



Community Redevelopment Agency
City of Groveland, Florida
FINANCIAL STATEMENTS
Year Ended September 30, 2022



Groveland Community Redevelopment Agency
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September 30, 2022



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**Groveland Community Redevelopment Agency
Agency Officials
As of September 30, 2022**

**COMMUNITY REDEVELOPMENT
AGENCY GOVERNING BOARD**

Evelyn Wilson, Chair
Randolph Waite, Vice Chair
Barbara Gaines, Member
Mike Radzik, Member
Mike Smith, Member
Briggett Brannon, Member
Dina Sweatt, Member
Doug Shields, Lake County Commissioner and Ex-Officio CRA Board Member

CRA STAFF

Michael Hein, City Manager
Anita Geraci-Carver, Esq, City Attorney
Dan Murphy, CRA Manager
Timothy Maslow, Community Development Director
John M. Jones, CRA Coordinator
Chief Shawn Ramsey, Sergeant-at-Arms
Ciara Bender, Recording Secretary



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Melbourne, Florida 32940

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INDEPENDENT AUDITORS' REPORT

The Honorable Chair and Board Members
Groveland Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Groveland Community Redevelopment Agency (the "Agency"), a blended component unit of the City of Groveland, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Agency, as of September 30, 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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 these 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 Agency'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.

Auditors' 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 auditors' 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 Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Agency's internal control over financial reporting and compliance.

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida

June 29, 2023



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Groveland Community Redevelopment Agency Management's Discussion and Analysis

As management of the City of Groveland (the "City") Community Redevelopment Agency (the "Agency" and "CRA"), we offer readers of the Agency's financial statements this narrative overview of the financial activities of the Agency for the fiscal year ended September 30, 2022.

FINANCIAL HIGHLIGHTS

- Total assets and liabilities of the Agency as of September 30, 2022, were \$565,690 and \$48,287, respectively.
- Entity-wide total revenues of \$814,422 consist of \$377,636 and \$22,334 of property taxes assessed, collected, and remitted directly by Lake County and the Lake County Water Authority respectively, \$359,673 in transferred tax incremental funding collected by the City and \$54,779 in miscellaneous revenues. Total expenses and transfers were \$688,274.
- The assets of the Agency exceeded its liabilities at the close of the most recent fiscal year by \$517,403 (net position). As required by Florida Statutes, this entire amount is restricted for the purpose of fulfilling the Agency's Community Redevelopment Plan.
- The Agency's total net position increased by \$126,148 or 32% due to current year operations. This is the result of the Agency's strategic goal to utilize the current and expected future resources of the Agency in the most effective strategic manner to fulfill its mission.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements, which comprise of three components: (1) entity-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Entity-Wide Financial Statements. The entity-wide financial statements are designed to provide readers with a broad overview of the Agency's finances in a manner similar to a private-sector business.

The statement of net position presents information on all the Agency's assets, deferred outflows, liabilities, and deferred inflows, with the difference between these four financial statement elements 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 Agency is improving or deteriorating.

The statement of activities presents information showing how the Agency'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 the 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 (e.g., uncollected taxes and earned, but unused, vacation leave).

Both of the entity-wide financial statements present functions of the Agency from a programmatic perspective. All assets, liabilities, and activities are governmental in nature. The activities of the Agency include general government and planning and development.

The entity-wide financial statements can be found on pages 13 through 14 of this report.

Groveland Community Redevelopment Agency Management's Discussion and Analysis

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 Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency is classified as a governmental fund, in that it is almost entirely supported by taxpayer revenues.

Governmental Fund - Governmental funds are used to account for essentially the same functions reported as governmental activities in the entity-wide financial statements. However, unlike the entity-wide financial statements, governmental 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 near-term financing requirements.

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

The City adopts an annual appropriated budget for the CRA. A budgetary comparison schedule has been provided for the Agency to demonstrate compliance with the budget and is presented as required supplementary information. The governmental fund financial statements can be found on pages 15 to 16 of this report.

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

The notes to the financial statements can be found on pages 17 through 28 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as budgetary comparison information. The required supplementary information can be found on pages 31 and 32 of this report.

ENTITY-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Agency, assets exceeded liabilities by \$517,403 at September 30, 2022.

Groveland Community Redevelopment Agency Management's Discussion and Analysis

| Statement of Net Position | | | |
|----------------------------------|-------------------|-----------|----------------|
| <u>Governmental Activities</u> | | | |
| | <u>2022</u> | | <u>2021</u> |
| Assets: | | | |
| Cash and cash equivalents | \$ 477,072 | \$ | 509,445 |
| Prepaid items | 22,917 | | 20,000 |
| Loan receivable | 65,701 | | 50,000 |
| Total assets | <u>565,690</u> | | <u>579,445</u> |
| Liabilities: | | | |
| Accounts payable | 46,181 | | 187,550 |
| Accrued liabilities | 2,106 | | 640 |
| Total liabilities | <u>48,287</u> | | <u>188,190</u> |
| Net Position: | | | |
| Restricted for: | | | |
| Community development | 517,403 | | 391,255 |
| | <u>\$ 517,403</u> | <u>\$</u> | <u>391,255</u> |

This restriction is internal and external, as it is a requirement of Florida State Statutes, as well as enacted by a specific resolution of the Board. The restricted net position increased by \$126,148 in Fiscal Year 2022.

| Statement of Activities | | | |
|--|-------------------|-----------|----------------|
| <u>Governmental Activities</u> | | | |
| | <u>2022</u> | | <u>2021</u> |
| Revenues: | | | |
| General Revenues: | | | |
| Property taxes | \$ 759,643 | \$ | 672,513 |
| Miscellaneous | 54,779 | | 62,083 |
| Total revenues | <u>814,422</u> | | <u>734,596</u> |
| Expenses: | | | |
| Community development | 627,274 | | 720,661 |
| Total expenses | <u>627,274</u> | | <u>720,661</u> |
| Increase (decrease) in net position before transfers | 187,148 | | 13,935 |
| Transfers | (61,000) | | (19,642) |
| Increase (Decrease) in net position | 126,148 | | (5,707) |
| Net position, October 1 | 391,255 | | 396,962 |
| Net position, September 30 | <u>\$ 517,403</u> | <u>\$</u> | <u>391,255</u> |

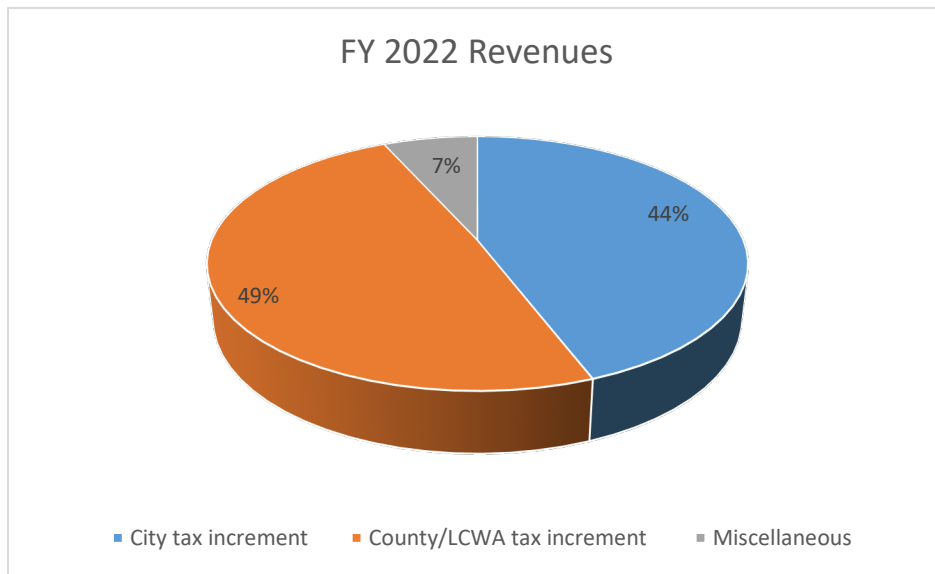
Groveland Community Redevelopment Agency Management's Discussion and Analysis

Governmental Activities. The Agency's revenues increased by \$79,826 or 11% when compared to the prior year. Property taxes and transferred tax incremental revenues increased by \$87,130 due to higher increment values and was offset by a decrease in miscellaneous revenue of \$7,304 due to decreased building activity.

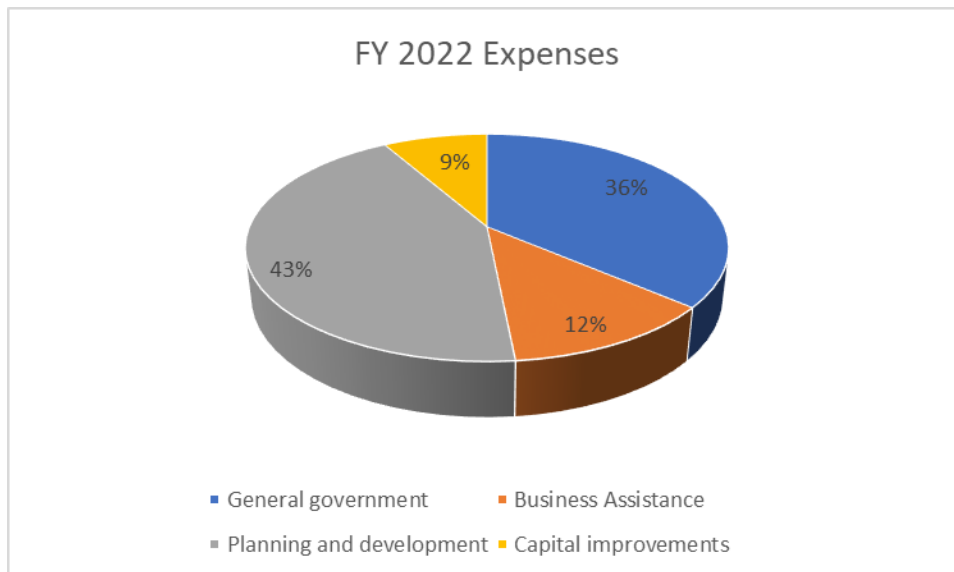
The Agency's expenditures decreased as well when compared to the prior year. Expenditures were \$93,387 less than the prior year with the largest decrease related to capital improvements.

The following graphs depict the composition of the Agency's revenues and expenses.

Revenue by Source - Governmental Activities as a Percentage of Total Revenues



Expenses by Program – Governmental Activities as a Percentage of Total Expenses



Groveland Community Redevelopment Agency Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE FUND

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

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

In its 20th year of existence, the Agency's fund balance increased by \$126,148. The revenues for this fund are derived from the additional tax revenue generated by new construction and improvements in taxable assessed values, as the Agency is continuing to implement plans and improvements to the area. An allocation of \$359,673, consisting of taxes generated by the "incremental" growth between the current value and the base year value, was made from the City of Groveland's General Fund to the Agency. Additional tax increment fees of \$399,970 were assessed, collected, and remitted to the Agency by the Lake County Board of County Commissioners and the Lake County Water Authority.

During the current year, the Agency expended \$333,375 on administration and planning activities; \$297,676 on business assistance; and \$57,223 on capital outlay, which consisted primarily of streetscape improvements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Agency's investments in capital assets are transferred to the City of Groveland, as the Agency's enabling legislation and Plan do not facilitate the care, maintenance, and ownership of capital assets. This investment in capital assets includes land, buildings, improvements, and infrastructure in designated areas of the City of Groveland which have been specifically identified for redevelopment initiatives.

Long-Term Debt. The Agency has no debt.

REQUESTS FOR INFORMATION

Questions about this report or requests for additional financial information should be addressed to:

City of Groveland
Attention: Finance Director
156 S. Lake Avenue
Groveland, FL 34736
352-429-2141



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GROVELAND COMMUNITY REDEVELOPMENT AGENCY
Basic Financial Statements



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**Groveland Community Redevelopment Agency
Statement of Net Position - Government-wide**

| <i>September 30, 2022</i> | Governmental Activities |
|---------------------------|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 477,072 |
| Prepaid expenses | 22,917 |
| Loan receivable | 65,701 |
| Total assets | 565,690 |
| LIABILITIES | |
| Accounts payable | 46,181 |
| Accrued liabilities | 2,106 |
| Total liabilities | 48,287 |
| NET POSITION | |
| Restricted for: | |
| Community development | 517,403 |
| Unrestricted | - |
| Total net position | \$ 517,403 |

The accompanying notes are an integral part of this financial statement.

Groveland Community Redevelopment Agency Statement of Activities – Government-wide

For the year ended September 30, 2022

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|---|-------------------|--------------------------------------|--|--|---|
| | | Charges for Services and Fines | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary Government: | | | | | |
| Governmental activities: | | | | | |
| Community development | \$ 627,274 | \$ - | \$ - | \$ - | \$ (627,274) |
| Total governmental activities | 627,274 | - | - | - | (627,274) |
| Total primary government | \$ 627,274 | \$ - | \$ - | \$ - | (627,274) |
| | | | | | |
| General revenues and transfers: | | | | | |
| Taxes: | | | | | |
| Property taxes, levied for general purposes | | | | | 759,643 |
| Miscellaneous | | | | | 54,779 |
| Transfers, net | | | | | (61,000) |
| Total general revenues | | | | | 753,422 |
| Change in net position | | | | | 126,148 |
| Net position, beginning of year | | | | | 391,255 |
| Net position, end of year | | | | \$ | 517,403 |

The accompanying notes are an integral part of this financial statement.

**Groveland Community Redevelopment Agency
Balance Sheet - Governmental Fund**

| <i>As of September 30, 2022</i> | Community Redevelopment Agency |
|---|---|
| ASSETS | |
| Cash and cash equivalents | \$ 477,072 |
| Prepaid expenses | 22,917 |
| Loan receivable | 65,701 |
| Total assets | \$ 565,690 |
| LIABILITIES AND FUND BALANCE | |
| Liabilities: | |
| Accounts payable | \$ 46,181 |
| Accrued payroll and related liabilities | 2,106 |
| Total liabilities | 48,287 |
| Fund balance: | |
| Nonspendable | 88,618 |
| Restricted | |
| Community development | 428,785 |
| Total fund balance | 517,403 |
| Total liabilities and fund balance | \$ 565,690 |

The accompanying notes are an integral part of this financial statement.

Groveland Community Redevelopment Agency
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund

| <i>For the year ended September 30, 2022</i> | Community Redevelopment Agency |
|--|---|
| Revenues | |
| Property taxes | \$ 759,643 |
| Investment income | 413 |
| Miscellaneous revenue | 54,366 |
| Total revenues | 814,422 |
| Expenditures | |
| Current: | |
| Community development | 570,051 |
| Capital outlay | 57,223 |
| Total expenditures | 627,274 |
| Excess (deficiency) of revenues over (under) expenditures | 187,148 |
| Other financing sources (uses) | |
| Transfers out | (61,000) |
| Net other financing sources (uses) | (61,000) |
| Net change in fund balances | 126,148 |
| Fund balance, beginning of year | 391,255 |
| Fund balance, end of year | \$ 517,403 |

The accompanying notes are an integral part of this financial statement.

Groveland Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The Groveland Community Redevelopment Agency (the “CRA” and “Agency”), a component unit of the City of Groveland, was established to guide redevelopment activities in order to build a vibrant and attractive downtown of the Community Redevelopment Area (the “Area”). The Agency was established by the City of Groveland (the “City” and “Primary Government”) City Council (“City Council”) via Ordinance 2002-05-15 in May 2002. The Agency is a legal entity, separate, distinct, and independent of the City Council. The Agency is governed by a seven (7) member board, the Groveland Community Redevelopment Agency Governing Board, which consists of the five (5) members of the Groveland City Council and two (2) at-large members who either reside or are engaged in business within the Community Redevelopment Area. The Groveland City Council selects the at-large members of the CRA Governing Board from applications submitted to City.

The accounting policies of the Agency conform to generally accepted accounting principles (GAAP) as applied to government units. The more significant accounting policies used by the Agency are described below.

Revenue sources for the Agency consist primarily of property taxes (tax increment financing). Any bond issue authorizations are approved by the Agency Governing Board and the legal liability for the general obligation portion of the Agency’s debt remains with the Primary Government.

The accompanying financial statements present only the operations of the Agency and are not intended to present the financial position and results of the City of Groveland, Florida. Complete financial statements for the City of Groveland, Florida may be obtained through the City’s web portal.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all activities of the Agency. *Governmental activities* are those which normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Groveland Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the 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. Property taxes are recognized as revenues 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.

The 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. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund. Separate financial statements are provided for the governmental fund.

Groveland Community Redevelopment Agency

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation (Continued)

Fund financial statements

The fund financial statements provide information about the Agency's fund. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Agency reports the following major governmental fund:

The *Community Redevelopment Trust Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

1. Cash and cash equivalents

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Prepaid items

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

3. Receivables and payables

Loan receivable – An amount established through the anchor tenant loan to grant program by the Agency to allow property owners within the area to apply for and receive loan to grant funding to improve their property. The amount of the loan to grant that the recipient would repay is reduced by 20% annually until the loan to grant amount is reduced to zero after five years and completion of the facility improvements. The receivable is recognized as long-term on the governmental fund balance sheet.

4. Capital assets

The purpose of the Agency includes revitalization of sub-districts through public investments to encourage private sector investment and increase economic development opportunities. The acquisition and improvement of property for revitalization serves a vital role for the Agency. However, the Agency does not maintain or operate any capital assets. Therefore, Agency purchased assets, along with the burden of operating and maintenance costs are transferred to the City.

Groveland Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Interfund activities and transactions

During the course of operations, numerous transactions occur between the City's individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. Long-term borrowings between funds are classified as "advances to other funds" or "advances from other funds" in the fund financial statements.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

6. Categories and classification of fund equity

Net position flow assumption – Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statement, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the Agency will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statement, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Groveland Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Categories and classification of fund equity (Continued)

The provisions of Section 1800: *Classification and Terminology* of the GASB Codification, specifies the following classifications:

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Agency itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance - Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned Fund Balance – Unassigned fund balance is the residual classification of any remaining funds.

Groveland Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Revenues and expenditures/expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues. The Agency has no program revenues in the fiscal year ended September 30, 2022.

Property taxes – Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

8. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

9. Subsequent events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 29, 2023, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

10. Recently issued and implemented accounting pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. There were no significant impacts of implementing this Statement.

Groveland Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Recently issued and implemented accounting pronouncements (continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The Statement is being applied prospectively, therefore, there were no significant impacts of implementing this Statement.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. There were no significant impacts of implementing this Statement.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments. There were no significant impacts of implementing this Statement.

Groveland Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Recently issued and implemented accounting pronouncements (continued)

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

Groveland Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Recently issued and implemented accounting pronouncements (continued)

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The Agency is evaluating the requirements of the above statements and the impact on reporting.

Groveland Community Redevelopment Agency Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS

A. Deposits

The Agency pools its deposits with the Primary Government. At September 30, 2022, the Agency's carrying amount of deposits was \$477,072; \$250,000 of the Agency's deposits is covered by the Federal Depository Insurance Corporation (FDIC). Monies invested in excess of FDIC insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Agency pursuant to Section 280.08, Florida Statutes.

B. Loan Receivables

The Agency created an Anchor Tenant Loan to Grant Program allowing property owners and/or commercial tenants within the CRA area to apply for and receive loan to grant funding to improve their property in accordance with the program and to stimulate and encourage economic growth and development.

On March 22, 2021, the Agency entered into an agreement with a restaurant to aid in making certain improvements to the exterior, interior and the structure of their facility located within the CRA area. The Agency authorizes the disbursement of grant funds to the company for reimbursement of construction materials and improvements made to the property up to a maximum of \$50,000. The Agency will reduce the amount of the loan to grant amount that the company would repay by 20% annually. After 5 years from the execution of the agreement and completion of the facility improvement, the repayment will be reduced to zero and the company will have no repayment obligation to the Agency. As of September 30, 2022, the outstanding balance on the loan was \$40,000.

On March 3, 2022, the Agency entered into an agreement with a restaurant and catering company that plans to expand its business into additional space within the building located in the CRA area. The Agency authorized the disbursement of grant funds to the company for reimbursement of expenses and costs for the construction materials and improvement of the property up to a maximum of \$35,000. The term of the loan is 5 years from the issuance of a certificate of occupancy for the expanded restaurant. For each year the expanded business is open and operating, 20% of the loan to grant will be forgiven. If after 5 years, the business is open and operating, the loan to grant will be forgiven entirely and converted into a grant. As of September 30, 2022, the outstanding balance on the loan was \$25,071.

**Groveland Community Redevelopment Agency
Notes to Financial Statements**

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

B. Loan Receivables (continued)

Future amounts to be forgiven by the Agency are as follows:

For the years ending September 30,

| | | |
|--------------|-----------|---------------|
| 2023 | \$ | 15,014 |
| 2024 | | 15,014 |
| 2025 | | 15,014 |
| 2026 | | 15,014 |
| 2027 | | 5,645 |
| Total | \$ | 65,701 |

C. Interfund receivables, payables and transfers

| Operating Transfers | Transfers | | Net |
|------------------------------------|-------------|--------------------|--------------------|
| | In | Out | |
| Major Funds at Primary Government: | | | |
| General Fund | \$ - | \$ (61,000) | \$ (61,000) |
| Total | \$ - | \$ (61,000) | \$ (61,000) |

The transfers to the General Fund were to pay for administrative services, capital outlay, and debt service principal and interest for an operating lease.

Note 3: RISK MANAGEMENT

Insurance

The Agency is a member of Public Risk Management of Florida (the pool), a local government liability risk pool. The pool administers insurance activities relating to property, general liability, police, professional, automobile liability, public officials' liability, workers' compensation, and boiler and machinery. The pool absorbs losses up to a specified amount for each pool year and purchases excess and other specific coverage's from third-party carriers. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pools ability to assess its members would revert back to the member that incurred the loss. There has been no significant reduction in insurance coverage from the prior year, and no settlements in excess of insurance coverage in any of the prior three years. There were no additional assessments levied against the Agency for the fiscal year ended September 30, 2022. The cost of the insurance is allocated among the appropriate departments and funds.

Groveland Community Redevelopment Agency Notes to Financial Statements

Note 3: RISK MANAGEMENT (Continued)

Litigation

Various suits in the ordinary course of operations are pending against the Agency. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Agency, the liabilities that may arise from such action would not result in losses that would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial position of the Agency or results of operations.



**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**



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**Groveland Community Redevelopment Agency
Budgetary Comparison Schedule – Community Redevelopment Agency Fund**

| <i>For the year ended September 30, 2022</i> | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|-------------------|---|
| REVENUES | | | | |
| Property taxes | \$ 763,633 | \$ 763,633 | \$ 759,643 | \$ (3,990) |
| Investment income | - | - | 413 | 413 |
| Miscellaneous revenue | 49,529 | 49,529 | 54,366 | 4,837 |
| Total revenues | 813,162 | 813,162 | 814,422 | 1,260 |
| EXPENDITURES | | | | |
| Community development | 561,362 | 561,362 | 570,051 | (8,689) |
| Capital outlay | 535,000 | 572,054 | 57,223 | 514,831 |
| Total expenditures | 1,096,362 | 1,133,416 | 627,274 | 506,142 |
| Excess (deficiency) of revenues over (under) expenditures | (283,200) | (320,254) | 187,148 | 507,402 |
| OTHER FINANCING SOURCES | | | | |
| Transfers out | (21,000) | (21,000) | (61,000) | (40,000) |
| Total other financing sources | (21,000) | (21,000) | (61,000) | (40,000) |
| Net change in fund balance | (304,200) | (341,254) | 126,148 | 467,402 |
| Fund balance, beginning of year | 391,255 | 391,255 | 391,255 | - |
| Fund balance, end of year | \$ 87,055 | \$ 50,001 | \$ 517,403 | \$ 467,402 |

Note that this schedule is prepared on a budgetary basis, but it is not different from Generally Accepted Accounting Principles (GAAP) in presentation.

Groveland Community Redevelopment Agency Budgetary Notes to Required Supplementary Information

Note 1: BUDGETARY INFORMATION

The Agency follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the end of the fiscal year, the Agency Finance Director submits to the Agency Governing Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public budget workshops are held where the Agency Governing Board, Agency Director and CRA Coordinator refine budget detail items.
3. The general summary of the budget and notice of public hearing is published in the local newspaper.
4. Public hearings are conducted to obtain taxpayer comments.
5. Prior to October 1, the budgets are legally enacted through passage of a resolution.
6. The Agency Director is authorized to transfer budgeted amounts within a department; however, any revisions that alter the total appropriations of any department must be approved by a majority vote of the Agency Governing Board.
7. The level of classification detail at which expenditures may not legally exceed appropriations is the department level.
8. Unexpended, unencumbered appropriations lapse at the close of the fiscal year.
9. Budgets are adopted for the community redevelopment fund on a basis consistent with generally accepted accounting principles, except as described below under Budgetary Basis of Accounting.
10. The Agency Governing Board, by Ordinance, may make supplemental appropriations in excess of those originally estimated for the year up to the amount of available revenues. Budgeted amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions.

Budgetary basis of accounting

The Agency includes a portion of the prior year's fund balances represented by unappropriated liquid assets remaining in the fund as budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior periods' excess of revenues over expenditures.



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INDEPENDENT AUDITORS' 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*

Honorable Chair and Board Members
Groveland Community Redevelopment Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Groveland Community Redevelopment Agency (the "Agency"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated June 29, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

June 29, 2023



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Chair and Board Members
Groveland Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Groveland Community Redevelopment Agency (the "Agency") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 29, 2023.

Auditors' 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' 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 June 29, 2023, 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. No recommendations were 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 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 of the Groveland Community Redevelopment Agency is disclosed in the footnotes. The Groveland Community Redevelopment Agency has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Groveland Community Redevelopment Agency met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Groveland Community Redevelopment Agency 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 Groveland Community Redevelopment Agency. It is management's responsibility to monitor the Groveland Community Redevelopment Agency'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 Specific Information (Unaudited)

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the City of Groveland Community Redevelopment Agency reported:

- a. The total number of district employees compensated in the last pay period of the Agency's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as 13.
- 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 \$378,104.
- e. Each construction project with a total cost of at least \$65,000 approved by the Agency 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:

| Construction Project: | Estimated Expenditures: |
|-----------------------|-------------------------|
| Streetscape – Phase 1 | \$ 320,730 |
| Streetscape – Phase 2 | \$ 296,366 |

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 Agency amends a final adopted budget under Section 189.016(6), Florida Statutes. See page 31.

Specific Information (For an independent special district that imposes ad valorem taxes)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the (name of district) reported:

- a. The millage rate or rates imposed by the Agency was 5.20 mills.
- b. The total amount of ad valorem taxes collected by or on behalf of the Agency as \$ 759,643.
- c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds as \$0.

The Agency did not impose any special assessments; therefore, there are no amounts to report in regards to Section 10.554(1)(i)8, Rules of the Auditor General.

Additional Matters

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

Purpose of this Letter

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 Agency’s Governing Board, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida
June 29, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REDEVELOPMENT TRUST FUND

The Honorable Chair and Board Members
Groveland Community Redevelopment Agency

We have examined the Groveland Community Redevelopment Agency's (the "Agency") compliance with the requirements of Sections 163.387(6) and 163.387 (7), Florida Statutes, *Redevelopment Trust Fund Policies*, during the year ended September 30, 2022. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied with the specified requirements, in all material respects. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Agency complied with the requirements of Section 163.387(6) and Section 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, for the year ended September 30, 2022, in all material respects.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.
Melbourne, Florida
June 29, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Honorable Chair and Board Members
Groveland Community Redevelopment Agency

We have examined the Groveland Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Agency complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022.

This report is intended solely for the information and use of the Agency's Governing Board, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
June 29, 2023