

CITY OF FRUITLAND PARK, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY

ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2024

Draft for Review and Discussion Purposes Only - Not to be Reproduced

Annual Financial Report

September 30, 2024

**City of Fruitland Park, Florida
Community Redevelopment Agency**

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FINANCIAL SECTION

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Management's Discussion and Analysis

This section of the report presents our discussion and analysis of the performance of the City of Fruitland Park Community Redevelopment Agency (the "CRA") during the year ended September 30, 2024. Please read it in conjunction with the CRA's financial statements, which follow this section.

Overview of the Financial Statements

This annual report contains government-wide financial statements that report on the CRA's activities as a whole and fund financial statements that report on the CRA's individual funds.

Basic Financial Statements

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

The government-wide financial statements include the Statement of Net Position and Statement of Activities.

- The *Statement of Net Position* presents information on the assets held and liabilities owed by the CRA, both long- and short-term. Assets are reported when acquired and liabilities are reported when they are incurred, regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities.

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

The table below presents a summary of net position as of September 30, 2024 and 2023 derived from the government-wide Statement of Net Position:

	Governmental Activities	
	2024	2023
Assets		
Current and other assets	\$ 2,688,606	\$ 1,603,882
Capital assets	53,550	68,218
Total assets	2,742,156	1,672,100
Liabilities		
Other liabilities	196,000	22,254
Total liabilities	196,000	22,254
Net Position		
Net investment in capital assets	53,550	68,218
Restricted	2,492,606	1,581,628
Total net position	\$ 2,546,156	\$ 1,649,846

As noted earlier, net position may serve, over time, as a useful indication of the CRA's financial position. At the close of the most recent fiscal year, the CRA's assets exceeded its liabilities by \$2,546,156. Of this amount, \$2,492,606 is restricted for Community Redevelopment.

The table below presents a summary of changes in net position for the years ended September 30, 2024 and 2023 as derived from the government-wide Statement of Activities:

	Governmental Activities	
	2024	2023
Revenues		
Property taxes - TIF	\$ 1,221,951	\$ 900,469
Unrestricted investment earnings	116,490	78,694
Total revenues	1,338,441	979,163
Expenses		
General government	442,131	424,521
Total expenses	442,131	424,521
Increase in net position	896,310	554,642
Net position, beginning	1,649,846	1,095,204
Net position, ending	\$ 2,546,156	\$ 1,649,846

Governmental Activities

Governmental activities increased the CRA's net position by \$896,310, primarily caused by inflow of intergovernmental revenues that are reserved for future projects within the CRA.

Financial Analysis of the CRA General Fund

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

The focus of the CRA's General Fund is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements. In particular, the fund balance at year-end provides the resources available for spending.

Budgetary Highlights

The variance between budgeted and actual expenditures during the year totaled \$633,792. This variance is primarily contributed to by the delay in street and sidewalk projects for the 466A expansion. Also included in the variance are unused funds set aside for business grants that have not had applicants.

Revenues of the CRA exceeded budgeted amounts by \$277,186, primarily due to higher than anticipated tax revenues.

Capital assets. The CRA accounts for capital projects of the City using CRA funds until the project is complete and conveyed to the City. As of September 30, 2024 and 2023, construction in progress for these projects was \$53,550 and \$68,218, respectively.

Long-term liabilities. As of September 30, 2024 and 2023, the CRA did not report any long-term liabilities.

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.

Contacting the CRA's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the CRA's finances and to show the CRA's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact City Hall at 352-360-6686, Fruitland Park, Florida.

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BASIC FINANCIAL STATEMENTS

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City of Fruitland Park Community Redevelopment Agency

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 2,588,606
Investments	100,000
Capital Assets	
Capital assets not being depreciated	53,550
Total assets	2,742,156
Liabilities	
Accounts payable and accrued expenses	181,393
Deposits payable	1,801
Due to other government	12,806
Total liabilities	196,000
Net Position	
Net investment in capital assets	53,550
Restricted for community development	2,492,606
Total net position	\$ 2,546,156

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

City of Fruitland Park Community Redevelopment Agency

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

		Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Governmental Activities
Governmental activities:		
General government	\$ 442,131	\$ (442,131)
Total governmental activities	442,131	(442,131)
General revenues:		
Property taxes		434,708
Unrestricted intergovernmental revenues		787,243
Unrestricted investment earnings		116,490
Total general revenues and transfers		1,338,441
Change in net position		896,310
Net position, beginning		1,649,846
Net position, ending		\$ 2,546,156

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

City of Fruitland Park Community Redevelopment Agency

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 2,588,606
Investments	100,000
Total assets	<u>2,688,606</u>
Liabilities	
Accounts payable	181,393
Deposits payable	1,801
Due to other governments	12,806
Total liabilities	<u>196,000</u>
Fund Balances	
Restricted for community development	2,492,606
Total fund balances	<u>2,492,606</u>
Total liabilities and fund balances	<u>\$ 2,688,606</u>

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

Total fund balance governmental funds	\$ 2,492,606
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds	53,550
	<u>\$ 2,546,156</u>

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

City of Fruitland Park Community Redevelopment Agency

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund
Revenues	
Property taxes	\$ 434,708
Intergovernmental revenues	787,243
Investment earnings	116,490
Total revenues	<u>1,338,441</u>
Expenses	
Current	
General government	63,294
Capital outlay	364,169
Total expenditures	<u>427,463</u>
Excess (deficiency) of revenues over expenditures	910,978
Net change in fund balances	910,978
Fund balances, beginning of year	1,581,628
Fund balances, ending of year	<u><u>\$ 2,492,606</u></u>

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Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds

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

Net change in fund balances, total governmental funds: \$ 910,978

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense.

Expenditures for capital assets 53,550

Conveyance of capital assets is recorded as an expense in the statement of activities while the amount does not affect the fund financial statements as the amount does not consume current financial resources.

Change in net position of governmental activities (68,218)
\$ 896,310

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

City of Fruitland Park Community Redevelopment Agency

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Budget	Amounts, Budgetary	Final Budget- Positive
Revenues				
Taxes				
Property taxes	\$ 416,426	\$ 416,426	\$ 434,708	\$ 18,282
Intergovernmental revenues	608,829	608,829	787,243	178,414
Investment earnings	36,000	36,000	116,490	80,490
Total revenues	<u>1,061,255</u>	<u>1,061,255</u>	<u>1,338,441</u>	<u>277,186</u>
Expenditures				
Current				
General government	138,255	138,255	63,294	74,961
Capital outlay	923,000	923,000	364,169	558,831
Total expenditures	<u>1,061,255</u>	<u>1,061,255</u>	<u>427,463</u>	<u>633,792</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>910,978</u>	<u>910,978</u>
Net change in fund balances	-	-	910,978	910,978
Fund balances, beginning	<u>1,581,628</u>	<u>1,581,628</u>	<u>1,581,628</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,581,628</u>	<u>\$ 1,581,628</u>	<u>\$ 2,492,606</u>	<u>\$ 910,978</u>

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

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Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Fruitland Park (the "City") is a political subdivision of the state of Florida located in Lake County. The City created the Community Redevelopment Agency (the "CRA") in March of 1995. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Notification to affected taxing agency was done in compliance with Chapter 163.346, Part III, Florida Statutes. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area. The City Commission, being the duly elected governmental body for the designated area, passed Resolution 95-012, which established the City of Fruitland Park Community Redevelopment Agency as the Redevelopment Agency for the purpose of carrying out the community redevelopment programs and plans within the area and adopted a community development redevelopment plan. Through Ordinance 95-001 the City established the Community Redevelopment Trust Fund to account for all transactions generated by this special revenue fund. In September 2006, the CRA adopted Resolution 2006-022 to expand the CRA boundaries and modified the redevelopment plan. The CRA is governed by a Board, all of whom are members of the City Commission.

In evaluating how to define the government, for financial reporting purposes, the CRA has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. The CRA has no component units.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government: (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, the CRA is a component unit of the City.

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 nonfiduciary activities of the CRA. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, 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. All other revenue items are considered to be measurable and available only when cash is received by the CRA. The government reports the following fund:

General Fund – Established as a dependent taxing district of the City. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance

Deposits and Investments

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

Investments of the CRA are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The CRA's investments consist of investments authorized per their investment policy, adopted in accordance with Section 218.415, Florida Statutes.

Receivables and Payables

All receivables are shown net of an allowance for uncollectable amounts. The CRA's primary source of revenue is tax-increment funds. This revenue is computed by applying the respective operating tax rates for the City and the County, multiplied by increased value of property located within the boundaries of the redevelopment areas of the CRA in excess of the base property value, minus 5%. The City and the County, are required to fund this amount annually without regard to tax collections or other obligations.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the CRA's capitalization policy as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Any assets purchased with CRA funds are conveyed to the City for ownership and maintenance. At year end, all assets are considered construction in progress.

The normal costs of maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued)

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, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA has no items that qualify for reporting in this category. 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, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The CRA has no items that qualify for reporting in this category.

Net Position Flow Assumptions

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued)

Fund Balance Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the CRA for specific purposes but do not meet the criteria to be classified as committed. The commission has maintained authority to assign fund balance. The commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Standards

In fiscal year 2024, the CRA has not implemented any new accounting standards with a material effect on the CRA's financial statements.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

1. Prior to the end of the fiscal year, the CRA Manager submits to the CRA Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public workshops are held where the Commission, CRA Manager and department heads refine budget detail items. Public hearings are held to obtain taxpayer comments. The budget is then enacted through passage of a resolution no later than September 30.
3. Appropriations are authorized by resolution at the department level. These are the legal levels of budgetary control. Administrative control is maintained through the establishment of more detailed line-item budgets.
4. The CRA Manager is authorized to transfer budgeted amounts between line items within any department; however, any revisions that alter the total expenditures of a department must be approved by a majority vote of the CRA Commission.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

5. Formal budgetary integration is employed as a management control device during the year for governmental funds. Total budgeted appropriations within a governmental fund type may not be exceeded legally.
6. Encumbrance accounting is currently employed by the CRA. Encumbrances outstanding at year end do not constitute expenditures or liabilities and are not reported as committed or assigned fund balances. All appropriations and encumbrances lapse at year-end.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

All bank deposits were covered by Federal Depository Insurance or by collateral held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. Florida Statutes provide for collateral pooling by banks and savings and loans. This limits local government deposits to "authorized depositories".

Investments

The CRA's investment policies are governed by State Statutes and City ordinances. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized investments are:

1. U.S. Government obligations, U.S. Government agency obligations, and U.S. Government instrumentality obligations;
2. Canadian government obligation (payable in local currency);
3. Certificates of deposit;
4. Savings and loan association deposits;
5. Prime bankers acceptances;
6. Prime commercial paper;
7. Investment-grade obligations of state, provincial and local governments and public authorities;
8. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of domestic securities;
9. Statewide investment pools;
10. Mutual funds;
11. The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida interlocal Cooperation Act, as provided as provided in F.S. § 163.01;
12. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
13. Savings accounts in state-certified qualified public depositories, as defined in F.S. § 280.02;
14. Certificates of deposit in state-certified qualified public depositories, as defined in F.S. § 280.02;

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

15. Direct obligations of the U.S. Treasury;
16. Federal agencies and instrumentalities.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The CRA's investment policy does not specifically address interest rate risk.

Credit Risk

The CRA's investment policy limits its investments to the State Board of Administration investment pool, certificates of deposit, highly rated money market funds, government obligation, and mutual funds.

Custodial Credit Risk

Custodial risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2024, none of the CRA investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The State Board of Administration (SBA) Local Government Investment Pool (LGIP), operated by the Florida State Board of Administration, is a "2a-7 like" pool in accordance with GASB 31; therefore, it is not presented at fair value but at its actual pooled share price which approximates fair value. The LGIP is not a registrant with the SEC; however, the State of Florida does provide regulatory oversight.

Investment Type	Fair Value	Credit Rating	Weighted Avg. Maturity
Florida Prime	\$ 2,588,606	AAAm	35 days
Certificates of deposit	100,000	N/A	N/A
	<u>\$ 2,688,606</u>		

NOTE 4. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 68,218	\$ 53,550	\$ (68,218)	\$ 53,550
Total capital assets, not being depreciated	<u>\$ 68,218</u>	<u>\$ 53,550</u>	<u>\$ (68,218)</u>	<u>\$ 53,550</u>

NOTE 5. CONTINGENT LIABILITIES

Litigation

The CRA is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2024. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the CRA.

Risk Management

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 for which the CRA carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded insurance coverage during the past three years.

NOTE 6. RELATED PARTY TRANSACTIONS

The CRA is component unit of the City of Fruitland Park, Florida. For the year ended September 30, 2024, the CRA's tax increment revenues include \$434,708 received from the City. In addition, the CRA reimbursed the City for services performed on behalf of the CRA for administrative services. Payment to the City for these services during the year ended September 30, 2024 was approximately \$51,000.

NOTE 7. SOURCES OF DEPOSITS AND PURPOSE OF WITHDRAWALS

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the CRA Funds for the fiscal year ended September 30, 2024:

Source of Deposit

Property taxes	\$ 434,708
Intergovernmental revenues	787,243
Investment income	116,490
Total sources	\$ 1,338,441

Purpose of Withdrawal

Capital outlay	\$ 364,169
Professional services	51,223
Miscellaneous	12,071
Total withdrawals	\$ 427,463

OTHER REPORTS

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City of Fruitland Park Community Redevelopment Agency

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified not considered
to be material weaknesses?

☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☒ Yes ☐ No

Federal Awards and State Financial Assistance Projects

The City of Fruitland Park Community Redevelopment Agency did not expend \$750,000 in federal or state funds during its fiscal year ended September 30, 2024.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2024-001. Timely Completion of Annual Audit

Criteria: Florida Statutes require the annual audit to be submitted no later than nine months after the City's fiscal year-end.

Condition: The CRA did not have policies and procedures in place to close the year-end and provide supporting documentation for audit procedures to be performed in a timely manner.

Context: Supporting schedules related to capital assets and compensated absences were delayed in being provided to the auditor for testing.

Effect: The CRA's audit was not completed by the statutory due date of June 30, 2025.

Recommendation: We recommend the CRA implement procedures to ensure that annual audits are completed in a timely manner.

View of Responsible Officials: We agree with the finding and steps have already been taken to accurately record year-end adjustments to the fiscal year 2025 financial statements.

City of Fruitland Park Community Redevelopment Agency

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

23-01. Timely Completion of Annual Audit

Criteria: Florida Statutes require the annual audit to be submitted no later than nine months after the CRA's fiscal year-end.

Condition: The CRA did not have policies and procedures in place to close the year-end and provide supporting documentation for audit procedures to be performed in a timely manner.

Status: Repeat finding. See 2024-001.

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