

**ST. JOHNS COUNTY COMMUNITY  
REDEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Governing Board,  
St. Johns County Community Redevelopment Agency

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and General Fund of the St. Johns County Community Redevelopment Agency (the "CRA"), a component unit of St. Johns County, 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 in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the CRA as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

Management is responsible for the preparation and fair presentation of these 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Governing Board,  
St. Johns County Community Redevelopment Agency

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

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

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

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

To the Governing Board,  
St. Johns County Community Redevelopment Agency

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule, 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 June 21, 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 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.

***MSL, P.A.***

Certified Public Accountants

Orlando, Florida  
June 21, 2024

## **Management's Discussion and Analysis**

The St. Johns County Community Redevelopment Agency (the "CRA") management's discussion and analysis ("MD&A") is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA's financial statements, which follow this section.

### ***Financial Highlights***

- The assets of the CRA exceeded its liabilities at September 30, 2023, by \$2,222,398 (net position). Of this amount, \$1,660,551 represented the CRA's net investment in capital assets, while \$561,847 was restricted for redevelopment purposes.
- As of September 30, 2023, the CRA's reported ending fund balances of \$561,847. Fund balance saw a change of \$78,974 when compared to the prior year.

### **Overview of the Financial Statements**

This annual report consists of four components: 1) MD&A (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

### ***Government-wide Financial Statements***

Government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. The governmental activities of the CRA include reinvesting into the community redevelopment district, and infrastructure improvements within the redevelopment areas.

The Statement of Net Position presents information on all of the CRA's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the CRA is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the modified cash basis of accounting.

### ***Notes to the Financial Statements***

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

## ***Government-wide Financial Analysis***

### *Statement of Net Position*

The following is a summary of the CRA's governmental activities net position for each of the past two years:

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Current and other assets	\$ 612,784	\$ 512,405
Capital assets	<u>1,660,551</u>	<u>1,559,613</u>
<b>Total assets</b>	<u><b>2,273,335</b></u>	<u>2,072,018</u>
Current liabilities	<u>50,937</u>	<u>29,532</u>
<b>Total liabilities</b>	<u><b>50,937</b></u>	<u>29,532</u>
<b>NET POSITION:</b>		
Net investment in capital assets	1,660,551	1,559,613
Restricted	<u>561,847</u>	<u>482,873</u>
<b>Total net position</b>	<u><b>\$ 2,222,398</b></u>	<u><b>\$ 2,042,486</b></u>

### *Statement of Activities*

The following is a summary of the changes in the CRA's governmental activities net position for each of the past two years:

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenues:</b>		
Property taxes	\$ 1,668,276	\$ 1,229,362
Intergovernmental	80,361	79,690
Investment income	50,741	5,243
Other revenues	<u>-</u>	<u>67,360</u>
<b>Total revenues</b>	<b>1,799,378</b>	1,381,655
<b>Program expenses:</b>		
Economic environment	<u>1,619,466</u>	<u>969,093</u>
Change in net position	<b>179,912</b>	412,562
Net position – beginning of year	<u>2,042,486</u>	<u>1,629,924</u>
Net position – ending of year	<u><b>\$ 2,222,398</b></u>	<u><b>\$ 2,042,486</b></u>

### ***Financial Analysis of the General Fund***

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

As of the end of the current fiscal year, the CRA's General Fund reported an ending fund balance of \$561,847, a change of \$78,974, in comparison with the prior year.

At the end of the current fiscal year, the entire fund balance was restricted for community redevelopment. As the CRA is focused on reinvesting revenues into the CRA district and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

### **General Fund Budgetary Highlights**

There were no significant amendments between the original and the final CRA budget.

Actual expenditures in the General Fund were \$216,937 less than the final budget amounts. The main reason for this is due to the timing of capital project and other one-time expenditures.

Budgetary comparisons between the final budget and actual results can be found on page 15 of this report.

### **Capital Assets and Long-term Debt**

See the notes to the financial statements for detailed breakdowns of the CRA's capital asset activity. The CRA had no long-term debt activity for the current fiscal year.

### **Economic Factors**

We are not currently aware of any conditions that are expected to have a significant effect on the CRA's financial position or results of operations.

### **Request for Information**

This financial report is designed to provide an overview of the CRA's finances for those with an interest in this area. Questions concerning any of the information found in this report, or request for additional information, should be directed to the St. Johns County Clerk of the Circuit Court and Comptroller's Office, Attn: Lon Stafford, 4010 Lewis Speedway, St. Augustine, FL 32084.

**ST. JOHNS COUNTY COMMUNITY  
REDEVELOPMENT AGENCY**

**STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET**

**September 30, 2023**

	Balance Sheet		Statement of Net Position
	General Fund	Adjustments	Governmental Activities
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 612,784	\$ -	\$ 612,784
Capital assets:			
Non-depreciable	-	1,632,183	1,632,183
Depreciable, net	-	28,368	28,368
TOTAL ASSETS	\$ 612,784	1,660,551	2,273,335
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 50,937	-	50,937
TOTAL LIABILITIES	50,937	-	50,937
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Restricted for:			
Community redevelopment	561,847	(561,847)	-
TOTAL FUND BALANCES	561,847	(561,847)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 612,784		
Net position:			
Net investment in capital assets		1,660,551	1,660,551
Restricted for:			
Community redevelopment		561,847	561,847
TOTAL NET POSITION		\$ 2,222,398	\$ 2,222,398

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

**ST. JOHNS COUNTY COMMUNITY  
REDEVELOPMENT AGENCY**

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

**Year Ended September 30, 2023**

	<u>Statement of Revenues, Expenditures, and Changes in Fund Balance</u>		<u>Statement of Activities</u>
	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities</u>
REVENUES			
Taxes	\$ 1,668,276	\$ -	\$ 1,668,276
Intergovernmental	80,361	-	80,361
Investment income	50,741	-	50,741
	<u>1,799,378</u>	<u>-</u>	<u>1,799,378</u>
TOTAL REVENUES			
EXPENDITURES/EXPENSES			
Current:			
Economic environment	<u>1,720,404</u>	<u>(100,938)</u>	<u>1,619,466</u>
TOTAL EXPENDITURES/EXPENSES	<u>1,720,404</u>	<u>(100,938)</u>	<u>1,619,466</u>
NET CHANGE IN FUND BALANCE/NET POSITION	78,974	100,938	179,912
FUND BALANCES/NET POSITION			
Beginning of the year	<u>482,873</u>	<u>1,559,613</u>	<u>2,042,486</u>
End of the year	<u>\$ 561,847</u>	<u>\$ 1,660,551</u>	<u>\$ 2,222,398</u>

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

# ST. JOHNS COUNTY COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the St. Johns County Community Redevelopment Agency (the "CRA") have been prepared in accordance 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 CRA was created on September 26, 2000, by County Resolution 2000-146 and 2002-208 of St. Johns County, Florida (the "County"), 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 areas. Since the County 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 County's financial statements, where it is also reported as a special revenue fund.

The CRA has determined there are no component units that meet the 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 ad valorem taxes and interest income. Fund financial statements are presented for the CRA's General Fund. The General Fund, which accounts for all financial operations of the CRA, is considered to be a major fund and is the only fund of the CRA.
- (c) **Measurement focus/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 are recorded when a liability is incurred, regardless of the timing of related cash flows.

# ST. JOHNS COUNTY COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

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

(c) **Measurement focus/basis of accounting** *(Continued)*

Governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The CRA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on general long-term debt are recognized when due.

- (d) **Budgets and budgetary accounting** - The governing board of the CRA adopts an annual operating budget, which is prepared on the modified accrual basis of accounting 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 General Fund 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.

# ST. JOHNS COUNTY COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

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

- (f) **Capital Assets** - The CRA holds limited capital assets. The majority of capital outlay expenditures made by the CRA are deemed to be on behalf of the County who takes ownership of the assets along with the perpetual maintenance obligation for those assets. Capital assets owned by the CRA, which includes land, are reported in the government-wide financial statements. Generally, capital assets costing more than \$1,000 and having a useful life of more than one year are capitalized. However, varying asset capitalization thresholds are established for the various types of infrastructure assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized but charged to operating expense as incurred. Major outlays for the capital assets and improvements are capitalized as projects are constructed.
- (g) **Accounts payable** - Accounts payable balances in the General Fund are primarily payable to third-party vendors for goods provided and services rendered.
- (h) **Long-term obligations** - In the government-wide financial statements, long-term debt and other long-term obligations, as applicable, are reported as liabilities in the CRA's governmental activities.

The CRA does not have any employees. Any employees who provide services to the CRA are employees of the County and do so either at no charge to the CRA, or any allocations made for the CRA represent reimbursements by the CRA to the County for services rendered (any items recorded to personnel expense accounts are only for ease of tracking the reimbursement amounts). As a result, there is no compensated absences, other post-employment benefits ("OPEB"), or pension liabilities recorded on the CRA's financial statements.

# ST. JOHNS COUNTY COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

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

- (i) **Fund balance/Net position** - The CRA classifies fund balances according to a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Fund balance classifications are described below:

**Nonspendable Fund Balance** - Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid items, or (b) legally or contractually required to be maintained intact.

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

**Committed Fund Balance** - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the CRA's highest level of decision-making authority, which is a policy of the CRA. Committed amounts cannot be used for any other purpose unless the CRA removes those constraints by taking the same type of action.

**Assigned Fund Balance** - Assigned fund balances are amounts that are constrained by the CRA's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the CRA governing board or by an official or body to which the Board delegates authority.

**Unassigned Fund Balance** - Unassigned fund balance is the residual classification for the General Fund and is available for any purpose.

The CRA's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

- (j) **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.
- (k) **Use of estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

# ST. JOHNS COUNTY COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

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

Adjustments were made to include capital assets (net of accumulated depreciation) on the statement of net position. This resulted in a net difference between the ending General Fund balances and the total net position of \$1,660,551.

Total fund balance	\$ 561,847
Capital assets, net	<u>1,660,551</u>
Total net position	<u>\$ 2,222,398</u>

Adjustments were made to eliminate capital outlay expenditures. This resulted in a net difference between “excess revenues over expenditures” and “change in net position” of \$100,938.

Excess of revenues over expenditures	\$ 78,974
Capital outlay	<u>100,938</u>
Change in net position	<u>\$ 179,912</u>

### NOTE 3 - DEPOSITS AND INVESTMENTS

Pooled cash and cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less when acquired. This includes balances in the State Pool administered by the SBA (“PRIME”). The State Pool is an investment pool authorized by Section 218.405, Florida Statutes and operates under investment guidelines established by Section 215.47, Florida Statutes.

The State Pool Florida Prime has characteristics consistent with GASB’s requirements to measure its investments at amortized cost. Therefore, the Florida Prime balance of \$612,784 is reported at amortized cost. There were no redemption fees or maximum transactions amounts. Florida statutes do provide for situations in which a participant’s access to 100% of the account value is limited. The maximum amount of time provided to limit access is 17 days. The fair value of the position in the pool is substantially the same as the value of the pooled shares held at September 30, 2023.

# ST. JOHNS COUNTY COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

### NOTE 3 - DEPOSITS AND INVESTMENTS *(Continued)*

The CRA's investment in PRIME exposes it to credit and interest rate risk. Credit risk is the risk than an issuer or other counterparty to an investment will not fulfill its obligations. PRIME is rated by Standard and Poor's and had a credit rating at September 30, 2023 of AAAM. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The weighted average maturity (WAM) of the Florida PRIME at September 30, 2023 was 75 days.

Regarding the hierarchy disclosure requirements of the GASB Codification, it was determined that the investments in Florida PRIME are exempt from those requirements.

### NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in the CRA's capital assets during the fiscal year ended September 30, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,559,613	\$ 66,668	\$ -	\$ 1,626,281
Construction in progress	-	5,902	-	5,902
Total Capital assets, not being depreciated	<u>1,559,613</u>	<u>72,570</u>	<u>-</u>	<u>1,632,183</u>
Capital assets, being depreciated:				
Equipment	-	28,368	-	28,368
Total Capital assets, being depreciated:	<u>-</u>	<u>28,368</u>	<u>-</u>	<u>28,368</u>
Less accumulated depreciation for:				
Equipment	-	-	-	-
Total accumulated depreciation:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital assets	<u>\$ 1,559,613</u>	<u>\$ 100,938</u>	<u>\$ -</u>	<u>\$ 1,660,551</u>

There was no depreciation expense for fiscal year 2023.

# **ST. JOHNS COUNTY COMMUNITY REDEVELOPMENT AGENCY**

## **NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

### **NOTE 5 - COMMITMENTS AND CONTINGENCIES**

The CRA is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2023. The outcomes of established claims are included in these financial statements. In the opinion of the CRA and the County'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 statements.

The CRA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**ST. JOHNS COUNTY COMMUNITY  
REDEVELOPMENT AGENCY**

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

**Year Ended September 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>GENERAL FUND</b>				
Revenues:				
Taxes	\$ 1,678,882	\$ 1,678,882	\$ 1,668,276	\$ (10,606)
Intergovernmental	80,361	80,361	80,361	-
Investment income	1,273	1,273	50,741	49,468
TOTAL REVENUES	<u>1,760,516</u>	<u>1,760,516</u>	<u>1,799,378</u>	<u>38,862</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	1,861,937	1,937,341	1,720,404	216,937
TOTAL EXPENDITURES	<u>1,861,937</u>	<u>1,937,341</u>	<u>1,720,404</u>	<u>216,937</u>
NET CHANGE IN FUND BALANCE	(101,421)	(176,825)	78,974	(178,075)
FUND BALANCE - BEGINNING	<u>318,479</u>	<u>318,479</u>	<u>482,873</u>	<u>164,394</u>
FUND BALANCE - ENDING	<u><u>\$ 217,058</u></u>	<u><u>\$ 141,654</u></u>	<u><u>\$ 561,847</u></u>	<u><u>\$ 420,193</u></u>

**Notes to Schedule:**

The annual budget is adopted and amended by the CRA's Governing Board. The budget is prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The fund is the legal level of control.

## **COMPLIANCE SECTION**



Certified Public Accountants

**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,  
St. Johns County 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 St. Johns County Community Redevelopment Agency (the “CRA”) 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 June 21, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

To the Governing Board,  
St. Johns County Community Redevelopment Agency

### **Report on 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, grant agreements and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the CRA in a separate management letter and Independent Accountant's Report dated June 21, 2024.

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

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
June 21, 2024



## INDEPENDENT ACCOUNTANT'S REPORT

To the Governing Board,  
St. Johns County Community Redevelopment Agency

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

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

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

*MSL, P.A.*

Certified Public Accountants

Orlando, Florida  
June 21, 2024



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Governing Board,  
St. Johns County Community Redevelopment Agency

### **Report on the Financial Statements**

We have audited the basic financial statements of the St. Johns County Community Redevelopment Agency (the "CRA") as of and for the year ended September 30, 2023, and have issued our report thereon dated June 21, 2024.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 21, 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 audit report. There were no recommendations made in the preceding audit report.

### **Official Title and Legal Authority**

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

To the Governing Board,  
St. Johns County Community Redevelopment Agency

### **Financial Condition and Management**

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures 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 same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.38(3)(b), Florida 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 10.544(1)(i)6, *Rules of the Auditor General*, the CRA reported:

- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as 4.
- 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 \$73,655.
- e. Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project 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 CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$75,404.

To the Governing Board,  
St. Johns County Community Redevelopment Agency

**Additional Matters**

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

**Purpose of this Letter**

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

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
June 21, 2024