



ALACHUA CRA

COMMUNITY REDEVELOPMENT AGENCY

Special Community Redevelopment Agency Meeting Agenda April 11, 2022

Chair **Gib Coerper**
Vice-Chair **Robert Wilford**
Member **Shirley Green Brown**
Member **Jennifer Blalock**
Member **Dayna Miller**

Executive Director **Mike DaRoza**
CRA Attorney **Marian Rush**

The City Commission will conduct a
Special Community Redevelopment Agency Meeting
At 5:30 PM
to address the item(s) below.

Meeting Date: April 11, 2022

Meeting Location: James A. Lewis Commission Chambers

Notice given pursuant to Section 286.0105, Florida Statutes. In order to appeal any decision made at this meeting, you will need a verbatim record of the proceedings. It will be your responsibility to ensure such a record is made.

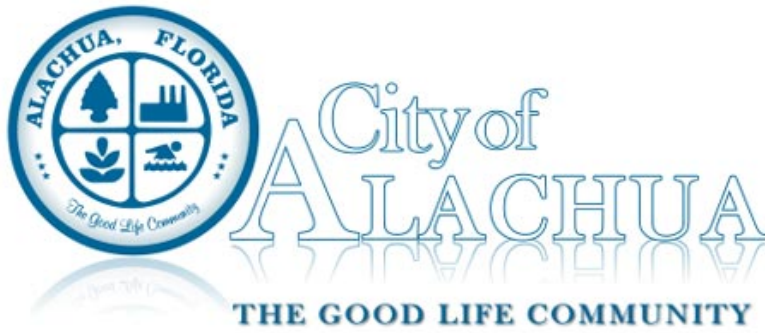
SPECIAL COMMUNITY REDEVELOPMENT AGENCY MEETING

CALL TO ORDER

I. NEW BUSINESS

- A. Resolution CRA 22-03 Accepting the Financial Statements for the Fiscal Year Ended September 30, 2021

ADJOURN



Board/Committee Agenda Item

MEETING DATE: 4/11/2022

SUBJECT: Resolution CRA 22-03 Accepting the Financial Statements for the Fiscal Year Ended September 30, 2021

PREPARED BY: Lindsay Rizzo, Community Redevelopment Coordinator

RECOMMENDED ACTION:

Adopt Resolution CRA 22-03 Accepting the Financial Statements for the Fiscal Year Ended September 30, 2021.

Summary

The City of Alachua Community Redevelopment Agency's Fiscal Year 2020-2021 financial statements have been completed by Purvis, Gray and Company, the City's independent Certified Public Accountants. This evening, Mr. Ron Whitesides of Purvis, Gray and Company will present the results of the Fiscal Year 2020-2021 audit process.

Overall, the CRA received an unmodified ("clean") opinion as it pertains to the financial statements for the year ended [September 30, 2021](#). This is the highest audit opinion that can be received. The auditors did, however, express a finding as to budgetary compliance.

ATTACHMENTS:

Description

- ▢ Resolution 22-03
- ▢ City of Alachua CRA FY2021 Audit
- ▢ Communication With Those Charged With Governance

RESOLUTION CRA22-03

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY (CRA) OF THE CITY OF ALACHUA, FLORIDA; ACCEPTING THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2021; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Alachua CRA has been presented with and reviewed the Financial Statements of the City of Alachua CRA, presented by Purvis, Gray & Company for the fiscal year ending September 30, 2021;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF ALACHUA COMMUNITY REDEVELOPMENT AGENCY:

1. Upon reviewing the Financial Statements, the City of Alachua CRA does hereby accept the report.
2. That this resolution shall take effect immediately upon its adoption.

DULY ADOPTED in special session, this 11th day of April, 2021.

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF ALACHUA, FLORIDA**

Gib Coerper, Chair

SEAL

ATTEST:

Mike DaRoza, Executive Director

2021

Community Redevelopment Agency

City of Alachua, Florida

Financial Statements and Independent Auditor's Report

September 30, 2021

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT

COMMUNITY REDEVELOPMENT AGENCY**

CITY OF ALACHUA, FLORIDA

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Community Redevelopment Agency (the CRA), a component unit of the City of Alachua, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

To the Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

INDEPENDENT AUDITOR'S REPORT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the CRA, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.



March 30, 2022
Gainesville, Florida

**ORGANIZATION CHART
SEPTEMBER 30, 2021
COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA**

CRA Board:

Gib Coerper - Chair

Shirley Green Brown - Vice Chair

Gary Hardacre - Member

Dayna Miller – Member

Robert Wilford - Member

Mike DaRoza - Executive Director

CRA Advisory Board:

Rudy Rothsieden - Chair

Kelly Harris - Vice Chair

Marvin Bingham, Jr. - Member

Bryan Boukari - Member

Rick Robertson - Member

MANAGEMENT'S DISCUSSION AND ANALYSIS

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

The Management's Discussion and Analysis (MD&A) of the City of Alachua Community Redevelopment Agency (CRA) is intended to provide an overview of the CRA's financial position and results of operations for the fiscal year ended September 30, 2021.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA's financial statements (beginning on page 11) including the accompanying notes, to enhance the understanding of the CRA's financial performance. Please note the CRA provides prior year comparative financial information as required by Governmental Accounting Standards Board (GASB) Statement No. 34.

Financial Highlights

- At September 30, 2021 the CRA had a restricted fund balance of \$738,568 resulting from unspent tax increment financing revenues and an additional non-spendable balance of \$5,613.
- The current year net increase of \$92,619 in the CRA fund balance was the result of planned expenditures related to projects that did not occur during the fiscal year.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the CRA's basic financial statements. The CRA's basic financial statements consist of the following components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

- The CRA's total net position increased by \$133,358 over the prior reported period. Increased net position was achieved, primarily, as a result of planned expenditures related to events and projects that did not occur during the fiscal year.
- The CRA's total long-term debt (due in more than one year) decreased by \$93,433 during the current fiscal year. This decrease is due to the normal payment of principal and interest during 2021.
- Total net position (\$1.82 million) is comprised of the following:
 1. The \$1.08 million net investment in capital assets includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 2. \$738.6 thousand of net position is restricted by externally imposed constraints such as debt covenants, grantors, laws, or regulations, or by enabling legislation.
 3. \$5.6 thousand of unspendable balance.

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Government-Wide Financial Statements

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

- The *statement of net position* presents information on all of the CRA's assets, liabilities, deferred outflows of resources, and deferred inflows of resources, with the difference between these elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is strengthening or weakening.
- The *statement of activities* presents information showing how the CRA's net position changed during the most recent fiscal year, focusing on both the gross and net costs that are supported by the CRA's general tax increment funding and other revenues, primarily ones intended to recover all or a significant portion of their cost through user fees and charges.

Both of these financial statements distinguish functions of the CRA and are principally supported by tax increment funding that is based on property valuation. The governmental activities of the CRA are intended to rehabilitate, conserve, and redevelop areas within the geographical boundaries of the district. The government-wide financial statements can be found on pages 11-12 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The CRA only reports as a governmental fund.

- As of September 30, 2021, the CRA's governmental fund reported an ending fund balance of \$744,181, an increase of \$92,619, in comparison with the prior fiscal year. This was the result of planned expenditures related to events and projects that did not occur during the fiscal year.
- The governmental fund revenues were \$486,755 or \$14,442 more than the previous fiscal year. The increase in revenues is due to higher property valuations and increased rental revenue.

Governmental Funds

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

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Because of the different measurement focus (current financial resources versus total economic resources), a reconciliation of the governmental fund Balance Sheet to the government-wide Statement of Net Position and a reconciliation of the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the government-wide Statement of Activities is provided (see pages 14 and 16) to facilitate the comparison between governmental funds and governmental activities. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-wide statements).

The CRA reports one (1) individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the CRA general fund.

The CRA adopts an annual budget for its general fund. Budgetary comparison schedules have been provided as required supplementary information to demonstrate budgetary compliance. The basic governmental fund statements can be found on pages 13-16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to fully understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-21 of this report.

Other Information

The combining statements referred to earlier, present a more detailed view of the governmental funds. Also included are budgetary comparison schedules. The combining statements and budgetary comparisons can be found on pages 22-23 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the CRA, assets exceeded liabilities by \$1,823,609 at the close of the fiscal year ended September 30, 2021.

A portion of the CRA's net position, \$744,181, represents resources that are subject to external restriction on how they may be used.

The largest portion of the CRA's net position (\$1,079,428 or 59.19%) reflects its investment in capital assets (e.g., land, infrastructure, buildings and equipment), less any related outstanding debt used to acquire those assets. The CRA uses these capital assets to provide services within the district; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Reported below is a condensed Statement of Net Position to demonstrate the changes from year to year. For more detailed information, see the Statement of Net Position on page 11.

**Community Redevelopment Agency
of the City of Alachua
Statement of Net Position
As of September 30, 2021 and 2020**

	Governmental Activities		Total % Change
	2021	2020	2020-2021
Current Assets and Other Assets	\$ 751,900	\$ 657,176	14.41%
Capital Assets	1,272,596	1,325,290	-3.98%
Total Assets	2,024,496	1,982,466	2.12%
Long-Term Liabilities Outstanding	193,168	286,601	-32.60%
Other Liabilities	7,719	5,614	37.50%
Total Liabilities	200,887	292,215	-31.25%
Net Position			
Net Investment in Capital Assets	1,079,428	1,038,689	3.92%
Restricted	744,181	651,562	14.21%
Total Net Position	\$ 1,823,609	\$ 1,690,251	7.89%

Normal Impacts

There are six (6) basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

- Net Results of Activities: will impact (increase/decrease) current assets and liabilities, and unrestricted net position.
- Borrowing of Capital: will increase current assets and long-term debt.
- Spending Borrowed Proceeds on New Capital: will reduce current assets and increase capital assets with a secondary impact being that an increase in invested capital assets, and an increase in related net debt will not change the net investment in capital assets.
- Spending of Non-Borrowed Current Assets on New Capital: will reduce current assets, increase capital assets, reduce unrestricted net position, and increase net investment in capital assets.
- Principal Payment on Debt: will reduce current assets and long-term debt, and increase net investment in capital assets.
- Reduction of Capital Assets through Depreciation: will reduce net investment in capital assets.

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

	Governmental Activities		Totals % change
	2021	2020	2020-2021
<u>Revenues:</u>			
General Revenues:			
Intergovernmental	\$ 473,846	\$ 466,185	1.64%
Other	12,909	6,131	110.55%
Total Revenues	<u>486,755</u>	<u>472,316</u>	3.06%
<u>Expenses:</u>			
Economic Environment	347,550	286,359	21.37%
Interest on Long-Term Debt	5,847	7,887	-25.87%
Total Expenses	<u>353,397</u>	<u>294,246</u>	20.10%
 Increase (Decrease) in Net Position	 133,358	 178,070	 -25.11%
 Net Position - Beginning	 <u>1,690,251</u>	 <u>1,512,181</u>	 11.78%
 Net Position - Ending	 <u>\$ 1,823,609</u>	 <u>\$ 1,690,251</u>	 7.89%

Government-Wide Net Position

The CRA's total net position at the end of fiscal year 2021 improved by \$133,358 resulting from planned expenditures related to capital projects that did not occur during the fiscal year.

Governmental Activities

Likewise, the CRA's net position within governmental activities was improved by \$92,619 during fiscal year 2021 for the same reason as above.

Major changes in revenues were caused by the following:

- For fiscal year ending September 30, 2021, other revenue increased by \$6,778 as a result of a greater amount of revenue related to private events.

Major changes in expenses were caused by the following:

- Expenses for governmental activities experienced an increase of \$19,841. This increase was, primarily, the result of higher landscaping costs incurred post-pandemic.

Fund Financial Analysis

The CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Governmental Funds

The primary purpose of the CRA's *governmental 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, *assigned and 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 fiscal year 2021, the CRA's governmental fund reported an ending fund balance of \$744,181, an increase of \$92,619 in comparison with the prior year.

CRA Budgetary Highlights with Variances

The CRA Budget was \$1,120,030 for the entirety of fiscal year 2021. No budget amendments were necessitated.

General Fund Actual Results Highlights with Variances

At September 30, 2021, the CRA's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue in the amount of \$7,567. This was mainly due to an increase in revenue from private events. The CRA's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of \$537,914. This was primarily due to unspent capital expenses for unfinished projects.

Capital Asset and Debt Administration

The CRA's capital assets for its governmental and business-type activities as of September 30, 2021, totaled \$1.27 million (net of accumulated depreciation), and includes land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress.

**Community Redevelopment Agency
of the City of Alachua
Capital Assets
As of September 30, 2021 and 2020**

	Governmental Activities		Total % Change
	2021	2020	2020-2021
Land	\$ 108,981	\$ 108,981	0.0%
Buildings	40,658	40,658	0.0%
Improvements other than Buildings	1,427,470	1,427,470	0.0%
Furniture, Fixtures, and Equipment	5,958	5,958	0.0%
Construction in Progress	73,707	73,707	0.0%
Less: Accumulated Depreciation	(384,178)	(331,484)	15.9%
Total Assets	\$ 1,272,596	\$ 1,325,290	-4.0%

The CRA continues to focus on expanding the economic growth of the district by maintaining its current infrastructure capabilities.

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

No major capital asset events occurred during the reported fiscal year.

Additional information on the CRA's capital assets can be found in Note 3 starting on page 20 of this report.

Long-Term Debt

At the end of fiscal year 2021, the CRA had total long-term debt outstanding of \$193,168. The CRA's debt represents one note (1) which is secured by tax increment revenue.

The CRA's outstanding principal debt decreased \$93,433 during fiscal year 2021. Debt activity included normal principal/interest payments related to the Redevelopment Revenue Note, Series 2013.

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF ALACHUA
OUTSTANDING DEBT
As of September 30, 2021 and 2020**

	Governmental Activities		Total % Change
	2021	2020	2020-2021
Revenue Notes	\$ 193,168	\$ 286,601	-32.6%
Total Debt	<u>\$ 193,168</u>	<u>\$ 286,601</u>	-32.6%

Additional information on the City's debt can be found in Note 5 starting on page 21 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Gainesville MSA at September 30, 2021, was 5.2%, which includes the City of Alachua. This is a 21% increase from the previous fiscal year's rate of 4.3%.
- The final certified incremental value of property within the CRA increased to \$43.6 million, representing an increase of 3.32% from the prior year value of \$42.2 million.
- The City of Alachua millage rate was 5.3900 mills and Alachua County levied 7.8935 mills.
- During the current fiscal year, tax increment revenues totaled \$470,975. This represents an increase of 1.02%.

Requests for Information

This financial report is designed to present users with a general overview of the CRA's finances and to demonstrate the CRA's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact Finance and Administrative Services, P.O. Box 9, Alachua, Florida, 32616-0009. Additional information can be found on our website: www.cityofalachua.com.

FINANCIAL STATEMENTS

**COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Assets

Cash and Cash Equivalents	\$ 737,646
Accounts Receivable	5,770
Due from Other Governments	2,871
Inventory	4,961
Prepaid Items	652
Capital Assets Not Being Depreciated:	
Land	108,981
Construction in Progress	73,707
Depreciable Capital Assets, Net	<u>1,089,908</u>

Total Assets

2,024,496

Liabilities

Accounts Payable	3,228
Other Accrued Liabilities	4,491
Non-Current Liabilities:	
Due Within One Year	95,518
Due in More Than One Year	<u>97,650</u>

Total Liabilities

200,887

Net Position

Net Investment in Capital Assets	1,079,428
Restricted for Redevelopment Projects	<u>744,181</u>

Total Net Position

\$ 1,823,609

See accompanying notes.

**COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Expenses</u>	<u>Net Revenue (Expense) and Changes in Net Position Total Governmental Activities</u>
Functions		
Governmental Activities:		
Economic Environment	\$ 347,550	\$ (347,550)
Interest on Long-Term Debt	5,847	(5,847)
Total Governmental Activities	<u>\$ 353,397</u>	<u>(353,397)</u>
General Revenues:		
Tax Increment Revenues		470,975
Intergovernmental Revenue		2,871
Investment and Other Income		12,909
Total General Revenues		<u>486,755</u>
Change in Net Position		133,358
Net Position, Beginning of Year		<u>1,690,251</u>
Net Position, End of Year		<u>\$ 1,823,609</u>

See accompanying notes.

**COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA
BALANCE SHEET
SEPTEMBER 30, 2021**

Assets	General Fund
Cash and Cash Equivalents	\$ 737,646
Accounts Receivable	5,770
Due from Other Governments	2,871
Inventory	4,961
Prepaid Items	652
Total Assets	751,900
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	3,228
Other Accrued Liabilities	4,491
Total Liabilities	7,719
Fund Balance	
Non-Spendable:	
Prepays	652
Inventory	4,961
Restricted for:	
Economic Environment	738,568
Total Fund Balance	744,181
Total Liabilities and Fund Balance	\$ 751,900

See accompanying notes.

**COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Fund Balance - Total Governmental Funds	\$ 744,181
Capital assets reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Cost of Assets	1,656,774
(Accumulated Depreciation)	(384,178)
Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:	
2013 Redevelopment Note	<u>(193,168)</u>
Net Position of Governmental Activities	<u><u>\$ 1,823,609</u></u>

See accompanying notes.

**COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2021**

	General Fund
Revenues	
Tax Increment Revenues	\$ 470,975
Intergovernmental Revenue	2,871
Investment and Other Income	12,909
Total Revenues	<u>486,755</u>
Expenditures	
Economic Environment:	
Personal Services	77,745
Operating Expenses	217,111
Debt Service:	
Principal	93,433
Interest	5,847
(Total Expenditures)	<u>(394,136)</u>
Net Change in Fund Balance	92,619
Fund Balance, Beginning of Year	<u>651,562</u>
Fund Balance, End of Year	<u><u>\$ 744,181</u></u>

See accompanying notes.

**COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Net Change in Fund Balance - Total Governmental Funds	\$ 92,619
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense:	
Depreciation Expense	(52,694)
Repayment of long-term liabilities are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position.	<u>93,433</u>
Change in Net Position of Governmental Activities	<u><u>\$ 133,358</u></u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

In 1982, the Community Redevelopment Agency (the CRA) was established by the City of Alachua, Florida (the City) pursuant to Ordinance 82-5 to carry out the community redevelopment purposes of Florida Statute, Chapter 163. Subsequent amendments were made to the CRA through Ordinances 98-4, 98-24, 99-03, and 13-07. The City Commission serves as the CRA Board and the City maintains operational responsibility for the CRA's activity. Although legally separate, the CRA is appropriately blended as a governmental fund type component unit into the primary government of the City.

The accounting policies of the CRA conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the governmental activities of the CRA. The government-wide focus is more on the sustainability of the CRA as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include operating and capital grants and contributions.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The basic financial statements consist of the government-wide financial statements and fund financial statements. 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. Tax increment financing from property taxes are recognized as revenue in the year when levied for. 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. Only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally included on their balance sheet. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA

The CRA's operating statements present sources (revenue and financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. 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 CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recognized when due.

Tax increment financing revenue and associated interest with the current fiscal period are both considered to be measurable and have been recognized as revenues of the current fiscal year, if available.

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

The CRA reports the general fund as a major governmental fund. The general fund is used to account for all financial resources received by the CRA. The general fund serves as the primary operating fund of the CRA. The CRA does not have any non-major funds.

Assets, Liabilities and Net Position

Deposits and Investments: The CRA's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid instruments with original maturities of three months or less from the date of acquisition.

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as qualified public depositories, a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions providing full insurance for public deposits. The City had deposits only with qualifying institutions as of September 30, 2021.

Capital Assets: Capital assets include land, buildings, and building improvements titled within the designated redevelopment area.

Capital assets titled to the CRA are reported in governmental activities in the government-wide financial statements. The CRA utilizes the City's capitalization policy and capitalizes assets with a cost in excess of \$5,000 and an estimated life greater than one year. Buildings and building improvements are depreciated using the straight-line method over the asset's estimated useful life which generally consist of a range between 10-50 years. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value 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 are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA

Nature and Purpose of Fund Balance: In the fund financial statements, the governmental fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the CRA Board through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the CRA's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the CRA Board or the City Manager. Non-spendable fund balances include amounts that cannot be spent because they are either: a) not in spendable form, or b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that is not restricted, committed or assigned to specific purposes within the general fund.

Unspent tax increment financing revenues are restricted for future redevelopment projects and are reported as restricted fund balance in the financial statements. Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund.

Compensation Costs: The CRA has no employees of its own. Instead, the CRA reimburses the City for the portion of salaries and benefits attributable to CRA activities based on the estimated time spent on those activities as projected during the annual budget process. Any long-term payroll and benefit liabilities, such as compensated absences, other postemployment benefits, or pension liabilities, are reported on the City's financial statements.

Net Position: The government-wide statements utilized a net position presentation. Net investment in capital assets is that portion of net position that relates to the CRA's capital assets reduced by accumulated depreciation. Restricted net position is unspent tax increment financing revenues that are restricted for future redevelopment projects. Unrestricted net position represents the net position of the CRA that is not restricted for any project or purpose.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk Management: The CRA is adequately insured for general liability and directors and officers insurance through the purchase of a commercial insurance policy. The amount of settlements has not exceeded insurance coverage in any of the past three years.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA

Note 2 - Cash, Cash Equivalents, and Investments

Deposits

At September 30, 2021, the carrying amount of the CRA's cash deposits was \$737,646. All of the City's cash deposits are held in banks that qualify as a public depository under the *Florida Security for Public Deposits Act* (the Act) as required by Chapter 280, Florida Statutes. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledged level. The pledging level may range from 25% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

Note 3 - Capital Assets

Capital asset activity for the year ended September 30, 2021 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 108,981	\$ -	\$ -	\$ 108,981
Construction in Progress	73,707	-	-	73,707
Total Capital Assets Not Being Depreciated	<u>182,688</u>	<u>-</u>	<u>-</u>	<u>182,688</u>
Capital Assets Being Depreciated:				
Building	40,658	-	-	40,658
Improvements Other Than Buildings	1,427,470	-	-	1,427,470
Equipment	5,958	-	-	5,958
Total Capital Assets Being Depreciated	<u>1,474,086</u>	<u>-</u>	<u>-</u>	<u>1,474,086</u>
Less Accumulated Depreciation:				
Building	(317,574)	(49,631)	-	(367,205)
Improvements Other Than Buildings	(2,410)	(966)	-	(3,376)
Equipment	(11,500)	(2,097)	-	(13,597)
Total Accumulated Depreciation	<u>(331,484)</u>	<u>(52,694)</u>	<u>-</u>	<u>(384,178)</u>
Total Capital Assets Being Depreciated	<u>1,142,602</u>	<u>(52,694)</u>	<u>-</u>	<u>1,089,908</u>
Total Capital Assets, Net	<u><u>\$ 1,325,290</u></u>	<u><u>\$ (52,694)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,272,596</u></u>

Depreciation expense in the amount of \$52,694 was charged to the economic environment function in the statement of activities.

Note 4 - Tax-Increment Financing Revenue

The CRA is primarily funded through tax-increment financing revenue. This revenue is computed by applying the operating tax for Alachua County (the County) and the City multiplied by 95 % of the increased value of property in the CRA over the base property value. The City and County are required to fund this amount annually without regard to tax collections or other obligations.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA

Note 5 - Long-Term Liabilities

The following schedule summarizes the changes in the CRA's governmental long-term liabilities during the year ended September 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2013 Redevelopment Note	\$ 286,601	\$ -	\$ (93,433)	\$ 193,168	\$ 95,518
Total	<u>\$ 286,601</u>	<u>\$ -</u>	<u>\$ (93,433)</u>	<u>\$ 193,168</u>	<u>\$ 95,518</u>

■ **Redevelopment Revenue Note, Series 2013 – Direct Placement**

On May 23, 2013, the City executed a loan agreement with BB&T Governmental Finance for the purposes of funding or financing redevelopment activities within the CRA's redevelopment district. The City has met the requirement, together with the investment earnings thereon, to expend the funds within three years of the date of issuance and to pay the costs of the redevelopment project according to the City's Redevelopment Plan.

Payment of the note is secured by a pledge of the amounts derived from the increment revenues and covenant to budget and appropriate non-ad valorem revenues. Interest is payable semiannually for ten years on June 1 and December 1 at a fixed interest rate of 2.22%. Principal payments are also due semiannually on June 1 and December 1.

The following schedule summarizes the retirement of the governmental long-term debt by fiscal year:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Ending</u>			
2022	\$ 95,518	\$ 3,761	\$ 99,279
2023	97,650	1,629	99,279
Total	<u>\$ 193,168</u>	<u>\$ 5,390</u>	<u>\$ 198,558</u>

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

REQUIRED SUPPLEMENTARY INFORMATION
COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL (BUDGETARY BASIS) - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021
CITY OF ALACHUA

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Tax Increment Revenues	\$ 471,268	\$ 471,268	\$ 470,975	\$ (293)
Intergovernmental Revenue	-	-	2,871	2,871
Investment and Other Income	7,920	7,920	12,909	4,989
Total Revenues	479,188	479,188	486,755	7,567
Expenditures				
Economic Environment:				
Personal Services	114,102	114,102	77,745	36,357
Operating Expenses	330,462	330,462	217,111	113,351
Total Economic Environment:	444,564	444,564	294,856	149,708
Debt Service:				
Principal	93,433	93,433	93,433	-
Interest	5,847	5,847	5,847	-
Total Debt Service	99,280	99,280	99,280	-
Capital Outlay	353,206	353,206	-	353,206
Reserve for Contingency	35,000	35,000	-	35,000
(Total Expenditures)	(932,050)	(932,050)	(394,136)	537,914
Net Change in Fund Balance	(452,862)	(452,862)	92,619	545,481
Fund Balance, Beginning of Year	612,862	612,862	651,562	38,700
Fund Balance, End of Year	\$ 160,000	\$ 160,000	\$ 744,181	\$ 584,181

See note to required supplementary information.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021
COMMUNITY REDEVELOPMENT AGENCY
CITY OF ALACHUA, FLORIDA

Note 1 - Budgetary Procedures and Budgetary Accounting

The Community Redevelopment Agency (CRA) adheres to the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

The CRA's budget is first adopted by the CRA's Board and is then presented to the City of Alachua, Florida Commission for ratification prior to September 30. The City Commission serves as the CRA and governing board. The CRA receives recommendations from an appointed five member advisory board.

Budget oversight rests with the Planning and Community Development Department. There were no budget amendments during the current year. \$191,106 of budgeted transfers in from the City's General Fund to the CRA have been reclassified to tax increment revenues in the accompanying CRA financial statements.

OTHER REPORTS

**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 Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Community Redevelopment Agency (the CRA), a component unit of the City of Alachua, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated March 30, 2022.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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To the Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

**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***

Compliance and Other Matters

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

Purpose of this Report

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



March 30, 2022
Gainesville, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

We have examined the Community Redevelopment Agency's (the CRA) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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 of the CRA's compliance with specified requirements.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report 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 and pass-through entities, the CRA Board members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



March 30, 2022
Gainesville, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 163.387(6) AND (7), FLORIDA STATUTES

To the Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

We have examined the Community Redevelopment Agency's (the CRA) compliance with Section 163.387(6) and (7), Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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 of the CRA's compliance with specified requirements.

Our examination disclosed the following material non-compliance with Section 163.387(6) and (7), Florida Statutes applicable to the CRA for the year ended September 30, 2021.

2021-01 – Budgetary Compliance

Condition—Section 163.387(6)(b), Florida Statutes requires that the CRA shall submit its annual budget to the Board of County Commissioners for the County in which it is located within 10 days after the adoption of such budget and submit amendments of its annual budget within 10 days after the adoption date of the amended budget. Although the CRA's budget was posted publicly to the City's website, the budget was never submitted to the Alachua County Board of County Commissioners (BOCC), nor was the BOCC notified that the budget had been posted online.

Effect—The CRA was not in compliance with 163.387(6)(b), Florida Statutes.

Recommendation—We recommend that the CRA review its internal controls and establish processes to ensure the budget and any related amendments are submitted to the BOCC within 10 days of adoption.

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To the Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 163.387(6) AND (7), FLORIDA STATUTES**

Response to Findings

The CRA's response to the finding identified in our audit is described in its accompanying letter. The CRA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

In our opinion, except for the material non-compliance described in the preceding paragraph, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report 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 and pass-through entities, the CRA Board members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



March 30, 2022
Gainesville, Florida

MANAGEMENT LETTER

To the Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

Report on the Financial Statements

We have audited the financial statements of the Community Redevelopment Agency (the CRA), a component unit of the City of Alachua, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 30, 2022.

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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports 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 that report, which is dated March 30, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding annual financial 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. This is disclosed in Note 1 of the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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.

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To the Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

MANAGEMENT LETTER

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

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

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year as 0.
- 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 non-employee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district 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 district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$0.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we communicate non-compliance 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 note any such findings.

To the Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

MANAGEMENT LETTER

Purpose of this Letter

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



March 30, 2022
Gainesville, Florida



ALACHUA CRA

COMMUNITY REDEVELOPMENT AGENCY

MIKE DAROZA
EXECUTIVE DIRECTOR

PLANNING & COMMUNITY DEVELOPMENT
DIRECTOR KATHY WINBURN, AICP

March 30, 2022

The Honorable Sherrill F. Norman, CPA
State of Florida Auditor General
Claude Pepper Building, Room 401
Local Government Audits/342
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Management Letter Responses for 9/30/21 Audit

Honorable Auditor General Norman:

After reviewing the Independent Auditor's Management Letter, the Alachua Community Redevelopment Agency and staff have implemented the following recommendations in response to the Independent Auditor's comments.

If any further assistance is needed please contact me at (386) 418-6100 between the hours of 7:30 AM until 5:30 PM Monday - Thursday.

Sincerely,

Mike DaRoza
Executive Director

The Alachua Community Redevelopment Agency (CRA) has acted to implement the current recommendations as follows:

Current Year Findings and Recommendations

Budgetary Compliance:

Status: The Executive Director of the Alachua CRA, as of this date, has instructed the CRA Coordinator to annually provide the adopting resolution and budget to the County Manager's office within seven (7) days. Said communication shall be performed electronically (via email) and be copied to the City's Finance and Administrative Services Director.

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

We have audited the financial statements of the governmental activities and the major fund of the Community Redevelopment Agency (the CRA), a component unit of the City of Alachua, Florida, for the year ended September 30, 2021. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated August 12, 2021. Professional standards also require that we communicate to you the following information related to our audit:

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the CRA are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year.

We noted no transactions entered into by the CRA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates may be particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We did not identify any particularly sensitive estimates in the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We are pleased to report we encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such misstatements have been identified.

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To the Downtown Redevelopment Trust Board
Community Redevelopment Agency
City of Alachua, Florida

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 30, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the CRA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

We applied certain limited procedures to the Required Supplementary Information (RSI) as identified in the table of contents of the financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of the Board of Directors and management of the CRA and is not intended to be, and should not be, used by anyone other than these specified parties.



March 30, 2022
Gainesville, Florida