

**CITY OF DUNEDIN, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**FINANCIAL STATEMENTS**  
**Year Ended September 30, 2020**



# CONTENTS

---

	<u>Page Number</u>
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	3
<i>BASIC FINANCIAL STATEMENTS</i>	
Statement of Net Position and Governmental Fund Balance Sheet	7
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	8
Notes to the Financial Statements	9
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	15
<b>COMPLIANCE SECTION</b>	
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 <i>GOVERNMENT AUDITING STANDARDS</i>	16
INDEPENDENT ACCOUNTANT’S REPORT	18
INDEPENDENT AUDITOR’S MANAGEMENT LETTER	19

This page intentionally left blank.



## **INDEPENDENT AUDITOR'S REPORT**

Members of the Community Redevelopment Agency Board  
City of Dunedin, Florida

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

We have audited the accompanying financial statements of the governmental activities and General Fund of the City of Dunedin, Florida Community Redevelopment Agency (the "CRA"), a component unit of the City of Dunedin, Florida as of and for the year ended September 30, 2020, 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 CRA'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 CRA'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.

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 in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the CRA as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2021 on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

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

Certified Public Accountants

Tampa, Florida  
April 26, 2021

## Management's Discussion and Analysis

As management of the City of Dunedin, Florida Community Redevelopment Agency (the "CRA"), we offer readers of the CRA's financial statements this narrative overview and analysis of the CRA's financial activities for the fiscal year ended September 30, 2020.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The CRA's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

**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.

The statement of net position presents information on all of the CRA's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Also, capital assets are capitalized and depreciated on the statement of net position whereas related purchases are expended on government fund financial statements.

**General Fund.** The General Fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the General 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.

Because the focus of the General Fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the General Fund 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. Both the General Fund balance sheet and the General Fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between General Fund and governmental activities.

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

**Other Information.** The CRA adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

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

As noted earlier, 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 \$7,974,252 at the close of the most recent fiscal year. This compares with \$7,717,202 at the close of the previous fiscal year, an increase of \$257,050. Cash and investments increased \$612,130 primarily as a result of revenues significantly exceeding expenditures during the fiscal year, in part attributable to limited operations associated with the Covid pandemic and partially due to budgeted capital project postponements. Capital assets decreased due to depreciation expense incurred during the fiscal year.

	<b>Net Position</b>	
	2020	2019
Current and other assets	\$ 1,077,916	\$ 472,378
Capital assets	6,947,351	7,258,595
Total assets	8,025,267	7,730,973
Accounts payable and other current liabilities	51,015	13,771
Net position:		
Net investment in capital assets	6,947,351	7,258,595
Unrestricted	1,026,901	458,607
Total net position	\$ 7,974,252	\$ 7,717,202

**Governmental Activities.** Governmental activities increased the CRA's net position by \$257,050 in fiscal year 2020. Intergovernmental revenues for property taxes increased \$316,943, or 21.65% over the prior fiscal year, primarily due to increased City and Pinellas County contributions to the Trust Fund as a result of the appreciation in property values on which City and County taxes are based. Economic environment operational expenses decreased by 10.27% in comparison to fiscal year 2019, from \$552,481 to \$495,726, primarily due to the postponement and deferral of active projects at the direction of the CRA board and City Commission in response to the Covid-19 pandemic. For example, during FY 2019 several enhancement projects in the downtown area were initiated and design costs incurred towards the initial phases of the projects. As a result of the pandemic, these projects were put on hold in FY 2020 in order to minimize the impact to, and assure public safety in, the main street and downtown areas, with staff efforts and responsibilities being redirected towards creation of a Covid-19 Business Recovery Business Task Force and other initiatives during FY 2020.



	<b>Changes in Net Position</b>	
	<u>2020</u>	<u>2019</u>
General revenues:		
Intergovernmental	\$ 1,225,132	\$ 1,001,997
Investment earnings	4,786	8,779
Rents	29,090	45,360
Other revenue	<u>10,672</u>	<u>19,818</u>
Total general revenues	<u>1,269,680</u>	<u>1,075,954</u>
Expenses:		
Economic environment	495,726	552,481
Depreciation	347,775	368,473
Aids and grants	<u>169,129</u>	<u>143,519</u>
Total expenses	<u>1,012,630</u>	<u>1,064,473</u>
Change in net position	257,050	11,481
Net position - beginning	<u>7,717,202</u>	<u>7,705,721</u>
Net position - ending	<u><u>\$ 7,974,252</u></u>	<u><u>\$ 7,717,202</u></u>

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

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

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

The only difference between General Fund operations and governmental activities is the accounting presentation for capital outlay. Capital outlay is accounted for as an expenditure in the General Fund and, to the extent it relates to capital asset additions, is replaced by depreciation expense on the statement of activities.

## General Fund Budgetary Highlights

Actual revenues realized in the amount of \$1,269,680 during FY 2020 were slightly below budget of \$1,278,892, resulting in a 0.72% variance. Differences between the final budget and actual operating expenditure categories were primarily a result of the following:

- Capital outlay expenditures of \$36,531 were significantly less than the \$1,529,000 budgeted as a result of the deferral of several capital projects until 2021 or thereafter as a result of the pandemic, and pursuant to direction from the CRA and City Commission. During this period, it was essential to minimize impact to the downtown and other City areas where public safety was of upmost concern, and these projects have been rescheduled to continue in 2021 or as public health and safety concerns are alleviated.
- Other operating expenditures (economic environment and grants & aids) of \$664,855 were \$250,787, or 27.39% less than budget, primarily due to the redirection of anticipated staff efforts and budgeted funds to other initiatives in direct response to the community impacts of the pandemic.

## Capital Asset Administration

The CRA's net investment in capital assets as of September 30, 2020 amounts to \$6,947,351, a decrease of \$311,244 from the year prior. The decrease is primarily due to depreciation expense.

	<b>Capital Assets (net of depreciation)</b>	
	2020	2019
Land	\$ 4,447,708	\$ 4,448,160
Buildings	67,720	71,609
Improvements other than buildings	2,386,896	2,727,129
Machinery and equipment	8,044	11,697
Construction in progress	36,983	-
Total capital assets	<u>\$ 6,947,351</u>	<u>\$ 7,258,595</u>

## Economic Factors and Conditions

An increase in area property values resulted in an increase in City and County contributions to the Trust Fund for FY 2020. Taxable values rose 10.68% in FY 2020, reflecting the continued growth trend over the past several years. The Pinellas County Property Appraiser further increased taxable values in fiscal year 2021 by approximately 8.47%. The CRA was set to sunset in 2018. Pinellas County granted an extension of the City's CRA to 2033, with a mid-term review scheduled for 2025. The Gateway Project, a significant mixed use development project proposed for the City's downtown area is underway and scheduled to come on-line in 2024.

## Requests for Information

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Director of Finance, at 1920 Pinehurst Road, Dunedin, Florida, 34698.

# CITY OF DUNEDIN, FLORIDA

## COMMUNITY REDEVELOPMENT AGENCY

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

September 30, 2020

	General Fund	Adjustments (Note 2)	Statement of Net Position
ASSETS			
Pooled cash and equivalents	\$ 1,075,488	\$ -	\$ 1,075,488
Receivables-net of allowance for uncollectibles	1,128	-	1,128
Other assets	1,300	-	1,300
Property and equipment - net	-	6,947,351	6,947,351
TOTAL ASSETS	<u>\$ 1,077,916</u>	<u>6,947,351</u>	<u>8,025,267</u>
LIABILITIES			
Accounts payable	\$ 42,000	-	42,000
Accrued wages payable	7,015	-	7,015
Deposits payable	2,000	-	2,000
TOTAL LIABILITIES	<u>51,015</u>	<u>-</u>	<u>51,015</u>
FUND BALANCES / NET POSITION			
Fund balances:			
Nonspendable	1,300	(1,300)	-
Restricted	1,025,601	(1,025,601)	-
TOTAL FUND BALANCES	<u>1,026,901</u>	<u>(1,026,901)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,077,916</u>		
Net position:			
Net investment in capital assets		6,947,351	6,947,351
Unrestricted		1,026,901	1,026,901
TOTAL NET POSITION		<u>\$ 7,974,252</u>	<u>\$ 7,974,252</u>

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

**CITY OF DUNEDIN, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**

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

**Year Ended September 30, 2020**

	General Fund	Adjustments (Note 2)	Statement of Activities
REVENUES			
Intergovernmental	\$ 1,225,132	\$ -	\$ 1,225,132
Investment earnings	4,786	-	4,786
Rents	29,090	-	29,090
Other revenue	10,672	-	10,672
TOTAL REVENUES	1,269,680	-	1,269,680
EXPENDITURES / EXPENSES			
Economic environment	495,726	-	495,726
Depreciation	-	347,775	347,775
Capital outlay	36,531	(36,531)	-
Aids and grants	169,129	-	169,129
TOTAL EXPENDITURES / EXPENSES	701,386	311,244	1,012,630
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	568,294	(311,244)	257,050
CHANGE IN FUND BALANCE / NET POSITION	568,294	(311,244)	257,050
FUND BALANCES / NET POSITION			
Beginning of the year	458,607	7,258,595	7,717,202
End of the year	\$ 1,026,901	\$ 6,947,351	\$ 7,974,252

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

**CITY OF DUNEDIN, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended September 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity**

The City of Dunedin, Florida Community Redevelopment Agency (the “CRA”) is a blended component unit of the City of Dunedin, Florida (the “City”). The CRA was originally created in May, 1988 by the adoption of Resolution No. 88-31, which was further ratified and readopted under 1991 Resolution No. 91-4. By adoption of Resolution No. 88-16, which was further ratified and readopted by Resolution No. 91-9, the rights, powers, duties, privileges and immunities of the CRA were invested in the City Commission. The governing board of the CRA consists of the Mayor, Vice Mayor, and the remaining three members of the City’s Commission. The CRA as an agency exists until its sunset in 2033.

The CRA was created pursuant to Section 163.356, Florida Statutes, through ordinances passed by the City and Pinellas County. The primary goal of the City is to provide a tool through the CRA that will guide private and public initiatives for creating economic development, improved physical characteristics, encourage investment in downtown Dunedin, improve the quality of life for residents, and establish a framework for the proper evaluation of the CRA District. The City provides accounting and administrative support to the CRA without charge.

Pursuant to Florida Statute 163.387, the CRA is funded primarily by incremental ad valorem tax revenues levied and remitted in amounts proportionate to property tax values for each participating entity. The CRA is economically dependent on such revenue.

The accounting policies of the CRA conform to accounting principles generally accepted in the United States of America.

These financial statements present the financial position and results of operations controlled by or dependent upon the CRA. In evaluating the CRA as a reporting entity, management has addressed all potential component units for which the CRA may or may not be financially accountable and, as such, be includable in the CRA’s financial statements. No component units exist which would require inclusion in the CRA’s financial statements.

**CITY OF DUNEDIN, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended September 30, 2020**

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

**Government-wide and Fund Financial Statements**

The CRA has only governmental activities and only one function, and, as such, it is eligible for special-purpose financial statement presentation; accordingly, the government-wide financial statements are presented together with the governmental fund financial statements, described below, with an adjustment column presented to reconcile the two sets of statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Governmental Fund Financial Statements - The CRA has one governmental fund type, which is the General Fund. The General Fund is the primary operating fund used to account for all resources and operations. Governmental funds are accounted for on a “spending” or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position.

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when 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 current period. Expenditures generally are recorded when a liability is incurred.

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

**CITY OF DUNEDIN, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended September 30, 2020**

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

**Budgets and the Budgetary Process**

The CRA's Board adopts an annual operating budget, which can be amended by the Board throughout the year.

At the fund level, actual expenditures cannot exceed the budgeted amounts; however, with proper approval by the Board, budgetary transfers between line items can be made.

The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the General Fund reflects the original and final budget authorization amounts, which includes all amendments. Appropriations lapse at the close of the fiscal year.

The CRA's management cannot amend or transfer appropriations.

For the year ended September 30, 2020, the CRA's budget was prepared on a modified accrual basis.

**Pooled Cash and Equivalents**

Pooled cash and equivalents are stated at fair value.

**Property and Equipment**

Property and equipment purchased in the General Fund are recorded as expenditures at the time of purchase. It is the policy of the CRA to capitalize property and equipment over \$1,000 with an estimated useful life in excess of one year. Lesser amounts are expensed. Depreciation has been recorded using the straight-line method over useful lives varying from 5 to 50 years, depending upon the asset type. The CRA does not have donated fixed assets.

**Fund Balance**

The nonspendable fund balance for governmental funds represents the CRA's resources that are not in spendable form. These resources are related to lease deposits held.

The restricted fund balance for governmental funds represents amounts that may be spent only for specific purposes as stipulated by external resource providers or as imposed by law through constitutional provisions or enabling legislation.

**CITY OF DUNEDIN, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended September 30, 2020**

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

**Estimates and Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Adjustments were made to include capital assets (net of accumulated depreciation) on the statement of net position. This resulted in a net difference between the ending General Fund balances and the total net position of \$6,947,351.

Total fund balance	\$ 1,026,901
Capital assets, net	<u>6,947,351</u>
Total net position	<u><u>\$ 7,974,252</u></u>

Adjustments were made to include depreciation expense and eliminate capital outlay expenditures on the statement of activities. This resulted in a net difference between “excess revenues over expenditures” and “change in net position” of \$434,452.

Excess of revenues over expenditures	\$ 568,294
Less: Depreciation expense	(347,775)
Add: Capital outlay expense	<u>36,531</u>
Change in net position	<u><u>\$ 257,050</u></u>



# CITY OF DUNEDIN, FLORIDA COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO THE FINANCIAL STATEMENTS

**Year Ended September 30, 2020**

### NOTE 3 - POOLED CASH AND EQUIVALENTS

The CRA's pooled cash and equivalents account is combined with the pooled cash of the City. The City's cash accounts consist of interest-bearing, demand accounts and certificates of deposit, all of which were entirely covered by federal depository insurance or by a multiple financial institution collateral pool pursuant to the Public Depository Security Act of the State of Florida. This Act requires that the City maintain deposits only in "qualified public depositories." All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City.

Earnings from the pooled funds are allocated to the CRA based on the CRA's proportionate share of the pool.

### NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in the CRA's capital assets during the fiscal year ended September 30, 2020:

	<b>Balance October 1, 2019</b>	<b>Additions and Transfers</b>	<b>Deletions and Transfers</b>	<b>Balance September 30, 2020</b>
<b>Governmental Activities</b>				
Land	\$ 4,448,160	\$ -	\$ (452)	\$ 4,447,708
Construction in progress	-	36,983	-	36,983
Total capital assets, not being depreciated	4,448,160	36,983	(452)	4,484,691
Capital assets being depreciated:				
Buildings	81,628	-	-	81,628
Improvements other than buildings	6,660,969	-	-	6,660,969
Machinery and equipment	48,845	-	-	48,845
Less: Accumulated depreciation	(3,981,007)	(347,775)	-	(4,328,782)
Total capital assets being depreciated	2,810,435	(347,775)	-	2,462,660
Total capital assets	<u>\$ 7,258,595</u>	<u>\$ (310,792)</u>	<u>\$ (452)</u>	<u>\$ 6,947,351</u>

Depreciation expense amounted to \$347,775 during fiscal year 2020, which is included on the statement of activities.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF DUNEDIN, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**

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

**Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
GENERAL FUND				
Revenues:				
Intergovernmental	\$ 1,224,700	\$ 1,230,892	\$ 1,225,132	\$ (5,760)
Investment income	3,000	3,000	4,786	1,786
Rent	45,000	45,000	29,090	(15,910)
Other revenue	-	-	10,672	10,672
TOTAL REVENUES	<u>1,272,700</u>	<u>1,278,892</u>	<u>1,269,680</u>	<u>(9,212)</u>
EXPENDITURES				
Current:				
Economic environment	663,200	703,242	495,726	207,516
Capital outlay	1,424,000	1,529,000	36,531	1,492,469
Aids and grants	<u>192,400</u>	<u>212,400</u>	<u>169,129</u>	<u>43,271</u>
TOTAL EXPENDITURES	<u>2,279,600</u>	<u>2,444,642</u>	<u>701,386</u>	<u>1,743,256</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,006,900)	(1,165,750)	568,294	1,734,044
OTHER FINANCING SOURCES (USES)				
Proceeds from revenue bonds	<u>2,500,000</u>	<u>2,500,000</u>	-	<u>(2,500,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,500,000</u>	<u>2,500,000</u>	-	<u>(2,500,000)</u>
CHANGE IN FUND BALANCE	<u>\$ 1,493,100</u>	<u>\$ 1,334,250</u>	568,294	<u>\$ (765,956)</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>458,607</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 1,026,901</u>	

Note: This schedule is prepared on the basis of generally accepted accounting principles.



**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***

Members of the Community Redevelopment Agency Board  
City of Dunedin, 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 City of Dunedin, Florida Community Redevelopment Agency (the "CRA") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's financial statements and have issued our report thereon dated April 26, 2021.

**Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the CRA in a separate management letter and Independent Accountant's Report Dated April 26, 2021.

### **Purpose of this Report**

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

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
April 26, 2021



## INDEPENDENT ACCOUNTANT'S REPORT

Members of the Community Redevelopment Agency Board  
City of Dunedin, Florida

We have examined the City of Dunedin, Florida Community Redevelopment Agency's (the "CRA") compliance with the requirements of Sections 163.387(6), 163.387(7) and 218.415, Florida Statutes, during the fiscal year ended September 30, 2020. 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 is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the CRA's compliance with specified requirements.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
April 26, 2021



## **INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

Members of the Community Redevelopment Agency Board  
City of Dunedin, Florida

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

We have audited the basic financial statements of the City of Dunedin, Florida Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated April 26, 2021.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 26, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

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

### **Financial Condition**

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

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

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

### **Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.38(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

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

### **Purpose of this Letter**

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

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
April 26, 2021





