance of cash in each fund for the period.

Investments

Investments for the CRA are reported at fair value within the fair value hierarchy established in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, unless the investment qualifies as an external investment pool. External investment pools are an arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio and one or more of the participants is not part of the sponsor's reporting entity. GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, addresses accounting and financial reporting for pools. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes if the pool meets the criteria of GASB Statement No. 79.

Fair Value Measurement - The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- Level 1 Inputs: Quoted price for identical assets in an active market.
- Level 2 Inputs: (A) Quoted prices for similar assets or liabilities in active markets; (B) quoted prices for identical or similar assets or liabilities in markets that are not active; (C) inputs other than quoted prices that are observable for the assets or liabilities, such as: (1) interest rates and yield curves observable at commonly quoted intervals, (2) implied volatilities, (3) credit spreads; and (D) market-corroborated inputs.
- Level 3 Inputs: Unobservable inputs for an asset or liability are significant to the fair value measurements.

Capital Assets

Capital assets include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). The CRA's capital assets are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements. Capital asset activity for the year ended September 30, 2023, can be found in the City's audited financial statements. As the capital assets are retained by the City, the CRA contributes capital to the general fund for capital outlay related to the CRA's redevelopment and infrastructure projects.

Nature and Purpose of the Fund Balance

In the fund financial statements, the governmental fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation, are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the CRA's intent to be used for specific purposes, but are neither restricted nor committed, are classified as assigned fund balances. Assignments are made by the Board or the City Manager. Non-spendable fund balances include amounts that cannot be spent because they are either: a) not in spendable form, or b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that is not restricted, committed, or assigned to specific purposes within the CRA.

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

Net Position

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

Other Significant Accounting Policies

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

Transfers and Contributions
The CRA transfers funds to the City to reimburse the general funds for the CRA Director and for City staff handling CRA administrative services.

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

Payroll-Related Expenses and Liabilities
The CRA Director position is held by the City Manager, as appointed by the Board. All other functions are performed by employees of the City. Payroll-related activity for the year ended September 30, 2023, can be found in the City's audited financial statements.

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

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

Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance
The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between the capital outlay of the governmental fund and the capital outlay contributed to the primary government as reported in the government-wide statement of activities.

Note 3 - Cash and Equity in Pooled Cash and Investments

At September 30, 2023, the carrying amount of the CRA's cash deposits was $1,175,764. These funds are a part of the City's pooled cash funds. The City's cash deposits are held by a bank that qualifies as a public depository under the *Florida Security for Public Deposits Act* as required by Chapter 280, Florida Statutes. The City maintains an investment policy managing pooled cash and investments. Further information on the City's pooled cash and investments can be found in the notes to the annual financial statements of the City.

Note 4 - Investments

As of September 30, 2023, the CRA's investment portfolio was composed of the following investments, including information on their fair value and weighted average maturity (WAM):

Type	Fair Value	WAM	Fair Value Measurements Level
Florida PRIME	$ 772,544	35 Days	N/A
U.S. Treasury Obligations	79,206	92 Days	1
Florida SAFE VNAV	819,762	Less than 1 Year	N/A
Florida SAFE SNAV	338,488	Less than 1 Year	N/A
Total	$ 2,010,000		

The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Investments in certificates of deposit are to be made only with banks and/or savings and loans that qualify as authorized depositories under Florida law. City policy provides for other investments to be made through authorized depositories. State statutes and City policy authorize investments in U.S. Treasury bills, notes, and bonds; insured or fully collateralized certificates of deposit or bank savings accounts; U.S. government instrumentalities; Local Government Investment Pools; SBA intermediate term investment pools; and money market funds and mutual funds that invest solely in U.S. Government obligations.

The City investments in external investment pools are as follows:

Florida PRIME—The fund is administered by the SBA. As a Florida PRIME participant, the City invests in a pool of investments whereby the City owns a share of the respective pool, not the underlying securities. Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments at amortized cost.

As allowed under Chapter 218.409(8)(a) of the Florida Statutes, the fund may limit contributions to or withdrawals from the fund for 48 hours in the event of an occurrence that has a material impact on the liquidity or operations of the fund. The moratorium may be extended until the Trustees meet to review the moratorium and can continue the measures for up to an additional 15 days.

Regarding liquidity fees, Florida Statute Section 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

Florida SAFE—The Florida SAFE Stable NAV and Florida SAFE Variable NAV are funds administered by PMA Financial Network, LLC. The funds' investments are valued at stable net asset value (NAV) and currently meet all of the necessary criteria to elect to measure all of the investments in the fund at amortized cost in accordance with GASB 79.

Because both Florida SAFE Stable NAV and Florida SAFE Variable NAV values their investments at NAV, which approximates fair value, the funds are not subject to the fair value hierarchy table under GASB Statement No. 72.

According to the Trust Indenture, the Trustees have the authority to temporarily suspend redemption rights or delay payment for redeemed shares under certain conditions, including during periods of war, national emergency, acts of God, banking moratoriums, or trading disruptions on stock exchanges. This suspension does not affect a Participant's ownership interest in the shares or accrued interest. The suspension or postponement begins immediately after the Trustees declare it, and redemption or payment resumes when the suspension ends. Participants can either withdraw their redemption request or receive payment based on the NAV after the suspension ends.

The following schedule reconciles the cash, cash equivalents, and investment balances as shown in the financial statements with the portfolio totals shown above authorized under Sections 218.415 and 166.261 of Florida State Statutes:

Cash, Cash Equivalents, and Investments - Statement of Net Position		
Cash and Cash Equivalents	$	1,175,764
Investments		2,010,000
Total Cash, Cash Equivalents, and Investments	$	3,185,764

Interest Rate Risk

The investment portfolio policy of the City has the objective of regularly exceeding the average return on the SBA's Local Surplus Funds Trust Fund (Florida PRIME) for short-term investments (less than a year in duration) and for long-term investments, an index of the United States Treasury or government securities. These indices are considered benchmarks for the riskless investment transactions and, therefore, comprise a minimum standard for the portfolio rate of return.

The investment portfolio policy of the City states that investments shall be held to maturity unless called. Investments shall be structured so as to maintain a portfolio average maturity of no longer than five years. For purposes of meeting this limitation, variable rate securities shall be measured on the basis of the period elapsed between interest reset dates. No investment shall be made in an instrument with a stated final maturity longer than five years. Below are the credit quality distributions for securities with credit exposure as a percentage of total investments with investments held in the City's portfolio as of September 30, 2023:

Credit Quality Distribution for Securities with Credit Exposure as a Percentage of Total Investments

Type of Investment	Credit Rating	Percentage of Total
Florida SAFE SNAV	AAAm	41%
U.S. Treasury Obligations	AAA	4%
Florida PRIME	AAAm	38%
Florida SAFE VNAV	AAAf	17%

Credit Risk
Securities shall be limited to those rated BAA or higher by Moody's or Standard & Poor's rating services. Unrated investments are typically U.S. agency backed securities.

Concentration of Credit Risk
The investment portfolio policy of the City has the objective of structuring investments as to not allow for an investment in any one type of issue (e.g., Federal Home Loan Bank) that is in excess of 50% of the City's total investments.

Custodial Credit Risk-Investments
For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of September 30, 2023, the City has satisfied all of the objectives and requirements laid out in the City's investment policy and held no investments that were not in compliance with policy.

Investment income for the year ended September 30, 2023, was $124,571.

Note 5 - Tax Increment Financing Revenue

The CRA is primarily funded through tax increment financing revenue. The tax increment revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations within the designated CRA districts, using the year in which they were established as the "base year". The City is required to contribute a minimum of 50% and maximum of 95% of the incremental property taxes levied each year. Seminole County is required to contribute 50% of the incremental property taxes levied each year for 20 years, once the CRA's taxable value is 115% of its base-year taxable value.

REQUIRED SUPPLEMENTARY INFORMATION

OVIEDO COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 1,295,562	$ 1,295,562	$ 1,295,427	$ (135)
Investment Income	-	-	124,571	124,571
Total Revenues	1,295,562	1,295,562	1,419,998	124,436
Expenditures				
Current:				
Economic Development	50,175	134,219	41,507	92,712
Capital Outlay:				
Physical Environment	915,387	2,955,829	194,538	2,761,291
Total Expenditures	965,562	3,090,048	236,045	2,854,003
Excess (Deficiency) of Revenue Over (Under) Expenditures	330,000	(1,794,486)	1,183,953	2,978,439
Other Financing Sources (Uses)				
Transfers Out	(55,000)	(55,000)	(55,000)	-
Total Other Financing Sources (Uses)	(55,000)	(55,000)	(55,000)	-
Net Change in Fund Balance	275,000	(1,849,486)	1,128,953	2,978,439
Fund Balances, Beginning of Year	1,613,223	2,018,430	2,018,430	-
Fund Balances, End of Year	$ 1,888,223	$ 168,944	$ 3,147,383	$ 2,978,439

OTHER REPORTS

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

The Board of Directors
Oviedo Community Redevelopment Agency
Oviedo, 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 Oviedo Community Redevelopment Agency (the CRA) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's financial statements and have issued our report thereon dated March 25, 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 on 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 on the CRA's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on

The Board of Directors
Oviedo Community Redevelopment Agency
Oviedo, 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*

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.



March 25, 2024
Ocala, Florida

PURVIS GRAY

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

The Board of Directors
Oviedo Community Redevelopment Agency
Oviedo, Florida

We have examined the Oviedo Community Redevelopment Agency's (the CRA) compliance with the requirements of 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 specific requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements 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, the CRA, its management, and the Board of Directors of the City of Oviedo, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

March 25, 2024
Ocala, Florida

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Board of Directors
Oviedo Community Redevelopment Agency
Oviedo, Florida

We have examined the Oviedo Community Redevelopment Agency's (the CRA) compliance with the requirements of 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 specific requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

Purvis Gray

March 25, 2024
Ocala, Florida

MANAGEMENT LETTER

The Board of Directors
Oviedo Community Redevelopment Agency
Oviedo, Florida

Report on the Financial Statements
We have audited the financial statements of the Oviedo Community Redevelopment Agency (the CRA) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 25, 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 Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountant's Report on examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 25, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority
Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in the Management Letter, unless disclosed in the notes to the financial statements (see Note 1 of the CRA's financial statements as of and for the year ended September 30, 2023, for this information).

The Board of Directors
Oviedo Community Redevelopment Agency
Oviedo, Florida

MANAGEMENT LETTER

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

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

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

- The total number of district employees compensated in the last pay period of the district's fiscal year as 0.

- 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.

- All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $0.

- All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as $0.

- 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. There were no projects that exceeded $65,000.

The Board of Directors
Oviedo Community Redevelopment Agency
Oviedo, Florida

MANAGEMENT LETTER

- A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, see Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual as presented in the financial statements for the year ended September 30, 2023.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General,* requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Honorable Mayor, and City of Oviedo City Council and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

March 25, 2024
Ocala, Florida