CITY OF MOUNT DORA, FLORIDA
NORTHEAST COMMUNITY REDEVELOPMENT AGENCY

FINANCIAL STATEMENTS

Year Ended September 30, 2024

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Independent Auditor's Report

The Honorable Mayor and Members of the City Council (NECRA Board)
City of Mount Dora Northeast Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and General Fund of the Northeast Community Redevelopment Agency (the "NECRA"), a component unit of the City of Mount Dora, Florida as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the NECRA's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and General Fund of the NECRA as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*. 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 NECRA 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 NECRA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NECRA'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 NECRA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedule, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2025 on our consideration of the NECRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 NECRA's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Orlando, Florida
April 30, 2025

Management's Discussion and Analysis

The Management's Discussion and Analysis (the MD&A) of the Northeast Community Redevelopment Agency (the NECRA) is intended to provide an overview of the NECRA's financial position and results of operations for the fiscal year ended September 30, 2024. The MD&A should be read in conjunction with the NECRA's financial statements, including the accompanying notes, to enhance the understanding of the NECRA's financial performance.

Financial Highlights

- The NECRA's restricted fund balance at the close of the fiscal year was $2,544,260, which represents unspent tax increment revenues appropriated to specific ongoing or future redevelopment projects.

- Fund balance increased in the current year by $435,270. Tax increment financing revenues received by the NECRA in the current year increased by $241,258 or 25.05% as a result of increased property values within the NECRA.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the NECRA's basic financial statements, which have the following components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

The statement of net position presents information on all of the NECRA's assets and liabilities, with the difference between the two 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 NECRA is improving or deteriorating.

The statement of activities presents information showing how the NECRA's net position changed during the 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 in the statement for some items that will only result in cash flows in future fiscal periods. The governmentwide financial statements listed above distinguish functions of the NECRA that are principally supported by ad-valorem taxes.

The government-wide financial statements include only the financial activities of the NECRA. However, the NECRA is considered a component unit of the City of Mount Dora, Florida (the City) and, as such, the financial information of the NECRA is included in the City's Annual Comprehensive Financial Report in 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 NECRA 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. Governmental fund financial statements focus on *near-term* inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's *near-term* financing requirements.

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

Key elements of the reconciliation of these two statements are that the government-wide statement of activities reports the issuance of debt as a liability, the purchases of capital assets as assets which are then charged to expense over their useful lives (depreciated), and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental funds statements report the issuance of debt as another financing source of funds, the repayment of debt as an expenditure, the purchase of capital assets as an expenditure, and do not reflect changes in long-term liabilities.

The NECRA maintains only one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund.

Notes to the Financial Statements

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

Government-wide Financial Analysis

Summary Schedule of Net Position

The following table summarizes the statement of net position for the fiscal years ended September 30, 2024 and 2023:

	Net Position	
	2024	2023
Current Assets	$ 2,597,471	$ 2,168,857
Capital Assets	1,081,956	577,225
Total Assets	3,679,427	2,746,082
Current Liabilities	53,211	59,867
Total Liabilities	53,211	59,867
Net Position:		
Net Investment in Capital Assets	1,081,956	577,225
Restricted for Redevelopment Projects	2,544,260	2,108,990
Total Net Position	$ 3,626,216	$ 2,686,215

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Governmental activities Increased the NECRA's net position by $940,001 for the year ended September 30, 2024. Key elements of the change are described below.

The table below summarizes the changes in net position:

Summary of Changes in Net Position

	Changes in Net Position	
	2024	2023
General Revenues:		
Intergovernmental	$ 1,204,396	$ 963,138
Investment Income (Loss)	88,422	26,785
Total General Revenues	1,292,818	989,923
Expenditures/Expenses:		
Economic Development	352,817	446,389
Change in Net Position	940,001	543,534
Net position – beginning	2,686,215	2,142,681
Net position – ending	$ 3,626,216	$ 2,686,215

Financial Analysis of the General Fund

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

The general fund is the only operating fund of the NECRA. As per Florida Statute 163.387(7)(d), any monies remaining in a redevelopment trust fund at the end of a fiscal year must be appropriated to specific projects pursuant to an approved community redevelopment plan. At the end of the current year, a fund balance of $2,544,260 was both restricted and appropriated to ongoing and future redevelopment projects.

The NECRA's general fund is required to adopt an annual budget prepared on a basis consistent with accounting principles generally accepted in the United States of America.

Budgetary Highlights

The governing board, the NECRA, is authorized to transfer budget amounts. Revisions that alter the total expenditure must be approved by both the NECRA and City Council. Legal level of control is maintained at the fund level. There were no budget amendments in the current year.

Actual revenues were higher than the final budgeted revenues by $105,349 and actual expenditures were under budget by $13,206,554. A decrease in Economic Development, Grants & Aid, and Capital Outlay expenditures compared to the final budgeted, contributed to expenditures being under budget.

Capital Assets

The NECRA's net investment in capital assets as of September 30, 2024 amounts to $1,081,956.

	Capital Assets	
	2024	**2023**
Land	$ 53,069	$ -
Construction in Progress	1,028,887	577,225
Total	$ 1,081,956	$ 577,225

Additional information on the NECRA's capital assets can be found in Note 4 of this report.

Economic Factors and Conditions

The City and NECRA continue to partner and plan infrastructure improvements that encourage private sector development in the designated area. The NECRA will continue to work with the City to ensure all needs are met and planned for as the NECRA's redevelopment plans are implemented.

Requests for Information

This financial report is designed to provide users with a general overview of the NECRA's finances for all those with an interest in its finances. If you have any questions concerning any of the information provided in this report or need additional financial information, contact Finance and Administrative Services, P.O. Box 176, Mount Dora, Florida 32757.

Additional information can also be found on the City and NECRA's website at www.ci.mount-dora.fl.us.

CITY OF MOUNT DORA, FLORIDA
NORTHEAST COMMUNITY REDEVELOPMENT AGENCY

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

September 30, 2024

	General Fund	Adjustments (Note 2)	Statement of Net Position
ASSETS			
Equity in Pooled Cash and Investments	$ 2,597,467	$ -	$ 2,597,467
Accrued Interest Receivable	4	-	4
Capital Assets	-	1,081,956	1,081,956
TOTAL ASSETS	$ 2,597,471	$ 1,081,956	$ 3,679,427
LIABILITIES			
Accounts Payable	$ 142	$ -	$ 142
Due to Other Governments	53,069	-	53,069
TOTAL LIABILITIES	53,211	-	53,211
FUND BALANCES/NET POSITION			
Fund Balance:			
Restricted for Redevelopment Projects	2,544,260	(2,544,260)	-
TOTAL FUND BALANCES	2,544,260	(2,544,260)	-
TOTAL LIABILITIES AND FUND BALANCES	$ 2,597,471		
Net Position:			
Net Investment in Capital Assets		1,081,956	1,081,956
Restricted for Redevelopment Projects		2,544,260	2,544,260
TOTAL NET POSITION		$ 3,626,216	$ 3,626,216

The accompanying notes are an integral part of the financial statements.

CITY OF MOUNT DORA, FLORIDA
NORTHEAST COMMUNITY REDEVELOPMENT AGENCY

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended September 30, 2024

	General Fund	Adjustments (Note 2)	Statement of Activities
REVENUES			
Tax Increment Revenues	$ 1,204,396	$ -	$ 1,204,396
Investment Income	88,422	-	88,422
TOTAL REVENUES	1,292,818	-	1,292,818
EXPENDITURES/EXPENSES			
Economic Development	275,140	-	275,140
Grants & Aid	77,677	-	77,677
Capital Outlay	504,731	(504,731)	-
TOTAL EXPENDITURES/EXPENSES	857,548	(504,731)	352,817
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	435,270	(435,270)	-
CHANGE IN NET POSITION	-	940,001	940,001
FUND BALANCES/NET POSITION			
Beginning of the year	2,108,990	577,225	2,686,215
End of the year	$ 2,544,260	$ 1,081,956	$ 3,626,216

The accompanying notes are an integral part of the financial statements.

CITY OF MOUNT DORA, FLORIDA
NORTHEAST COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

On April 3, 1990, the Northeast Community Redevelopment Agency (the NECRA) was established by the City of Mount Dora, Florida (the City), by Ordinance No. 546 as a public body organized pursuant to Part III of Chapter 163 of the Florida Statutes. The NECRA's stated purpose is to intervene in the decline of the economic and physical character of the redevelopment area and transformation of the existing conditions into a functional and vibrant urban center. The NECRA district generally includes the area south of Limit Avenue, north of 11th Avenue, east of Baker Street, and west of U.S. Highway 441. The statutory life of The NECRA is thirty years unless extended by ordinance and notification to contributing parties. The City passed Ordinance 2012-05 on May 1, 2012, to extend the NECRA for an additional 30 years. The City Council appointed itself as the governing body of the NECRA.

The accounting policies of the NECRA 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 NECRA. The government-wide focus is more on the sustainability of the NECRA 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. In 2024, the NECRA did not have any program revenues. Taxes and other items not included as program revenues are reported as general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

Their 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 NECRA 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, 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities and Net Position

Equity in Pooled Cash and Investments: The NECRA participates in the City's pooled cash and investment portfolio. Investment earnings are distributed monthly to the participating funds' relative percentage of investments.

Capital Assets: The NECRA pays for certain infrastructure improvements (roads, sidewalks, bridges, and other utility infrastructure) within the designated redevelopment area; however, these improvements are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements.

Capital assets titled to the NECRA, if any, are reported in governmental activities in thee government-wide financial statements. The NECRA 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. Capital assets are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but are expensed as incurred.

Nature and Purpose of Fund Balance: Per Florida Statutes, Section 163.387, unspent tax increment financing revenues are restricted for future redevelopment projects pursuant to the approved community redevelopment plan and are reported as restricted fund balance in the financial statements. There are no other classifications of fund balance.

Compensation Costs: The NECRA has no employees of its own. Instead, the NECRA reimburses the City for the portion of salaries and benefits attributable to NECRA 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 NECRA's capital assets reduced by accumulated depreciation, if any, and outstanding long-term liabilities. Restricted net position is unspent tax increment financing revenues that are restricted for future redevelopment projects.

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.

Risk Management: The NECRA is adequately insured for general liability and directors and officers insurance through the purchase of a commercial insurance policy. The amount of settlements has not exceeded insurance coverage in any of the past three years.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Adjustments were made to include capital assets (net of accumulated depreciation) on the statement of net position. This resulted in a net difference between the ending General Fund balances and the total net position of $1,081,956.

Total Fund Balance	$ 2,544,260
Capital Assets, Net	1,081,956
Total Net Position	$ 3,626,216

Adjustments were made to eliminate capital outlay expenditures. This resulted in a net difference between "excess revenues over expenditures" and "change in net position" of $504,731.

Excess of Revenues over Expenditures	$ 435,270
Capital Outlay	504,731
Change in Net Position	$ 940,001

NOTE 3 - DEPOSITS AND INVESTMENTS

At year end, the NECRA's share of the City's pooled cash and investment balances was $2,597,467. The City's bank deposits are held in qualified depositories pursuant to Chapter 280, Florida Statutes, *Florida Security for Public Deposits Act* (the Act). 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 pledging level. The collateral pledging level may range from 25% to 200% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with an approved financial institution. The Public Depository Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. The NECRA's bank balances were insured either by the federal depository insurance corporation or collateralized in the bank's participation in the Act.

Authorized Investments

The NECRA does not have a separate deposit and investment policy and it follows the deposit and investment policies of the City.

Florida Statute 218.415 authorizes the City to invest in the state pools and in obligations of the United States Treasury and agencies. The City has adopted an investment policy for operating funds pursuant to state statutes that allows the City to contract for investment and related services establish internal controls, and specifies the types of investments that may be purchased. Key objectives of the policy are as follows:

- Safety of principal is the foremost objective of the investment program.
- Provide sufficient liquidity to allow for quick conversion of investments to cash easily and rapidly without loss of principal to meet operating, payroll, and capital requirements.
- The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.
- Investments held should be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold.

NOTE 3 - DEPOSITS AND INVESTMENTS *(Continued)*

The policy also lists permitted types of investments, limitations as to amounts invested in each type, the amount invested with each issuer, the length of investment maturities, and other statutory or contractual restrictions for each type of investment. The investment in any derivative products or the use of reverse repurchase agreements is not permitted by this investment policy.

Risk Disclosure

The City's investment policy does not address its exposure to interest rate changes, custodial credit risk, or quality credit risk. The following items discuss the City's operating funds' exposure to various risks in primarily the fixed rate portions of their investment portfolios:

- **Interest Rate Risk—** the City's fixed rate investments are intended to be held until the funds are needed, at maturity.
- **Custodial Credit Risk—** for an investment, custodial credit risk 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. The City generally utilizes third-party custodians to help manage custodial credit risk.
- **Concentration of Credit Risk—** the investment policy for the operating funds of the City define what percentage of the total investment portfolio may be invested in each type of investment vehicle. The City's policy states that these percentages may be further restricted based on market conditions, risk, and diversification investment strategies.

More detailed information on the City's investment portfolio can be obtained from the City's Annual Comprehensive Financial Report which can be found on the City's website at www.ci.mount-dora.fl.us.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, follows:

	Balance October 1, 2023	Additions and Transfers	Deletions and Transfers	Balance September 30, 2024
Governmental Activities				
Land	$ -	$ 53,069	$ -	$ 53,069
Construction in Progress	577,225	451,662	-	1,028,887
Total Capital Assets	$ 577,225	$ 504,731	$ -	$ 1,081,956

NOTE 5 - TAX INCREMENT FINANCING REVENUE

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOUNT DORA, FLORIDA
NORTHEAST COMMUNITY REDEVELOPMENT AGENCY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
GENERAL FUND				
Revenues:				
Intergovernmental	$ 1,187,469	$ 1,187,469	$ 1,204,396	$ 16,927
Investment Income	-	-	88,422	88,422
TOTAL REVENUES	1,187,469	1,187,469	1,292,818	105,349
EXPENDITURES				
Current:				
Economic Development	409,102	409,102	275,140	133,962
Grants & Aid	175,000	175,000	77,677	97,323
Capital Outlay	13,480,000	13,480,000	504,731	12,975,269
TOTAL EXPENDITURES	14,064,102	14,064,102	857,548	13,206,554
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,876,633)	(12,876,633)	435,270	13,311,903
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	13,000,000	13,000,000	-	(13,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	13,000,000	13,000,000	-	(13,000,000)
NET CHANGE IN FUND BALANCE	123,367	123,367	435,270	311,903
FUND BALANCE - BEGINNING	(123,367)	(123,367)	2,108,990	2,232,357
FUND BALANCE - ENDING	$ -	$ -	$ 2,544,260	$ 2,544,260

Note: This schedule is prepared on the basis of generally accepted accounting principles.

CITY OF MOUNT DORA, FLORIDA
NORTHEAST COMMUNITY REDEVELOPMENT AGENCY

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended September 30, 2024

NOTE 1 - BUDGETARY PROCEDURES AND BUDGETARY ACCOUNTING

The Northeast Community Redevelopment Agency (the NECRA) adheres to the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

Prior to September 30, the NECRA Administrator submits, to the NECRA, a proposed operating budget for the trust fund for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

The NECRA budget is also included in the City of Mount Dora, Florida's (the City) budget and is presented to the City Council for ratification prior to September 30.

NECRA management is authorized to transfer budget amounts. Revisions that alter the total expenditures must be approved by the NECRA. Legal level of budgetary control is maintained at the fund level. There were no fiscal year 2024 budget amendments.

Compliance Section

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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*

Independent Auditor's Report

The Honorable Mayor and Members of the City Council (NECRA Board)
City of Mount Dora Northeast Community Redevelopment Agency

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 *(Government Auditing Standards)*, the financial statements of the governmental activities and the General Fund of the City of Mount Dora, Florida Northeast Community Redevelopment Agency (the "NECRA") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the NECRA's basic financial statements and have issued our report thereon dated April 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the NECRA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NECRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the NECRA'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the NECRA in a separate management letter and Independent Accountant's Report dated April 30, 2025.

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

Forvis Mazars, LLP

Orlando, Florida
April 30, 2025

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Independent Accountant's Report

The Honorable Mayor and Members of the City Council (NECRA Board)
City of Mount Dora Northeast Community Redevelopment Agency

We have examined the Northeast Community Redevelopment Agency's (the "NECRA") compliance with the requirements of Sections 163.387(6) and (7) and 218.415, Florida Statutes, during the year ended September 30, 2024. Management is responsible for the NECRA's compliance with those requirements. Our responsibility is to express an opinion on the NECRA'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 NECRA complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the NECRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the NECRA's compliance with the specified requirements.

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

In our opinion, the NECRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

Forvis Mazars, LLP

Orlando, Florida
April 30, 2025

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Management Letter

The Honorable Mayor and Members of the City Council (NECRA Board)
City of Mount Dora Northeast Community Redevelopment Agency

Report on the Financial Statements

We have audited the basic financial statements of the Northeast Community Redevelopment Agency (the "NECRA") as of and for the year ended September 30, 2024, and have issued our report thereon dated April 30, 2025.

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 an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 30, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the NECRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the NECRA 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 NECRA. It is management's responsibility to monitor the NECRA'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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to section 163.081 or Section 163.082, Florida Statutes, operated within the NECRA's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, the following program administrator administered the PACE program within the geographical boundaries of the NECRA during the fiscal year under audit:

- Florida Development Finance Corporation

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the NECRA, the full names and contact information of each PACE program administrator and third-party administrator within the geographical areas of the NECRA are as follows:

- Florida Development Finance Corporation
    - Ryan Bartkus (Sr. Director) – 407-712-6353 – rbartkus@fdfcbonds.com
    - Ahisha Rodriguez (Programs Manager) – 407-712-6352 – arodriguez@fdfcbonds.com

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.38(3)(b), Florida Statues. 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)7, *Rules of the Auditor General,* the NECRA, a dependent special district of the City, reported:

a) The total number of NECRA employees compensated in the last pay period of the NECRA's fiscal year as 0.

b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the NECRA'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 nonemployee 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 NECRA 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:

Project	Budgeted	Expended
Community Resource & Rec Center	$ 13,000,000	$ 451,662
Property for Redevelopment	$ 250,000	$ 53,069

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 Statures as $0.

Additional Matters

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

Forvis Mazars, LLP

Orlando, Florida
April 30, 2025