

CITY OF QUINCY
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Quincy, Florida)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY

FINANCIAL SECTION

SEPTEMBER 30, 2023

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
City of Quincy Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement 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 opinion.

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; this includes 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.

Auditor's Responsibility 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 opinion. 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 judgement 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 and other required supplementary information, as listed in the table of contents, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

Moran & Smith LLP

Moran & Smith LLP
Tallahassee, Florida
October 10, 2024

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the City of Quincy Community Redevelopment Agency's (the "CRA") financial activities. The analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the CRA's financial activity, identify the changes in the CRA's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues of concern.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the CRA's financial statements and independent auditor's report.

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$844,913 (net position). All of which is restricted for community redevelopment uses.
- The CRA's total net position increased by \$507,970 during the year ended September 30, 2023.
- As of the close of the current fiscal year, the CRA's general fund reported ending fund balance of \$844,913 compared to \$336,943 at the end of the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The CRA's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all the CRA's assets, liabilities, and deferred inflows and outflows of resources with the residual measure reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in net position are reported in a manner similar to the approach used by private sector business in that revenue is recognized when earned or established criteria are satisfied, 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 year, and expenses are reported even though they may not have used cash during the current fiscal year.

Both government-wide financial statements are designed to distinguish functions of the CRA that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees and charges (business-type activities). The CRA does not engage in business-type activities and as such, no business-type activities are reported in the financial statements.

The governmental activities of the CRA are exclusively comprised of the community redevelopment function.

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The government-wide financial statements can be found by referencing the table of contents of this report.

Fund financial statements: Funds are a group of self-balancing accounts. Funds are used to account for specific activities of the CRA, rather than reporting on the CRA as a whole. The CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities if there are any differences between the two. The CRA maintains only one fund, a major governmental fund designated as the general fund.

The basic governmental fund financial statements can be found by referencing the table of contents of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found by referencing the table of contents of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the CRA's general fund budgetary comparisons. Required supplementary information can be found by referencing the table of contents.

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position: The following table reflects a summary of the statement of net position compared to the prior year. The statement of net position can be found by referencing the table of contents of this report.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table reflects a summary of net position compared to the prior year.

Statement of Net Position
(Summary) as of September 30,

	Governmental Activities		
	2022	2023	Increase (Decrease)
Assets			
Cash	\$ 365,641	\$ 857,143	\$ 491,502
Capital Assets	8,829	5,883	(2,946)
Total Assets	<u>374,470</u>	<u>\$ 863,026</u>	<u>\$ 488,556</u>
Liabilities			
Current Liabilities	34,261	17,076	(17,185)
Lease Liability	<u>3,266</u>	<u>1,037</u>	<u>(2,229)</u>
Total Liabilities	<u>37,527</u>	<u>18,113</u>	<u>(19,414)</u>
Net Position			
Restricted	336,943	844,913	507,970
Total Net Position	<u>\$ 336,943</u>	<u>\$ 844,913</u>	<u>\$ 507,970</u>

On September 30, 2023 and 2022, 100% of the CRA's net position is reported as restricted and can only be used for community redevelopment in accordance with Chapter 163, Florida Statutes, and the community redevelopment plan.

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Statement of Activities: The following table reflects a summary of the statement of activities compared to the prior year. The statement of activities can be found by referencing the table of contents of this report.

Changes in Net Position
(Summary) for the Year Ended September 30,

	Governmental Activities		
	2022	2023	Increase (Decrease)
Revenues			
Property Taxes	\$ 555,654	\$ 783,005	\$ 227,351
Interest Income	156	273	117
Miscellaneous	2,530	-	(2,530)
Total Revenues	<u>558,340</u>	<u>783,278</u>	<u>224,938</u>
Expenses			
Economic Environment	<u>369,466</u>	<u>275,308</u>	<u>(94,158)</u>
Total Expenses	<u>369,466</u>	<u>275,308</u>	<u>(94,158)</u>
Change in Net Position	188,874	507,970	319,096
Net Position, Beginning of Year	148,069	336,943	188,874
Net Position, End of Year	<u>\$ 336,943</u>	<u>\$ 844,913</u>	<u>\$ 507,970</u>

Governmental Activities

During 2023, governmental activities net position increased by \$507,970 compared to an increase of \$188,875 in the prior year. The main reason for current year changes was the increase in revenues of \$224,938 and decrease of expenditures of \$94,158, for a total change of \$319,096, when comparing a prior year gain of \$188,874 to current year gain of \$507,970.

FINANCIAL ANALYSIS OF THE CRA'S FUND

Governmental Funds

The focus of the CRA's governmental fund (general fund) statements 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.

As of the end of the current fiscal year, the CRA's sole fund, the general fund, reported ending fund balances of \$844,913, an increase of \$507,970 in comparison with the previously reported balance in the prior year of \$336,943. The entire fund balance of the CRA's general fund is restricted for community redevelopment expenditures.

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The major changes in the current year in comparison to the prior year are detailed below:

- Tax revenues increased by \$227,351
- Other revenues decreased by \$2,413
- Community redevelopment and project expenses decreased by \$94,158

CRA GENERAL FUND BUDGETARY HIGHLIGHTS

Actual resources were more than the budgeted resources by \$236,157 primarily due to not allocating the entire balance of prior year unused funds to the current year. Actual expenses were less than budget by \$603,910, mainly due to less catalyst project expenses being incurred. The CRA general fund revenue and expense budgets were not amended during the year ended September 30, 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets: Effective October 1, 2021 the CRA adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards (GASB) Statement No. 87, *Leases* (GASB No. 87), which requires lessees recognize certain lease assets and liabilities for leases that previously were classified as operating leases based on the foundational principle that leases are financings of the right to use an underlying asset. The CRA has a right of use asset of \$5,883.

The CRA often engages in the construction renovation and/or acquisition of capital assets which may include land, buildings, improvements or furniture and equipment. None of these assets are titled to the CRA and the CRA does not have operational oversight nor obligation for ongoing repair and maintenance of the assets rather the assets are transferred to the City upon acquisition or upon completion of construction or renovation.

For long term construction or renovation projects, the costs are capitalized in the governmental activities of the CRA and are transferred to the City upon completion.

Long-term Debt: The CRA does not have any long-term obligations as of September 30, 2023.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Budget Highlights

The following significant item will affect the 2023 fiscal year:

- The approved budget for the fiscal year 2023-24 reflected an increase in budgeted revenues, primarily due to a budgeted increase of \$299,806 in TIF funds.

REQUEST FOR INFORMATION

This financial report is designed to provide users with a general overview of the CRA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the office of the Finance Director, at the City of Quincy, 404 West Jefferson Street, Quincy, Florida 32351-2328.

CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

	<u>Governmental Activities</u>
Assets	
Cash	\$ 877
Restricted Assets:	
Cash	856,266
Capital Assets:	
Right of Use Asset, Net	<u>5,883</u>
Total Assets	<u>863,026</u>
Liabilities	
Accounts Payable	14,689
Accrued Expenses	2,387
Lease Liability	<u>1,037</u>
Total Liabilities	<u>18,113</u>
Net Position	
Restricted	<u>844,913</u>
Total Net Position	<u><u>\$ 844,913</u></u>

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

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Function/Program	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Governmental Activities
Governmental Activities:					
Economic Environment	\$ 275,308	\$ -	\$ -	\$ -	\$ (275,308)
Total Governmental Activities	<u>\$ 275,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(275,308)</u>
General Revenues:					
Property Taxes					783,005
Interest Income					273
Total General Revenues					<u>783,278</u>
Change in Net Position					507,970
Net Position, Beginning of Year					336,943
Net Position, End of Year					<u>\$ 844,913</u>

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

CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET – GOVERNMENTAL FUND
SEPTEMBER 30, 2023

	Community Redevelopment Agency
Assets	
Cash	\$ 877
Restricted Assets:	
Cash	856,266
Total Assets	<u>857,143</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	14,689
Accrued Expenses	2,387
Total Liabilities	<u>17,076</u>
Fund Balance	
Restricted	840,067
Total Fund Balance	<u>840,067</u>
Total Liabilities and Fund Balance	<u>\$ 857,143</u>

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

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total Fund Balance of Governmental Fund	\$ 840,067
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Amounts reported for 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 governmental funds.	5,883
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(1,037)
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Net Position of Governmental Activities	<u>\$ 844,913</u>
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The accompanying notes are an integral part of these financial statements.

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Community Redevelopment Agency
Revenues	
Property Taxes	\$ 783,005
Interest Income	277
Total Revenues	<u>783,282</u>
Expenditures	
Current:	
Economic Environment	272,366
Debt Service:	
Principal	2,229
Total Expenditures	<u>274,595</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	508,687
Net Change in Fund Balance	508,687
Fund Balance, Beginning of Year	331,380
Fund Balance, End of Year	<u><u>\$ 840,067</u></u>

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

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

Net Change in Fund Balance - Governmental Fund	\$ 508,687
Governmental funds report 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:	
Depreciation Expense	(2,946)
Repayment of long-term debt is reported as an expenditure in governmental funds, but as a reduction of long-term liabilities in the Statement of Net Position.	2,229
Change in Net Position of Governmental Activities	<u><u>\$ 507,970</u></u>

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

CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Quincy Community Redevelopment Agency's (the "CRA") financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its statements (GASBS) and Interpretations (GASBI). The more significant accounting policies established by GAAP and used by the CRA are discussed below.

Reporting Entity

The CRA is a dependent special district created on February 23, 1999 by the City of Quincy, Florida (the "City") under Chapter 163, Part III, of the Florida Statutes via Ordinance No. 8961. The CRA was created for the purpose of eliminating and preventing the development and spread of deterioration and blight through the clearance, replanning, reconstruction, rehabilitation, conservation, or renewal of areas designated for residential, commercial, industrial, community public, and other uses. The CRA's property taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. The Board of the CRA is comprised of the five members of the City Commission. The Board exercises all powers granted to the agency pursuant to Chapter 163.370 Section III of the Florida Statute.

As the City and the CRA are separate legal entities, the parties also share the mutual goal of redeveloping the CRA areas. The City provides administrative support services to the CRA. City management has operational responsibility for the CRA. For the year ended September 30, 2023, the CRA paid the City \$20,012 for the provision of these administrative support services and \$5,000 for separate IT support.

The accompanying financial statements present the CRA. There are no component units of the CRA, or entities for which the CRA is financially accountable. Criteria for determining if other entities are potential component units of the CRA which should be reported with the CRA's basic financial statements are identified and described in the GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. The application of these criteria provides for identification of any entities for which the CRA is financially accountable and other organizations for which the nature and significance of their relationship with the CRA are such that exclusion would cause the CRA's basic financial statements to be misleading or incomplete. Based on these criteria, the financial reporting entity does not include or exclude any component units.

The City is financially accountable for the CRA and as such, the CRA is considered to be a blended component unit in the City's basic financial statements.

Basis of Presentation

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

Government-wide Financial Statements – The required government-wide financial statements are the Statement of Net Position and the Statement of Activities, which report information on all the nonfiduciary activities of the CRA. The effects of interfund activity would have been removed from these statements if there were any interfund activity. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The CRA does not engage in any business-type activities.

CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

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 or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – The financial transactions of the CRA are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues, and expenditures/expenses. Each major fund is presented in a separate column and all non-major funds are aggregated and presented in a single column. Due to the CRA's fund structure, there were no non-major funds.

The financial transactions of the CRA are recorded in a single governmental "general" fund. There are no other governmental funds, no proprietary funds, nor any fiduciary funds.

Measurement Focus and Basis of Accounting

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 recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible 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 compensated absences, and 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 and acquisition under capital leases are reported as other financing sources.

Tax Incremental revenues are recognized as revenues in the year for which they are levied. Interest associated with the current fiscal period are considered to be susceptible to accrual as revenue of the current period.

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 90 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the CRA.

Imposed nonexchange resources (property taxes, fines) are reported as deferred inflows if received before the tax is levied or before the date when use is first permitted. Government mandated nonexchange transactions and voluntary nonexchange transactions are reported as liabilities until the eligibility

CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

requirements (excluding time requirements) are met and as deferred inflows if received before time requirements are met and all other eligibility requirements have been satisfied.

Deposits

The City maintains an accounting system which centralizes the cash function for all of the City's funds. The CRA's "share" of pooled cash is included in cash on the accompanying balance sheet and statement of net position. The CRA has a separate stand-alone bank account and only participates in the pooled cash account for purposes of paying invoices and issuing paychecks. Florida Statutes require state and local governmental units to deposit monies in financial institutions classified as qualified public depositories. The CRA reimburses the pooled cash account on a regular basis. Earnings on the City deposits are distributed monthly in accordance with the participating fund's relative percentage of total deposits.

Capital Assets

In the government-wide financial statements capital assets may include land, buildings, improvements, infrastructure, furniture and equipment. The CRA often engages in the construction, renovation, and/or acquisition of capital assets which may include land, buildings, improvements or furniture and equipment.

None of these assets are titled to the CRA and the CRA does not have operational oversight nor obligation for ongoing repair and maintenance of the assets; rather the assets are transferred to the City upon acquisition or upon completion of the construction or renovation. For long term construction or renovation projects, the costs are incurred in the governmental activities of the CRA and are transferred to the City upon completion.

In the event that capital assets are purchased and titled to the CRA or if the CRA has ongoing operational responsibility of a capital asset, the CRA would report these at historical cost, if purchased and at estimated acquisition value if donated. Capital assets are defined by City policy as personal or real property or improvements with an individual cost of \$1,000 or more and estimated useful life in excess of one year. Maintenance and repair costs which do not improve or extend the life of the respective assets are charged to expense. Capital outlay assets are transferred to the City for inclusion in the City's fixed assets.

In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the CRA's general fund upon acquisition.

Compensation Costs

The CRA has no employees of its own. Instead, the CRA reimburses the City for the portion of salaries and benefits attributable to CRA activities, based on the estimated time spent on those activities. The CRA has a dedicated person who spends all his time on these activities. Any long-term payroll and benefit liabilities, such as compensated absences, and other postemployment benefits, or pension liabilities are reported on the City's financial statements.

Interest Costs

Interest costs are recognized as an expense in the period in which the cost is incurred in the statement activities or as an expenditure on a basis consistent with governmental fund accounting principles in the statement of revenues, expenditures, and changes in fund balance.

CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-term Obligations

There are no employees accounted for in the CRA. CRA employees are accounted for in the City's financial statements. Therefore, there are no compensated absences, other post-employment benefits or net pension liability.

The CRA has a lease liability for their portion of the City's Xerox machine lease agreement. For the year ended September 30, 2023, the outstanding principal was \$1,037.

Equity Classifications

Government-wide Statements - the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and displayed in three components:

1. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - consists of restricted assets reduced by liabilities related to those assets. Net position is reported as restricted only when restricted by outside parties or enabling legislation.
3. Unrestricted net position - consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

Fund Statements - the governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the CRA is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. Spendable resources are to be shown as restricted, committed, assigned and unassigned as considered appropriate in the CRA's circumstances. The following classifications describe the relative strength of the spending constraints:

- Nonspendable - this classification includes 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 - this classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

constitutional provisions or enabling legislation. Total fund balance of the CRA is reported as restricted in accordance with applicable State Statute requirements.

- Committed - this classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the CRA's Board of Directors. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned -this classification includes amounts that are constrained by the CRA's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the CRA Board or through the Board delegating this responsibility to the City Manager through the budgetary process. This classification also includes the remaining positive fund balance for the CRA general fund.
- Unassigned - this classification includes all other spendable amounts.

The details of the fund balances are included in the governmental fund balance sheet. The CRA uses restricted funds firsts, followed by committed resources, and then assigned resources, as opportunities arise, but reserves the right to selectively spend unassigned resources first.

NOTE 2 – INCREMENTAL PROPERTY TAX REVENUE

The CRA's primary source of revenue is tax increment funds. This revenue is computed by applying the respective operating tax rates for the City multiplied by the increased value of property located within the boundaries of the redevelopment area of the CRA in excess of the base property value, minus 5%. The City is required to fund this amount annually by January 1 of each year without regard to tax collections or other obligations.

The City millage rate in effect for the fiscal year ended September 30, 2023 was 6.4037 mills.

NOTE 3 – BUDGETARY LAW AND PRACTICE

The budget is approved by the Board of the CRA (which is also the City Commission) and then formally adopted by resolution of the City Commission on or before October 1 of each year. Because the City has operational responsibility for the CRA, the CRA utilizes the City's budgetary level of control policy which establishes the legal level of budgetary control at the fund level for all of the CRA's funds. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations subject notification of the CRA's Board, however, any revisions that alter the total expenditure of any fund must be approved by a resolution of the City Commission. Budgets for all funds are adopted on the basis of cash receipts and disbursements which differs from the basis used for financial reporting purposes. These differences are usually not significant.

All final budget amounts presented in the accompanying required supplementary information have been adjusted for legally authorized amendments.

CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions - The CRA had no material violations of finance related legal and contractual provisions.

Deficit Fund Balance or Net Position of Individual Funds - As of September 30, 2023, no individual fund had a deficit fund balance or net position deficit.

Excess of Expenditures Over Budget Appropriations in Individual Funds - For the year ended September 30, 2023, no budgetary fund had an excess of expenditures over budget appropriations.

NOTE 5 – DEPOSITS

The CRA's 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 be eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, time the depository's collateral pledging level. The pledging level may range from 50% to 125% 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.

The CRA participates in the City maintained cash pool that is available for use by all funds except the Pension Trust Funds. Interest income earned as a result of pooling is distributed monthly to the appropriate funds based on average daily balances.

NOTE 6 – RISK MANAGEMENT

During the ordinary course of its operations, the CRA is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The CRA is covered by the City's self-insurance programs. The City's self-insurance programs are accounted for as an Internal Service Fund in the City financial statements, which was established to account for and finance its uninsured risks of loss. All funds of the City, including the CRA, participate in the program. Fund revenues are primarily contributions from other City funds for amounts needed to pay insurance premiums, anticipated self-insured losses and administrative expenses.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 10, 2024, the date the financial statements were available to be issued, and concluded that there are no subsequent events warranting presentation or disclosure in the financial statements

CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Tax Increment	733,560	733,560	783,005	49,445
Miscellaneous Revenues	-	-	277	277
Total Revenues	<u>733,560</u>	<u>733,560</u>	<u>783,282</u>	<u>49,722</u>
Expenditures				
Current:				
Economic Environment	878,505	878,505	272,366	606,139
Debt Service:				
Principal	-	-	2,229	(2,229)
(Total Expenditures)	<u>878,505</u>	<u>878,505</u>	<u>274,595</u>	<u>603,910</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(144,945)</u>	<u>(144,945)</u>	<u>508,687</u>	<u>653,632</u>
Net Change in Fund Balance	(144,945)	(144,945)	508,687	653,632
Fund Balance, Beginning of Year	<u>144,945</u>	<u>144,945</u>	<u>331,380</u>	<u>186,435</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840,067</u>	<u>\$ 840,067</u>

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE TO BUDGETARY COMPARISON SCHEDULE

The annual budget for the CRA is prepared in accordance with the modified accrual basis of accounting.

The CRA follows these procedures in establishing the annual budget:

1. Prior to October 1, the CRA Governing Board prepares the 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. The CRA Manager is authorized to transfer budgeted amounts within departments and projects, however, any revisions that alter the total expenditures among departments, projects, or in total, must be approved by the CRA Governing Board. The CRA Governing Board may adopt an amended budget approving such additional expenditures.

The reported budgetary data represents the final appropriated budget after amendments.

CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY

COMPLIANCE SECTION

SEPTEMBER 30, 2023

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

To the Governing Board
City of Quincy Community Redevelopment Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Community Redevelopment Agency (the "CRA"), a component unit of the City of Quincy, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's financial statements, and have issued our report thereon dated October 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing the 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 in a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moran & Smith LLP

Moran & Smith LLP

Tallahassee, Florida

October 10, 2024

INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT

To the Governing Board
City of Quincy Community Redevelopment Agency

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the 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 judgment, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide as reasonable basis for our opinion.

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

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

Our examination disclosed several instances of material noncompliance with the aforementioned requirements of Section 163.387(6) and Section 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the fiscal year ended September 30, 2023. Findings 2023-001, 2023-002, and 2023-003 are presented in the Schedule of Findings on pg. 29 of this report.

In our opinion, except for the material noncompliance described in the preceding paragraph, the CRA complied, in all material respects, with Section 163.387(6) and Section 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the fiscal year ended September 30, 2023.

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

Moran & Smith LLP
Moran & Smith LLP
Tallahassee, Florida
October 10, 2024

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Governing Board
City of Quincy Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the City of Quincy Community Redevelopment Agency (the "CRA"), a component unit of the City of Quincy, Florida (the "City") as of and for the year ended September 30, 2023, and have issued our report thereon dated October 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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and an 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 October 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 recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

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 CRA 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 CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes, during the year ended September 30, 2023.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the CRA. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by 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 made several recommendations as detailed in the Schedule of Findings on pg. 29.

Special District Component Units

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

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

- a. The total number of district employees compensated in the last pay period of the District's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 7.
- 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 \$224,725.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures of such projects as \$0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes, is reflected on pg. 21 of this report as a Budgetary Comparison Schedule.

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, and the Governing Board and management of the CRA, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Moran & Smith LLP".

Moran & Smith LLP
Tallahassee, FL
October 10, 2024

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Finding 2023-001: CRA Plan

Criteria: According to Florida Statutes, a CRA Plan must specifically identify any publicly funded capital projects to be undertaken within the community redevelopment area, and the amount to be expended on those projects.

Condition: The adopted CRA Plan was not sufficiently detailed to include planned projects and uses of redevelopment trust fund moneys for those projects.

Cause: The adopted CRA plan has not been updated since inception.

Effect: The plan only included vague general objectives with no budget or timeline for each project.

Recommendation: We recommend that the CRA update their CRA Plan to include specific planned projects with projected dates of completion and expected expenditures per project.

Finding 2023-002: CRA Expenditures

Criteria: Pursuant to Section 163.387(6)(a), Florida Statutes, redevelopment trust fund moneys may be expended only for CRA undertakings as described in the CRA plan.

Condition: Several CRA expenditures for projects were not specifically addressed by the adopted CRA Plan. Additionally, not all CRA expenditures could be supported by an external invoice that detailed the location of the project and/or the date that the work was performed.

Cause: The adopted CRA plan has not been updated since inception to include new budgeted projects. Invoices obtained from independent contractors were not sufficiently detailed to support the work performed.

Effect: Several CRA expenditures were not in compliance with Section 163.387(6)(a).

Recommendation: We recommend that the CRA update their CRA Plan to include specific planned projects and require independent contractors to provide sufficiently detailed invoices for work performed.

Finding 2023-003: CRA Fund Balance

Criteria: Section 163.387(7), Florida Statutes, requires that on the last day of the CRA's fiscal year, any moneys remaining in the CRA's trust fund after the payment of expenses shall be (a) returned to each taxing which paid the increment in the proportion that the amount of the payment of such taxing authority bears to the total amount paid into the trust fund by all taxing authorities for that year; (b) used to reduce the amount of any indebtedness to which increment revenues are pledged; (c) Deposited into an escrow account for the purpose of later reducing any indebtedness to which increment revenues are pledged; or (c) Appropriated to a specific redevelopment project pursuant to an approved community redevelopment plan.

Condition: The CRA did not appropriate excess funds at year end to a specific redevelopment project pursuant to an approved community redevelopment plan, as required by Florida Statute 163.387(7).

**CITY OF QUINCY COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Cause: The CRA underspent their budget for several fiscal years and did not include unused funds in subsequent budgets.

Effect: The CRA has accumulated increasingly larger amounts of unused moneys over several fiscal years without demonstrating compliance with Section 163.387(7), Florida Statutes.

Recommendation: We recommend that the CRA appropriate unused moneys to a specific redevelopment project pursuant to an approved CRA Plan.