



ST. AUGUSTINE
COMMUNITY REDEVELOPMENT AGENCY
CITY OF ST. AUGUSTINE, FLORIDA

City of St. Augustine
Community Redevelopment Agency

Financial Statements
&
Independent Auditor's Report

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Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Governing Members
City of St. Augustine Community Redevelopment Agency
St. Augustine, Florida

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CRA as of September 30, 2023 and the respective changes in its 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 audits contained in *Government Auditing Standards*, issued by the Comptroller 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, 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 within one year after the date that the financial statements are available to be issued.

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 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 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents (collectively, the required supplementary information) 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 June 25, 2024, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain

provisions of laws, regulations, contracts, 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 the CRA's internal control over financial reporting and compliance.

Master, Amith C. Widy, P.A.
Certified Public Accountants
Jacksonville, Florida

June 25, 2024

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Management's Discussion and Analysis

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The Management's Discussion and Analysis (MD&A) of the City of St. Augustine Community Redevelopment Agency (Agency) is designed to provide a synopsis and simplistic disclosure of financial activities based on current known facts, decisions, and circumstances. The MD&A provides a broad overview of information presented in the financial statements. The MD&A is designed to allow the reader to focus on significant financial activity, identify any changes, and provide insight as well as address the opportunities and/or challenges that may come in the upcoming Fiscal Year ("FY"). This analysis will identify if there were any deviations from the approved budget and provide an objective overall evaluation. The information encompassed in this MD&A is only a component of the complete financial report.

Financial Overview

The City of St. Augustine Community Redevelopment Agency has established two separate Community Redevelopment Areas. Those two areas include the Historic Area Community Redevelopment Area (HACRA) and the Lincolnville Community Redevelopment Area (LCRA). Utilizing the Community Redevelopment Plan and the Plan Amendments as each area's guiding tool, the Agency structures projects, programs, and initiatives to align with redevelopment efforts recommended in the Community Redevelopment Plans. Budget allocations are determined by using this same information.

The Downtown Parking Garage and Visitors Information Center construction was completed in July of 2006 and has since been the main expenditure of the HACRA. During Fiscal Year 2023 funds were also expended for professional services related to the plan amendment for the HACRA. The Lincolnville Community Redevelopment Area, which was established in 2013 has three main components: retention of long-term residents, preservation of historic character, beautification, and mobility improvements. The financial impacts recognized in this report are related to those components.

The MD&A will highlight expenditures, revenues, and future allocation of funds related to project and program opportunities. This MD&A will disclose financial activity related to both the Historic Area Community Redevelopment Area and the Lincolnville Community Redevelopment Area.

Financial Highlights

Fiscal Year 2023 combined revenue or available budget for the Community Redevelopment Agency (CRA) was \$3,673,054. This figure is inclusive of the Tax Increment Funding (TIF) contributions received from St. Johns County, the City of St. Augustine, grants, and interest accrued.

The Agency expended 70 percent of its revenue or \$2,589,164. This amount is not inclusive of carryforward funds from the prior fiscal year. The HACRA expended 99 percent of its revenue on the debt service for the Historic Parking Garage and Visitor; s Information center and the LCRA expended 46 percent on redevelopment opportunities outlined in the Community Redevelopment Plan Amendment.

During Fiscal Year 2023 the CRA saw an increase in revenue of 35 percent or \$1,088,010. The increase was primarily from the surge in property values within the Community Redevelopment Area's which increases the Tax Increment Fund (TIF). Additional revenue sources, inclusive of interest and grant disbursements contributed to the revenue increase.

HACRA Program Financial Disclosures

The Historic Area was established in 2000 to address blight related to transportation and parking in the downtown area. Since its establishment, the main efforts of this redevelopment area have been realized with the construction of the Visitors Information Center and the Downtown Parking Facility. During FY 2023 City/CRA staff begin efforts to amend the CRA plan and develop more strategic efforts to redevelop the HACRA.

The majority of the budgeted revenue is allocated toward costs related to decreasing the debt owed for the Downtown Parking Facility. 96 percent or \$1,707,631 was utilized to cover expenses related to the cost of the parking facility. This underutilization left an available budget of \$45,684. This was spent to cover professional service costs related to the amendment of the HACRA Redevelopment Plan and other administrative expenses. The Community

Redevelopment Plan is being amended to address the extension of the operational timeframe and expound upon language related to parking and mobility redevelopment efforts within the HACRA boundaries.

LCRA Program Financial Disclosures

The Community Redevelopment Plan Amendment adopted in June of 2017 is the guiding principle for determining budget allocations and financial expenditures. The Plan Amendment defines three main components of the Lincolnville Community Redevelopment Area. The plan thoroughly captures the importance of prioritizing the integrity of Lincolnville's history and heritage, as well as maintaining the community's character and historical significance through the redevelopment process.

The preservation of African American Heritage and the retention of long-term residents is accomplished with funding allocations for the residential repair program. This program awards qualified residents with a maximum grant of \$50,000. Funds are provided as a grant to income qualified residents to address health and safety repairs to owner occupied residential properties. The initial program awarded \$7,000. That amount was later increased to \$20,000 for qualifying residents. In FY 2023 program funding increased to \$50,000 per owner-occupied residential property. Residents who initially matriculated through the program and received the \$7,000 and/or \$20,000 grant could qualify to receive up to an additional \$30,000 in funding, which would equate to the full \$50,000 grant. During Fiscal Year 2023, the program budget was \$166,452. This program budget is inclusive of newly allocated funds and carryforward from the prior fiscal year. Program spending was at 22 percent or \$37,066. With the update to the program criteria and the grant funding increase the CRA anticipates a higher spending in the upcoming Fiscal Year.

The Lincolnville Institutional Rehabilitation Grant Program provides extensive rehabilitation to historic institutions in Lincolnville. This program addresses the preservation of historic character which is highlighted in the Community Redevelopment Plan. The expenditures and encumbrances for FY 2023 totaled \$583,397. These funds were used to complete the second and final phase of the First Baptist Church rehabilitation project, initiate the design for the

Fountain of Youth Elks Lodge, and the Greater St. Mary's Missionary Baptist Church rehabilitation projects, as well as St. Paul structural repairs.

The third element in the Lincolnville Community Redevelopment Plan addresses overall neighborhood improvements and beautification. Funds are allocated to developing concepts, redesigning streets, reimagining main corridors, resurfacing, and installing sidewalks, developing, and enhancing pocket parks and larger passive and active recreational spaces, as well as the development of tree planting and preservation efforts. Inclusive of the prior year's surplus or carryforward, the Agency budgeted \$1,275,000 for overall neighborhood infrastructure and beautification improvements. The actual projects and program expenditures totaled \$124,644. These funds went toward project design, studies, and materials related to Dr. Robert B. Hayling Freedom Park and Eddie Vickers Park, Dr. Martin Luther King Avenue Streetscape Project, and the development of a pocket park located at 81 Weeden Street.

Affordable housing is a prominent legislative element of all Community Redevelopment Agencies and Areas. In FY 2023 \$319,367 was budgeted toward property acquisition and affordable housing and \$20,892 was expended for consulting services and program development. In addition to the spending and funds allocation related to specific projects and programs \$176,326 was expended toward salary and other administrative costs.

The Agency anticipates increased spending in the upcoming fiscal year to cover the cost of construction related to all future projects in the 2023-2024 Fiscal Year. Funds will be allocated to ensure that all projects are funded accordingly. The Community Redevelopment Agency continues to work diligently to utilize funds to ensure that both Community Redevelopment Area's needs and concerns are addressed relative to identified challenges outlined in the Community Redevelopment Plan. The Agency uses an abundance of community engagement initiatives, including, but not limited to public meetings, charrettes, workshops, questionnaires, and surveys to ensure that community stakeholders are included in the processes that further the meaningful (re)development of the CRA.

Basic Financial Statements

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City of St. Augustine Community Redevelopment Agency
Statement of Net Position
September 30, 2023

Assets

Cash and cash equivalents	\$ 2,911,083
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Liabilities

Accounts payable and accrued liabilities	252,126
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Net Position

Restricted for Redevelopment Projects	\$ 2,658,957
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See accompanying Notes to the Basic Financial Statements.

City of St. Augustine Community Redevelopment Agency
Statement of Activities
For Year Ended September 30, 2023

	Expenses	Net Revenue (Expense) and Changes in Net Position
		Total Governmental Activites
Governmental Activities		
Community Redevelopment	\$ 1,020,234	\$ (1,020,234)
General Revenues:		
Tax Increment Financing		1,284,338
Grants		56,311
Investment Income		112,199
Miscellaneous		56,001
Transfers		384,089
Total General Revenues and Transfers		1,892,938
Change in Net Position		872,704
Net Position - Beginning of Year		1,786,253
Net position - End of Year		\$ 2,658,957
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position		
Total Fund Balance - Governmental Funds		\$ 2,658,957
Net Position of Governmental Activites		\$ 2,658,957

See accompanying Notes to the Basic Financial Statements.

City of St. Augustine Community Redevelopment Agency
Balance Sheet - Governmental Funds
September 30, 2023

	Historic Area Community Redevelopment Area	Lincolnvile Community Redevelopment Area	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 4,400	\$ 2,906,683	\$ 2,911,083
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 4,400	\$ 247,726	\$ 252,126
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE			
Fund Balance:			
Restricted for Redevelopment Projects	-	2,658,957	2,658,957
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance / net position	\$ 4,400	\$ 2,906,683	\$ 2,911,083
	<u> </u>	<u> </u>	<u> </u>

See accompanying Notes to the Basic Financial Statements.

City of St. Augustine Community Redevelopment Agency
Statement of Revenues, Expenditures and Fund Balance - Governmental Funds
For Year Ended September 30, 2023

	Historic Area Community Redevelopment Area	Lincolnvile Community Redevelopment Area	Total Governmental Funds
Revenues			
Taxes	\$ 662,050	\$ 622,288	\$ 1,284,338
Grants	-	56,311	56,311
Investment Income	18,941	93,258	112,199
Miscellaneous	-	56,001	56,001
Total Revenues	680,991	827,858	1,508,849
Expenditures/ expenses			
Current:			
Community Redevelopment	45,685	849,904	895,589
Capital outlay	-	124,645	124,645
Total Expenditures/expenses	45,685	974,549	1,020,234
Excess (deficiency) of revenues over expenditures / operating/ income (loss)	<u>635,306</u>	<u>(146,691)</u>	<u>488,615</u>
Other financing sources (uses)			
Transfers in from primary government	1,072,324	1,019,395	2,091,719
Transfers out to primary government	(1,707,630)	-	(1,707,630)
Total other financing sources (uses)	(635,306)	1,019,395	384,089
Net Change in fund balance/ net position	-	872,704	872,704
Fund balance/ net position, beginning of year	-	1,786,253	1,786,253
Fund balance/ net position, end of year	\$ -	\$ 2,658,957	\$ 2,658,957

Reconciliation of the Statement of Revenues, Expenditures and changes in Fund Balance to the Statement of Activities is not required as there were no reconciling items.

See accompanying Notes to the Basic Financial Statements

Notes to the Basic Financial Statements

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(1) **Summary of Significant Accounting Policies:**

The financial statements of the St. Augustine Community Redevelopment Agency (the CRA) have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the CRA has adopted the GASB Codification. The following is a summary of the CRA's significant accounting policies:

(a) **Reporting entity** - The Historic Area Transportation and Parking Community Redevelopment Agency was created on December 28th, 2000, by City Ordinance 2000-45 of the City of St. Augustine, Florida (the City), pursuant to Florida Statute 163.387, to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the designated community redevelopment area. The CRA's initial purpose was to address a parking blight and that was its sole purpose until 2013. Since the City is financially accountable for the activities of the CRA, its governing board is the same, and its relationship to the CRA is significant. The CRA is considered to be a blended component unit in the City's financial statements, where the areas are also reported as a major special revenue funds.

On February 11th, 2013 the City Commission found the existence of a blighted area and adopted Resolution No. 2013-01 designating said blighted area as the Lincolnville Community Redevelopment Area. On April 8th, 2013 Ordinance 2000-45 was amended to change the name of the CRA to the St. Augustine Community Redevelopment Agency. The agency is to govern the Historic Area Transportation and Parking Community Redevelopment Area and the Lincolnville Community Redevelopment Area.

The CRA has determined there are no component units that meet criteria for inclusion in the CRA's financial statements.

(b) **Government-wide and fund financial statements** - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the CRA. The CRA only has governmental activities and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include increment ad valorem taxes that exceed the base year and interest income. Fund financial statements are presented for the CRA's General Fund which are combined by area.

(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 are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor 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 when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers property revenues to be available if they are collected within 60 days of the end of the current period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, expenditures related to long-term agreements are recorded only when payment is due.

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Budgets and budgetary accounting** - The governing board of the CRA adopts an annual operating budget, which is prepared on a modified accrual basis and can be amended by the board throughout the year. At the fund level, actual expenditures cannot exceed the budgeted amounts. The accompanying budgeted financial statements for the CRA reflect the final budget authorization amounts, including all amendments.

(e) **Deposits and investments** - The CRA's cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Receivables and payables** - Activity between the CRA and the City has been classified as amount due to/from the primary government on the balance sheet and statement of net position. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is, based upon management's analysis of outstanding balances and historical trends. On September 30, 2023, the CRA receivables were considered fully collectible.

(g) **Prepaid items** - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(h) **Capital assets** - The CRA does not own any capital assets. Any capital outlay expenditures made by the CRA are deemed to be on behalf of the City who takes ownership of the assets along with the perpetual maintenance obligation for those assets

(i) **Long-term obligations** - The CRA does not have any legal indebtedness. Any use of funds for debt service represents payments toward long-term debt issued in the name of the City for which CRA revenues have been pledged.

(j) **Fund equity** - In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Non-spendable – Amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – Amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – Amounts constrained to specific purposes based on actions taken by the CRA governing board through ordinance.

(1) **Summary of Significant Accounting Policies:** (Continued)

Assigned – Amounts the CRA intends to use for a specific purpose. Intent can be expressed by the CRA governing board or by an official or body which the Board delegates authority.

Unassigned – Amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the CRA considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(k) **Deferred outflows/inflows of resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 then. The CRA has no items that meet this reporting criteria.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The CRA has no items that meet this reporting criteria.

(l) **Net position flow assumption** - Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the CRA's policy to consider restricted net position to have been used before unrestricted net position is applied.

(m) **Use of estimates** - Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Deposits and Investments:**

The CRA is subject to the investment policy of the primary government and has no cash or investment held outside of the CRA's interest in the City's pooled cash and investments. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the CRA to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2023, all CRA deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for

qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the CRA's deposits are held with public depositories and as of September 30, 2023, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

(3) Commitments and Contingencies:

The CRA is engaged in various liability claims incidental to the conduct of its general government operations on September 30, 2023. The outcomes of established claims are included in these financial statements. In the opinion of the CRA and the primary government's legal counsel, no legal proceedings are pending or threatened against the CRA which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

(4) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, as adjusted based on the impacts of GASB Statement No. 95, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the CRA's financial statements:

- (a) Statement No. 99, "Omnibus 2022." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2023.
- (b) Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62." The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2023.
- (c) Statement No. 101 "Compensated Absences." The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Required Supplementary Information

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CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Fund - Historic Area Community Redevelopment Agency
For the Fiscal Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	632,101	649,921	\$ 662,050	\$ 12,129
Investment Income	-	-	18,941	18,941
Total Revenues	632,101	649,921	680,991	31,070
EXPENDITURES				
Current Operating:				
General Government	-	29,820	45,685	(15,865)
Capital Outlay	-	-	-	-
Total Expenditures	-	29,820	45,685	(15,865)
Excess of Revenues Over Expenditures	632,101	620,101	635,306	15,205
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 1,072,324	\$ 1,072,324	\$ 1,072,324	\$ -
Transfers (Out)	(1,704,425)	(1,692,425)	(1,707,630)	(15,205)
Total Other Financing Sources (Uses)	(632,101)	(620,101)	(635,306)	(15,205)
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Fund - Lincolnville Community Redevelopment Agency
For the Fiscal Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 626,721	\$ 626,721	\$ 622,288	\$ (4,433)
Grants	-	282,983	56,311	(226,672)
Miscellaneous	-	38,000	56,000	18,000
Investment Income	8,938	8,938	93,258	84,320
Total Revenues	635,659	956,642	827,857	(128,785)
EXPENDITURES				
Current Operating:				
General Government	855,054	2,903,096	849,903	2,053,193
Capital Outlay	800,000	1,416,491	124,645	1,291,846
Total Expenditures	1,655,054	4,319,587	974,548	3,345,039
Excess of Revenues Over Expenditures	(1,019,395)	(3,362,945)	(146,691)	3,216,254
OTHER FINANCING SOURCES (USES)				
Transfers In	1,019,395	2,849,096	1,019,395	(1,829,701)
Transfers (Out)	-	-	-	-
Total Other Financing Sources (Uses)	1,019,395	2,849,096	1,019,395	(1,829,701)
Net Change in Fund Balances	-	(513,849)	872,704	1,386,553
Fund Balances - Beginning	1,786,253	1,786,253	1,786,253	-
FUND BALANCES - ENDING	\$ 1,786,253	\$ 1,272,404	\$ 2,658,957	\$ 1,386,553

See accompanying notes to basic financial statements

Compliance Section

This Section Contains the Following:

**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***

Independent Accountant's Examination Report

Management Letter

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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 GOVERNMENTAL AUDITING STANDARDS

To the Governing Members
City of St. Augustine Community Redevelopment Agency
St. Augustine, 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 each major fund of the City of St. Augustine Community Redevelopment Agency (the CRA), a component unit of the City of St. Augustine, 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 June 25, 2024.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered the CRA's internal control over financial reporting (internal control) to determine the 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 misstatements on a timely basis. A *material weakness* is a deficiency, or 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 and deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the CRA's financial statements are free of 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 determination of financial statement amounts. 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 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.

Master, Smith & Wisely, P.A.
Certified Public Accountants
Jacksonville, Florida

June 25, 2024



INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT

To the Governing Members
City of St. Augustine Community Redevelopment Agency
St. Augustine, Florida

We have examined the City of St. Augustine Community Redevelopment Agency's (the CRA) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, Redevelopment Trust Fund (collectively, the "Statutes") as required by Section 10.556(10)(a), *Rules of the Auditor General* for 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 and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the CRA's compliance with specific requirements.

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

This report is intended solely for the information and use of the Florida Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, and the Board of Directors and applicable management of the CRA, and is not intended to be and should not be used by anyone other than these specified parties.

Masters, Smith & Wisby, P.A.
Certified Public Accountants
Jacksonville, Florida

June 25, 2024



**INDEPENDENT AUDITOR'S MANAGEMENT LETTER
REQUIRED BY CHAPTER 10.550, RULES OF THE STATE
OF FLORIDA OFFICE OF THE AUDITOR GENERAL**

To the Governing Members
City of St. Augustine Community Redevelopment Agency
St. Augustine, Florida

Report on the Financial Statements

We have audited the financial statements of the City of St. Augustine Community Redevelopment Agency (the CRA), a component unit of the City of St. Augustine, Florida, as of and for the fiscal year ended September 30, 2023 and have issued our report thereon dated June 25, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the 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 Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with the *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 25, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. No prior separate audit has been performed for the CRA, therefore there are no prior findings and recommendations.

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 the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note (1) of the basic financial statements.

Financial Condition

Pursuant to Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report 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 identification of the specific conditions met. In connection with our audit, we determined 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.c 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 the 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 had no such recommendations.

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 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.

Sections 218.39(3)(c) and 218.32(1)(e)2-3 Florida Statutes and Section 10.558(4) Rules of the Auditor General requires us to communicate the following:

- (1) the total number of district employees compensated in the last pay period of the fiscal year - 2
- (2) the total number of independent contractors compensated in the last month of the fiscal year-4
- (3) all compensation paid or accrued to employees -\$90,245 for the fiscal year
- (4) all compensation paid or accrued to independent contractors - \$802,156.36 for the fiscal year
- (5) each construction project with cost of at least \$65,000 approved by the district and scheduled to begin after October 1 of the reporting year and total expenditures of such projects – Weeden Pocket Park \$115,000; Fountain of Youth Elks Lodge \$250,000, Greater St. Mary's \$250,000; St. Joseph Neighborhood Center \$150,000; MLK Streetscape Design \$600,000.
- (6) a budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, and the amended budget under Section 189.016(6), Florida Statutes – See the financial statements for variances in General Government and Capital Outlay Expenditures and Transfers In.

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 CRA's governing board and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Master, Smith & Wisby, P.A.
Certified Public Accountants
Jacksonville, Florida

June 25, 2024