

COMMUNITY REDEVELOPMENT AGENCY STAND-ALONE FINANCIAL STATEMENTS GENERAL GUIDANCE

Effective for the 2019-20 fiscal year, the Legislature enacted Chapter 2019-163, Laws of Florida, which amended Section 163.387(8), Florida Statutes, to require that each community redevelopment agency (CRA) meeting the specified \$100,000 threshold provide for a separate audit and that the resultant audit report accompany the county or municipality annual financial report filed with the Department of Financial Services (see Sections 163.387(8)(c) and 218.32(3)(b), Florida Statutes).

The CRA audit is to be separate from the audit of the county or municipality that created the CRA, which include within their reporting entities the CRA as a component unit, and the separate CRA audit report must include the financial statements required by Section 163.387(8)(b)2., Florida Statutes. Accordingly, the CRA must prepare stand-alone financial statements. In accordance with Auditor General Rule 10.557(3), the CRA audit report must include basic financial statements, notes to the financial statements, and management's discussion and analysis and other required supplementary information.

CRA's are special purpose governments as contemplated by Governmental Accounting Standards Board (GASB) Codification Section Sp20 and the stand-alone financial statements, notes to the financial statements, and required supplementary information must be prepared in accordance with the guidance provided therein.

CRA's will eventually be dissolved after they serve their purpose and all assets and liabilities will, upon dissolution, need to be moved to another government. Sections 163.3755 and 163.3756, Florida Statutes, address CRA's that are terminated or declared inactive, and Section 189.071, Florida Statutes, addresses the merger or dissolution of dependent special districts (including CRA's); however, those sections do not address the disposition of CRA assets or liabilities upon dissolution. Therefore, it is left to the CRA and related county or municipality to determine how to handle the disposition of CRA assets and liabilities at time of dissolution. Until such time as the CRA is dissolved, CRA assets and liabilities, unless contractually or legally provided otherwise, should be reported on the CRA stand-alone financial statements.

Specific guidance regarding accounting and financial reporting for pensions and postemployment benefits other than pensions (OPEB) activity can be found at [Guidance on Pension Reporting](#) and [Guidance on OPEB Reporting](#), respectively.