

**FRUITLAND PARK CITY COMMISSION
COMMUNITY REDEVELOPMENT AGENCY
SPECIAL MEETING AGENDA**

March 9, 2023

City Hall Commission Chambers
506 W. Berckman Street
Fruitland Park, Florida 34731
On or before 6:30 p.m.

1. CALL TO ORDER

2. ROLL CALL

3. CRA AUDIT ENGAGEMENT LETTER (city treasurer)

Motion to consider the engagement letter from McDirmit Davis, CPA.

4. FY 2021-22 CRA ANNUAL AND ACTIVITY REPORT (city treasurer)

Motion to consider the approval of FY 2021-22 CRA annual and activity report.

5. PUBLIC COMMENTS (city clerk)

This section is reserved for members of the public to bring up matters of concern or opportunities for praise. Action may not be taken by the Community Redevelopment Agency at this meeting; however, questions may be answered by staff or issues may be referred for appropriate staff action.

Note: Pursuant to F.S. 286.0114 and the City of Fruitland Park's Public Participation Policy adopted by Resolution 2013-023, members of the public shall be given a reasonable opportunity to be heard on propositions before the CRA. Accordingly, comments, questions, and concerns regarding items listed on this agenda shall be received at the time the CRA addresses such items during this meeting. Pursuant to Resolution 2013-023, public comments are limited to three minutes.

6. UNFINISHED BUSINESS

7. ADJOURNMENT

Any person requiring a special accommodation at this meeting because of disability or physical impairment should contact the City Clerk's Office at City Hall (352) 360-6727 at least forty-eight (48) hours prior to the meeting. (§286.26 F.S.)

If a person decides to appeal any decision made by the CRA with respect to any matter considered at such meeting or hearing, he or she will need a record of the

proceedings, and ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The city does not provide verbatim records. (§286.0105, F.S.)

PLEASE TURN OFF ELECTRONIC DEVICES OR PLACE IN VIBRATE MODE.

**CITY OF FRUITLAND PARK
SPECIAL CRA AGENDA ITEM SUMMARY SHEET
Item Number: 3**

ITEM TITLE: Auditor Engagement Letter - CRA

MEETING DATE: Thursday, March 9, 2023

DATE SUBMITTED: Thursday, March 2, 2023

SUBMITTED BY: City Treasurer

BRIEF NARRATIVE: Auditor McDirmit Davis Engagement Letter (CRA)
FY 2022

FUNDS BUDGETED: \$5,000 (20511-30320)

ATTACHMENTS: CRA Engagement Letter

RECOMMENDATION: Approval

ACTION: Approve Auditor McDirmit Davis Engagement
Letter



January 13, 2023

City of Fruitland Park Community Redevelopment Agency

The following represents our understanding of the services we will provide City of Fruitland Park Community Redevelopment Agency (ICRA).

You have requested that we audit the financial statements of the governmental activities, and major fund of the City of Fruitland Park Community Redevelopment Agency, as of September 30, 2022, and for the year then ended and the related notes, which collectively comprise the City of Fruitland Park Community Redevelopment Agency's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit 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 auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that management's discussion and analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis

Auditor Responsibilities

We will conduct our audit in accordance with U.S. GAAS, Government Auditing Standards, and chapter 10.550, *Rules of the Auditor General*. As part of an audit in accordance with GAAS, Government Auditing Standards, and Chapter 10.550, *Rules of the Auditor General*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 override of internal control.
- 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ICRA's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the ICRA's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, Chapter 10.550, Rules of the Auditor General, and Florida Statutes 163.387;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
3. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statement have been audited by us;
5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
6. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
7. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
9. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials;
10. For the accuracy and completeness of all information provided; and
11. For compliance with Florida Statutes 163.371 Reporting Requirements.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon. The supplementary information referred to above will be presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information will be subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our auditor's report will provide an opinion on the supplementary information in relation to the basic financial statements as a whole.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform, such as drafting financial statements and proposing adjusting journal entries to be reviewed and approved by management, we will not assume management responsibilities on behalf of the ICRA. However, we will provide advice and recommendations to assist management of the ICRA in performing its responsibilities.

ICRA management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards
- This engagement is limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of the ICRA's basic financial statements. Our report will be addressed to the governing body of the ICRA. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no opinion will be expressed. As required by Chapter 10.550, Rules of the Auditor General, we will also include our report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315 regarding compliance with Florida Statutes Section 218.415, and Florida Statutes Sections 163.387(6) and (7).

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to begin our audit in March 2023 and to issue our reports no later than June 30, 2023.

Tamara Campbell is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising McDirmit Davis's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered every two weeks and are payable upon presentation. We estimate that our fee for the audit will be \$5,000 for the audit. We will notify you immediately for any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the ICRA's personnel to assist in the preparation of the schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of McDirmit Davis, LLC and constitutes confidential information. However, we may be requested to make certain audit documentation available to a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities, pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of McDirmit Davis, LLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of Governmental Auditing Standards, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audits of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,



McDirmit Davis

RESPONSE:

This letter correctly sets forth our understanding.

City of Fruitland Park Community Redevelopment Agency

Acknowledged and agreed on behalf of City of Fruitland Park Community Redevelopment Agency by:

Title: _____

**CITY OF FRUITLAND PARK
SPECIAL CRA AGENDA ITEM SUMMARY SHEET
Item Number: 4**

ITEM TITLE: FY 2022 Annual CRA Report

MEETING DATE: Thursday, March 9, 2023

DATE SUBMITTED: Thursday, March 6, 2023

SUBMITTED BY: City Treasurer

BRIEF NARRATIVE: CRA Annual Report FY 2021-22. Florida Statutes require an annual report of the year's redevelopment activities including a financial statement of assets and liabilities, and revenue and expenses due March 31st of each year.

FUNDS BUDGETED: None

ATTACHMENTS: CRA Annual Report FY 2021-22

RECOMMENDATION: Approval

ACTION: Approve Auditor McDirmit Davis Engagement Letter

Community Redevelopment Agency
City of Fruitland Park

Annual Report FY 2021-2022

The Florida Community Redevelopment Act of 1969 (Florida Statutes: Title XI, Chapter 163, Part III) provides a vehicle for local communities to form a Community Redevelopment Agency (CRA) and create a Redevelopment Trust Fund through Tax Increment Financing (TIF) for financing improvements within a target area.

The City of Fruitland Park established its CRA in March 1995. The Community Redevelopment Plan was updated and approved in August 2020.

The CRA Base Year Tax Value for OOF1 dated 3/16/1995 is \$17,896,110 and for 00F2 dated 6/28/2005 is \$67,646,734. FY2022 Current Year Tax Value for 00F1 is \$66,795,839 and for 00F2 is \$97,126,638. The increase in tax value from the base value of 00F1 is \$48,899,729 and for 00F2 is \$29,479,904 for a total increase of \$78,379,633.

Pursuant to Chapter 163.356(3)(c) of the Florida Statutes, a progress report of the year's redevelopment activities, including a complete financial statement of assets, liabilities, income and expenses, is due March 31 of each year. This annual report briefly summarizes the redevelopment activities conducted by the CRA in FY 21-22 and includes the year's financial statements.

In FY21-22, 10 CRA and 6 Non-CRA streets were paved (Josephine Ave, Hall St, Seminole Ave, Old Dixie Ave, West Catawba St, Victoria Ave, Paso Alley, S. Pennsylvania Ave, Mulberry St, W Fruitland St, Wood Duck Ln, Forest Glen Dr, Ridgewind Ct, Glen Creek Ct, Clearbrook Ct, Deer Glen Ct).. The Community Center bought and had chandeliers installed and a new paver patio. Thirty two Grizzard St was purchased. A new roof was put on the concession stand at Cales Park and the pool.

Prepared for
City of Fruitland Park Board of Commissioners
March 2023

**CITY OF FRUITLAND PARK
CRA FINANCIAL STATEMENT FOR FY2022**

CRA ACTIVITY REPORT FY2022

FY2020 Fund Balance \$ 665,401.29

Income - Revenue FY2021

City of Fruitland Park	\$	291,394.00
Lake County Commission	\$	367,566.00
Lake County Water Authority	\$	24,043.00
Lake County Ambulance District	\$	33,674.00
Interest	\$	9,810.95
Rent & Late Fees		
TOTAL REVENUES	\$	726,487.95

Operating Expenses FY2022

Misc. Expense		
Professional Fees		
Audit	\$	(8,000.00)
Memberships		
Special District Fees	\$	(175.00)
GrantProgram-Rose Plantation	\$	-
Land Purchase		
32 Grizzard St	\$	(3,953.31)
Improvements		
466a (BESH, Core & Main LP)		
Municipal Complex	\$	-
Community Center	\$	(40,676.00)
Chandelers		
Paver Patio		
Streets	\$	(186,740.00)
Repared 16 streets		
<i>Paved (Josephine Ave, Hall St, Seminole Ave, Old Dixie Ave, West Catawba St, Victoria Ave, Paso Alley, S Pennsylvania Ave, Mullberry St, W Fruitland St, Wood Duck Ln, Forest Glen Dr, Ridgewind Ct, Glen Creek Ct, Clearbrook Ct, Deer Glen Ct)</i>		
Parks Improvements	\$	(54,474.00)
New Roof Concession Cales Park		
New Roof Pool		
Transfer to Other Funds Fund		-\$43,342.30
Tx 10% UT for 466a Relocate		
Tx 20% CM, 10 CT		
TOTAL EXPENSES	\$	(337,360.61)
FY2021 Fund Balance	\$	1,054,528.63

GOVERNMENTAL BALANCE SHEET

Assets

SBOA Investments	\$	1,178,657.21
CD Citizens Bank	\$	100,000.00
	\$	1,278,657.21

Liabilities

Accts Payable	\$	(223,375.00)
Rent Deposit- R Holiday	\$	(753.58)
	\$	1,054,528.63

**CITY OF FRUITLAND PARK
SPECIAL CRA AGENDA ITEM SUMMARY SHEET
Item Number: 5**

ITEM TITLE: Public Comments

MEETING DATE: Thursday, March 9, 2023

DATE SUBMITTED: Tuesday, February 28, 2023

SUBMITTED BY: City Clerk

BRIEF NARRATIVE: **Item Description:** This section is reserved for members of the public to bring up matters of concern or opportunities for praise. Action may not be taken by the community redevelopment agency at this meeting; however, questions may be answered by staff or issues may be referred for appropriate staff action.

Note: Pursuant to F.S. 286.0114 and the City of Fruitland Park's Public Participation Policy adopted by Resolution 2013-023, members of the public shall be given a reasonable opportunity to be heard on propositions before the CRA. Accordingly, comments, questions, and concerns regarding items listed on this agenda shall be received at the time the CRA addresses such items during this meeting. Pursuant to Resolution 2013-023, public comments are limited to three minutes.

FUNDS REQUIRED: None

ATTACHMENTS: None

RECOMMENDATION: None

ACTION: None