

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

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**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)  
FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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Board of Directors and Executive Director  
Apopka Community Redevelopment Agency  
Apopka, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and major fund (the "General Fund") of the Apopka Community Redevelopment Agency (the "CRA"), (a component unit of the City of Apopka, Florida), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, 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.



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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2024, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CRA's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
April 10, 2024

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**APOPKA COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Apopka, Florida)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This section of the report presents our discussion and analysis of the performance of the Apopka Community Redevelopment Agency (the "CRA") during the year ended September 30, 2023. Please read it in conjunction with the CRA's financial statements, which follow this section.

**Financial Highlights**

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$5,104,771 (net position). Of this amount, \$4,300,325 was included in the restricted category.
- The CRA's total net position increased by \$1,043,185 over the course of this year's operations primarily caused by less than anticipated spending in redevelopment programs.
- The CRA's operating fund reported an ending fund balance of \$4,300,325 an increase of \$1,072,932 from the prior period which resulted from excess revenues over expenditures.

**Overview of the Financial Statements**

The financial section of this annual report consists of two parts: (1) management's discussion and analysis (this section), and (2) the basic financial statements.

**Basic Financial Statements**

**Government-wide financial statements.** The focus of the *government-wide financial statements* is on the overall financial position and activities of the CRA. Reporting is similar to that of a private-sector business. The government-wide financial statements report information about the CRA as a whole and about its activities in a way that helps answer questions about the financial health of the CRA and whether the activities of the year contributed positively or negatively to that health.

The government-wide financial statements include the statement of net position and statement of activities.

- The *Statement of Net Position* presents information on the assets held and liabilities owed by the CRA, both long- and short-term. Assets are reported when acquired and liabilities are reported when they are incurred, regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities. For example, the CRA reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the CRA. On the other hand, the CRA reports liabilities, even though these liabilities might not be paid until several years into the future.

The difference between the CRA's total assets and total liabilities is *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating. Although the purpose of the CRA is not to accumulate net position in general, as this amount increases, it indicates that the financial position of the CRA is improving over time.

**APOPKA COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Apopka, Florida)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- The *Statement of Activities* presents the revenues and expenses of the CRA. The items presented on the Statement of Activities are measured in a manner like the approach used in the private sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Both of the government-wide financial statements distinguish functions of the CRA that are principally supported by taxes and intergovernmental revenue (governmental activities). The governmental activities of the CRA are mainly economic environment activities.

**Fund financial statements.** The focus of fund financial statements is directed to specific activities of the CRA. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental fund.** The CRA has only one governmental fund, a General Fund. Financial statements consist of a balance sheet and a statement of revenue, expenditures, and change in fund balance. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables but do not include capital assets such as land and buildings. The difference between a fund's total assets and total liabilities is the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures are generally recorded when incurred.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because different accounting bases are used to prepare governmental fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the governmental fund balance sheet that reconciles the total fund balance for the governmental fund to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis after the statement of revenue, expenditures, and changes in fund balance that reconciles the total change in fund balance for the General Fund to the change in net position as reported in the governmental activities column in the statement of activities.

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

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Government-Wide Financial Analysis**

The table below presents a summary of net position as of September 30, 2023 and 2022 derived from the government-wide statement of net position:

**Statement of Net Position**

	2023	2022	Change
Current and other assets	\$ 4,306,325	\$ 3,227,393	\$ 1,078,932
Capital assets	804,446	834,193	(29,747)
Total assets	<u>\$ 5,110,771</u>	<u>\$ 4,061,586</u>	<u>\$ 1,049,185</u>
Other liabilities	\$ 6,000	\$ -	\$ 6,000
Total liabilities	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ 6,000</u>
Investment in capital assets	\$ 804,446	\$ 834,193	\$ (29,747)
Restricted	4,300,325	3,227,393	1,072,932
Total net position	<u>\$ 5,104,771</u>	<u>\$ 4,061,586</u>	<u>\$ 1,043,185</u>

As noted earlier, net position may serve, over time, as a useful indication of the CRA's financial position. At the close of the most recent fiscal year, the CRA's assets exceeded its liabilities by 5,104,771.

The CRA's total net position is divided between restricted, at 84.2%, representing resources that are available for spending and investment in capital assets at 15.8%. Net investment in capital assets reflects the CRA's investment in capital assets reduced by the amount of outstanding related liabilities used to acquire or construct these assets. Although the capital assets are shown net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The table below presents a summary of changes in net position for the years ended September 30, 2023 and 2022 as derived from the government-wide statement of activities:

<b>Statement of Activities</b>			
	2023	2022	Change
<b>Revenues</b>			
Property tax assessments	\$ 457,986	\$ 380,232	\$ 77,754
Intergovernmental	482,090	402,668	79,422
Investment income	151,242	12,849	138,393
Total revenues	1,091,318	795,749	295,569
<b>Expenses</b>			
Economic environment	48,133	122,609	(74,476)
Total expenses	48,133	122,609	(74,476)
Change in net position	1,043,185	673,140	370,045
Beginning net position	4,061,586	3,388,446	673,140
Ending net position	\$ 5,104,771	\$ 4,061,586	\$ 1,043,185

**Governmental Activities**

Governmental activities increased the CRA's net position by \$1,043,185 caused by the increased tax base revenue and lower expenditures. These resources will be used to complete future projects.

**Financial Analysis of the CRA General Fund**

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the CRA's *General Fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the CRA's financing requirements. In particular, the *fund balance* at year-end provides the resources available for spending.

**Budgetary Highlights**

The difference between the CRA's original budget and the final amended budget is solely due to reappropriated fund balance for projects that were not completed by September 30, 2023.

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Capital Assets and Long-Term Liabilities**

**Capital assets.** As of September 30, 2023 and 2022, the CRA had \$804,446 and \$834,193, respectively, invested in a variety of capital assets, as reflected in the following schedule:

**Capital Assets (Net of Accumulated Depreciation)**

	2023	2022	Change
Construction in progress	\$ 322,542	\$ 320,967	\$ 1,575
Improvements	481,904	513,226	(31,322)
	<u>\$ 804,446</u>	<u>\$ 834,193</u>	<u>\$ (29,747)</u>

Capital assets decreased due to the depreciation of improvements at year-end.

**Long-term liabilities.** As of year-end, the CRA reported no long-term debt.

**Request for Information**

This financial report is designed to provide residents, taxpayers, customers and creditors with a general overview of the CRA's finances and to demonstrate the CRA's accountability. For questions concerning the information in this report or requests for additional financial information, contact the Finance Director, City of Apopka, Florida, 120 E Main Street, Apopka, Florida 32703.

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**APOPKA COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Apopka, Florida)**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,306,325
Capital assets	
Capital assets, nondepreciable	322,542
Capital assets, depreciable, net	481,904
Total assets	5,110,771
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable and accrued liabilities	6,000
Total liabilities	6,000
<b>NET POSITION</b>	
Investment in capital assets	804,446
Restricted	4,300,325
Total net position	\$ 5,104,771

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

**APOPKA COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Apopka, Florida)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

<b>Functions/programs</b>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities				
Economic development	\$ 48,133	\$ -	\$ -	\$ (48,133)
Total governmental activities	\$ 48,133	\$ -	\$ -	(48,133)
General revenues				
Property taxes				457,986
Intergovernmental revenue (not restricted to specific programs)				482,090
Interest				151,242
Total general revenues				1,091,318
Change in net position				1,043,185
Net position, beginning				4,061,586
Net position, ending				\$ 5,104,771

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

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2023**

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<b>ASSETS</b>		
Cash and cash equivalents		\$ 4,306,325
Total assets		<u>\$ 4,306,325</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable		<u>\$ 6,000</u>
Total liabilities		<u>6,000</u>
<b>FUND BALANCE</b>		
Restricted for		
Community redevelopment		<u>4,300,325</u>
Total fund balance		<u>4,300,325</u>
Total liabilities and fund balance		<u>\$ 4,306,325</u>

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

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

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Total fund balance, General Fund		\$	4,300,325
Amounts reported for the governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital assets			881,443
Less accumulated depreciation			(76,997)
			804,446
Total net position, governmental activities		\$	5,104,771

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

**APOPKA COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Apopka, Florida)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**REVENUES**

Taxes	\$ 457,986
Intergovernmental revenues	482,090
Investment earnings	<u>151,242</u>
Total revenues	<u>1,091,318</u>

**EXPENDITURES**

Current	
Economic environment	16,811
Capital outlay	<u>1,575</u>
Total expenditures	<u>18,386</u>

Net change in fund balance	1,072,932
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<b>Fund balance, beginning</b>	<u>3,227,393</u>
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<b>Fund balance, ending</b>	<u><u>\$ 4,300,325</u></u>
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The accompanying notes are an integral part of the financial statements.

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE–GENERAL FUND TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance, General Fund	\$	1,072,932
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The General Fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay	\$	1,575	
Depreciation expense		<u>(31,322)</u>	<u>(29,747)</u>

Change in net position of governmental activities	\$	<u>1,043,185</u>
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**The accompanying notes are an integral part of the financial statements.**

**APOPKA COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Apopka, Florida)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**BUDGET (GAAP BASIS) AND ACTUAL-GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ 437,200	\$ 437,200	\$ 457,986	\$ 20,786
Intergovernmental revenues	3,716,399	3,716,399	482,090	(3,234,309)
Investment earnings	10,000	10,000	151,242	141,242
Miscellaneous revenues	-	46,930	151,242	104,312
Total revenues	<u>4,163,599</u>	<u>4,210,529</u>	<u>1,242,560</u>	<u>(2,967,969)</u>
<b>Expenditures</b>				
Current				
Economic environment	477,970	477,970	16,811	461,159
Capital outlay	<u>3,685,629</u>	<u>3,732,559</u>	<u>1,575</u>	<u>3,730,984</u>
Total expenditures	<u>4,163,599</u>	<u>4,210,529</u>	<u>18,386</u>	<u>4,192,143</u>
<b>Other financing sources</b>				
Use of fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	-	-	1,224,174	1,224,174
<b>Fund balances, beginning</b>	<u>3,227,393</u>	<u>3,227,393</u>	<u>3,227,393</u>	<u>-</u>
<b>Fund balances, ending</b>	<u>\$ 3,227,393</u>	<u>\$ 3,227,393</u>	<u>\$ 4,451,567</u>	<u>\$ 1,224,174</u>

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

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**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The Apopka Community Redevelopment Agency (the “CRA”) is governed by a board consisting of seven board members, five of which are the same individuals as those serving as the City of Apopka (the “City”) City Council. Two additional members are appointed - one by the City Council and one by Orange County. The terms of office of the board members are concurrent with the terms of the Mayor and the members of the City Council. The CRA was established on June 22, 1993, through Resolution No. 9316. Ordinance No. 783 established the Redevelopment Trust Fund of the CRA on June 28, 1993. The CRA was created following the provisions of Florida Statute, 163 based upon data compiled by a research team from the University of Florida/College of Architecture. The Redevelopment Area encompasses approximately 633 acres. Funding for the CRA is provided through Tax Increment Financing (TIF).

Florida Statute, Chapter 163 allows a community redevelopment agency to be created for one or more of the following purposes: the elimination and prevention of blight; the reduction or prevention of crime; the provision of affordable housing; or the rehabilitation and revitalization of coastal resort and tourist areas that are deteriorating and economically distressed. The primary goal of the CRA is to provide a tool that will guide private and public initiatives for creating economic development, improved physical characteristics, encourage investment in Apopka, improve the quality of life for residents, and establish a framework for the proper evolution of the CRA District.

The CRA was established in accordance with the Community Redevelopment Act of 1969. This state act allows municipalities to use increases in property tax revenue to finance the necessary public investments in the project area. In accordance with provisions of this act, the CRA developed and implemented a Community Redevelopment Plan to diversify its efforts in the area of economic development of the downtown by improving blighted properties and addressing properties with infrastructure problems. The CRA is also looking at new ways to draw people downtown with continued growth in the restaurant and entertainment sectors. All redevelopment funding by the CRA Trust Fund and the various programs must all be in accordance with the adopted CRA Redevelopment Plan, the most current was adopted in June of 2017.

Funding for redevelopment and restoration projects that are essential for the reduction of slum and blight and the stimulation of private sector revitalization efforts is provided primarily from the tax increment generated by the increased valuation of properties within the community redevelopment area. Increases in property tax revenue above the baseline assessment that was established upon adoption of the Community Redevelopment Plan is set aside in the Community Redevelopment Fund and can be utilized only for projects identified in the plan.

The CRA is a separate entity from the City. However, the City Council of the City of Apopka serves as the CRA Board and performs the legislative functions, governing duties and corporate responsibilities of the agency. The City Administrator designates the Community Development Director, who is a certified Redevelopment Administrator, and serves as the director of the agency, performs the administrative duties and oversees the day to day operations of the agency. Several City departments, including Community Development, Finance, and Public Works, provide assistance in planning and implementing project activities that are designed to revitalize and restore the identified blighted areas.

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements**

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

The government-wide financial statements include a statement of net position and a statement of activities. These statements report on the CRA as a whole and provide a complete financial picture of the CRA.

The government-wide statement of net position reports all financial and capital resources of the CRA's governmental activities. Governmental activities are those supported by taxes and intergovernmental revenue. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Although there were none, program revenues include charges for services that are recovered directly from customers for services rendered. Taxes and other items not properly included among program revenues are reported instead as general revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Since the CRA fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are provided that briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide governmental activities financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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 reported 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.

The governmental fund financial statements (the "General Fund") are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are generally recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

**D. Deposits**

The CRA considers cash on hand, cash with fiscal agents, and overnight investments with original maturities of less than three months to be cash and cash equivalents. The CRA also maintains its own bank account which is used for the majority of CRA transactions.

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Receivables**

Receivables consist of trade receivables and amounts due from other governments and are recorded net of any allowance for uncollectible amounts, if applicable.

Activity between the CRA and the City that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year (if any) are reported as “advances to/from the primary government.” All other outstanding balances between the CRA and City (if any) are reported as “due to/from the primary government.”

**F. Capital Assets**

Capital assets are recorded at historical cost or estimated historical cost, except for contributed assets, which are recorded at acquisition value at the date of contribution. The CRA uses a capitalization threshold of \$1,000 for individual projects, and for capital projects is \$10,000.

In accordance with GASB Statement No. 34, the CRA has elected to report general infrastructure prospectively, effective October 1, 2003.

Depreciation of capital assets is provided using the straight-line method over the estimated useful lives of the assets, which range as follows:

Buildings and improvements	5 - 50 years
Machinery and equipment	3 - 25 years
Infrastructure	5 - 50 years

**G. Long-Term Obligations**

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position.

**H. Fund Balance/Net Position**

In fund financial statements, the General Fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints imposed on the use of resources reported. Amounts that are restricted to specific purposes either by: (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Directors through a resolution are classified as committed fund balances. These constraints remain binding unless removed or changed in the same manner employed to commit those resources by resolution. Amounts that are constrained by the CRA’s intent to be used for specific purposes, however, are neither restricted, nor committed are classified as assigned fund balances. Assignments are approved by the Executive Director.

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Fund Balance/Net Position (Continued)**

Non-spendable fund balances include amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents an amount that has not been restricted, committed, or assigned to specific purposes within the General Fund. When both restricted and unrestricted fund balances are available for use, it is the CRA's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Net position of the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. The first category represents capital assets net of accumulated depreciation, less outstanding debt related to the acquisition or construction of the capital assets.

The restricted category, if any, represents the balance of assets restricted by requirements externally imposed constraints or by legislation. Unrestricted net position represents resources that are available for spending.

**I. Budgetary Data**

On or before September 1 each year, the CRA Administrator submits to the City Council a proposed operating budget for the fiscal year commencing October 1. A public hearing is conducted at City Hall to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance. Annual budgets are adopted for the General Fund on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at the end of each fiscal year for these funds.

Budgetary control is maintained at the department level. The CRA Administrator is permitted to transfer appropriations between line items within the General Fund. All other types of budget transfers or amendments must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the department level.

**J. 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 deferred outflows of resources, and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**K. Risk Management**

The CRA is insured, through the City's self-insurance program, for general liability, health, directors and officers, and property damage. There are no outstanding general liability claims related to the CRA.

**APOPKA COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Apopka, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – TAX INCREMENT REVENUE**

The primary source of revenue is tax increment funds received through the City of Apopka and Orange County. The revenue from the City is treated as property taxes, while the remainder is recorded as intergovernmental revenue – tax increment financing.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

At September 30, 2023, the adjusted bank balances of the CRA's deposits was \$4,306,325. All of the CRA's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits 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 pledging level may vary depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

**NOTE 4 – CAPITAL ASSETS**

The following is a summary of capital asset activity for the year ended September 30, 2023:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated					
Construction in progress	\$ 320,967	\$ 1,575	\$ -	\$ -	\$ 322,542
Total capital assets not being depreciated	<u>320,967</u>	<u>1,575</u>	<u>-</u>	<u>-</u>	<u>322,542</u>
Capital assets, being depreciated					
Improvements	558,901	-	-	-	558,901
Total capital assets being depreciated	<u>558,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>558,901</u>
Less accumulated depreciation for					
Improvements	(45,675)	(31,322)	-	-	(76,997)
Total accumulated depreciation	<u>(45,675)</u>	<u>(31,322)</u>	<u>-</u>	<u>-</u>	<u>(76,997)</u>
Total capital assets being depreciated, net	<u>513,226</u>	<u>(31,322)</u>	<u>-</u>	<u>-</u>	<u>481,904</u>
Capital assets, net	<u>\$ 834,193</u>	<u>\$ (29,747)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804,446</u>

Depreciation expense of \$31,322 was charged to economic development for the year ended September 30, 2023.

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – CONTINGENT LIABILITIES**

The CRA sometimes receives revenues from various federal grants. These grants would be for specific purposes and would be subject to review and audit by the grantor agencies. Such audits could result in disallowed expenditures under the terms of the grants. No such grants were received during the year ended September 30, 2023. Based upon prior experience, CRA management believes such disallowances, if any, would be immaterial.

**NOTE 6 – DEPOSITS AND WITHDRAWALS**

Pursuant to Florida Statue 163.387, listed below is a summary of the sources and amounts of deposits into, and the amount and purpose of withdrawals from the CRA for the fiscal year ended September 30, 2023:

	<b>Revenues</b>	<b>Expenditures</b>
<b>Source of Revenues</b>		
City property tax increment	\$ 457,986	\$ -
Intergovernmental revenues	482,090	-
Interest income	151,242	-
 <b>Purpose of Expenditures</b>		
Economic development	-	16,811
Capital improvements	-	1,575
	\$ 1,091,318	\$ 18,386

**NOTE 7 – RISK MANAGEMENT**

The CRA is exposed to various risks of loss, including general liability, personal injury, workers compensation, and errors and omissions. To manage its risks, the CRA has purchased commercial insurance.

**NOTE 8 – CONSTRUCTION COMMITMENTS**

As of September 30, 2023, there CRA's commitments with contractors totaled \$2,277,458 for the Apopka Downtown Trails project.

**NOTE 9 – SUBSEQUENT EVENTS**

The CRA has evaluated all subsequent events through April 10, 2024, the date the financial statements were available to be issued.

## **OTHER REPORTS**

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**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**

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Board of Directors and Executive Director  
Apopka Community Redevelopment Agency  
Apopka, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Apopka Community Redevelopment Agency (the "CRA"), (a component unit of the City of Apopka, Florida), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated April 10, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

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

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

---

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Bradenton, Florida  
April 10, 2024

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION I  
SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:  
Material weaknesses identified?  Yes  No

Significant deficiencies identified not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards and State Financial Assistance Projects**

The CRA did not expend \$750,000 in federal or state funds during its fiscal year ended September 30, 2023.

**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None.

**APOPKA COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Apopka, Florida)**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**2022-001 Prior Period Adjustment**

**Criteria:** To ensure that financial statements properly present the financial position and results of operations of the Apopka Community Redevelopment Agency (the "CRA") in accordance with generally accepted accounting principles (GAAP), in addition to providing meaningful financial reports to the CRA governing body and management, the CRA should ensure that reporting of all financial statement line items are in accordance with current standards as issued by the Governmental Accounting Standards Board (GASB).

**Condition:** During year-end close process, the CRA identified expenditures that were accrued as of September 30, 2021, but not incurred. An adjustment was required to increase the beginning fund balance of the CRA's General Fund in the amount of \$164,888. Additionally, an adjustment was required to increase the beginning net position of the CRA's governmental activities in the amount of \$29,341.

**Status:** Resolved

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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Board of Directors and Executive Director  
Apopka Community Redevelopment Agency  
Apopka, Florida

### Report on the Financial Statements

We have audited the financial statements of the Apopka Community Redevelopment Agency (the "CRA"), (a component unit of the City of Apopka, Florida) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 10, 2024.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standard* 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 10, 2024, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### 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 CRA has made these disclosures in the notes to the financial statements. There are no component units.

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## **Financial Condition and Management**

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

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

## **Specific Information**

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

- a. There were no employees compensated in the last pay period of the CRA's fiscal year.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as zero.
- e. Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with total expenditures for such project as zero.
- 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 CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, has been presented on page 15 of this report.

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**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 Board of Trustees and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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Bradenton, Florida  
April 10, 2024

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## INDEPENDENT ACCOUNTANT'S REPORT

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Board of Directors and Executive Director  
Apopka Community Redevelopment Agency  
Apopka, Florida

We have examined the Apopka Community Redevelopment Agency (the "CRA"), (a component unit of the City of Apopka, Florida) compliance with Sections 218.415, 163.387(6), and 163.387(7), Florida Statutes, during the year ended September 30, 2023. Management of the CRA is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material 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 examination engagement.

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

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

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



Bradenton, Florida  
April 10, 2024

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