

**HAINES CITY  
COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Haines City, Florida)**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2020**

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**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**  
**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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**TABLE OF CONTENTS**

**Page**

**FINANCIAL SECTION**

Independent Auditor's Report .....	1 and 2
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	3
Statement of Activities .....	4
Fund Financial Statements--Governmental Funds	
Balance Sheet--General Fund .....	5
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position .....	6
Statement of Revenues, Expenditures and Changes in Fund Balance -- General Fund .....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance--General Fund to the Statement of Activities.....	8
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget (GAAP Basis) and Actual -- General Fund .....	9
Notes to Financial Statements .....	10-16

**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 <i>Government Auditing Standards</i> .....	17 and 18
Schedule of Findings and Responses .....	19
Summary Schedule of Prior Year Findings .....	20
Independent Auditor's Management Letter .....	21 and 22
Independent Accountant's Report -- Investment Compliance.....	23

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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Board of Directors and Executive Director  
Haines City Community Redevelopment Agency  
Haines City, Florida

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

We have audited the accompanying financial statements of the governmental activities and major fund (the "General Fund") of the Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, 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 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.

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 major fund (the "General Fund") of the CRA, as of September 30, 2020, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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***Other Matters***

***Required Supplementary Information***

Management has omitted the management, discussion, and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 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, 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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
May 18, 2021



**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 2,330,033
Accounts receivable	990
Capital assets, nondepreciable	1,716,045
Capital assets, depreciable, net of accumulated depreciation	18,386,584
Total assets	22,433,652
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable and accrued liabilities	199,274
Accrued interest	230,254
Noncurrent liabilities	
Due within one year	1,310,781
Due in more than one year	18,044,615
Total liabilities	19,784,924
<b>NET POSITION</b>	
Net investment in capital assets	747,233
Restricted	1,901,495
Total net position	\$ 2,648,728

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

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental activities				
General government	\$ 257	\$ -	\$ -	\$ (257)
Public safety	143,841	-	-	(143,841)
Culture and recreation	2,049,116	-	-	(2,049,116)
Economic environment	1,381,873	-	-	(1,381,873)
Interest and other fiscal charges	611,821	-	-	(611,821)
	<u>\$ 4,186,908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(4,186,908)</u>
General revenues				
Property taxes				2,490,988
Intergovernmental revenue (not restricted to specific programs)				2,671,565
Unrestricted investment earnings				<u>18,128</u>
Total general revenues				<u>5,180,681</u>
Change in net position				993,773
Net position, beginning				<u>1,654,955</u>
Net position, ending				<u>\$ 2,648,728</u>

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

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**  
**BALANCE SHEET**  
**GENERAL FUND**  
**SEPTEMBER 30, 2020**

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**ASSETS**

Cash	\$ 2,330,033
Accounts receivable	990
Total assets	<u>\$ 2,331,023</u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable and accrued liabilities	\$ 199,274
Total liabilities	<u>199,274</u>

**FUND BALANCE**

Restricted for:	
Community redevelopment	<u>2,131,749</u>
Total fund balance	<u>2,131,749</u>
Total liabilities and fund balance	<u>\$ 2,331,023</u>

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

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

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Total fund balance, General Fund	\$	2,131,749
Amounts reported for the governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$	35,231,459
Less accumulated depreciation		<u>(15,128,830)</u>
		20,102,629
Long-term liabilities are not due and payable in the current period and therefore are not reported in the General Fund.		
CenterState Bank Loan, Series 2014		(1,381,600)
CenterState Bank Loan, Series 2016 Refunding		(17,973,796)
Accrued interest expense		<u>(230,254)</u>
		<u>(19,585,650)</u>
Total net position, governmental activities	\$	<u><u>2,648,728</u></u>

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

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

**REVENUES**

Property taxes	\$ 2,490,988
Intergovernmental - tax increment financing	2,671,565
Investment earnings	18,128
Total revenues	5,180,681

**EXPENDITURES**

Current	
General government	257
Public safety	143,841
Culture and recreation	849,635
Economic environment	816,592
Debt service	
Principal	1,276,811
Interest	626,856
Capital outlay	2,145,139
Total expenditures	5,859,131

Net change in fund balance (678,450)

**Fund balance, beginning** 2,810,199

**Fund balance, ending** \$ 2,131,749

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

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE—GENERAL FUND TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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

Net change in fund balance, General Fund	\$	(678,450)
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The General Fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay	\$ 1,755,232		
Depreciation expense	<u>(1,374,855)</u>		380,377

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			1,276,811
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are used. The net change associated with these expenses/expenditures is as follows:

Accrued interest			<u>15,035</u>
Change in net position of governmental activities	\$		<u><u>993,773</u></u>

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

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 2,497,985	\$ 2,497,985	\$ 2,490,988	\$ (6,997)
Intergovernmental	4,610,685	4,610,685	2,671,565	(1,939,120)
Investment earnings	25,000	25,000	18,128	(6,872)
Total revenues	<u>7,133,670</u>	<u>7,133,670</u>	<u>5,180,681</u>	<u>(1,952,989)</u>
<b>Expenditures</b>				
Current				
General government	-	-	257	(257)
Public safety	131,625	131,625	143,841	(12,216)
Culture and recreation	960,700	997,700	849,635	148,065
Economic environment	1,205,510	1,255,510	816,592	438,918
Debt service				
Principal	1,864,635	1,864,635	1,276,811	587,824
Interest	-	-	626,856	(626,856)
Capital outlay	2,971,200	2,889,520	2,145,139	744,381
Total expenditures	<u>7,133,670</u>	<u>7,138,990</u>	<u>5,859,131</u>	<u>1,279,859</u>
Net change in fund balance	-	(5,320)	(678,450)	(673,130)
<b>Fund balances, beginning</b>	<u>2,810,199</u>	<u>2,810,199</u>	<u>2,810,199</u>	<u>-</u>
<b>Fund balances, ending</b>	<u>\$ 2,810,199</u>	<u>\$ 2,804,879</u>	<u>\$ 2,131,749</u>	<u>\$ (673,130)</u>

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**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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

**A. Financial Reporting Entity**

The Community Redevelopment Agency (the “CRA”) was created on April 4, 1991, by Resolution No. 558 under Section 163.356 *Florida Statutes*. Its sole purpose is to finance and redevelop the City of Haines City, Florida’s (the “City”) designated redevelopment areas. The CRA is governed by a seven member Board; five members are the City Commission members and the other two are appointed by the City Commission.

The CRA was established in accordance with the Community Redevelopment Act of 1969. This state act allows municipalities to use increases in property tax revenue to finance the necessary public investments in the project area. In accordance with provisions of this act, the CRA developed and implemented a Community Redevelopment Plan to remove the conditions of slum and blight that existed within the City's core and the adjacent residential areas.

Funding for redevelopment and restoration projects that are essential for the reduction of slum and blight and the stimulation of private sector revitalization efforts is provided primarily from the tax increment generated by the increased valuation of properties within the community redevelopment area. Increases in property tax revenue above the baseline assessment that was established upon adoption of the Community Redevelopment Plan is set aside in the Community Redevelopment Trust Fund and can be utilized only for projects identified in the plan.

The CRA is a separate entity from the City. However, the City Commission of the City of Haines City serves substantially as the CRA Board and performs the legislative functions, governing duties and corporate responsibilities of the agency. The City Manager serves as the executive director of the agency, performs the administrative duties and oversees the day to day operations of the agency. Several City departments, including Community Services, Developmental Services, Finance, and Engineering, provide assistance in planning and implementing project activities that are designed to revitalize and restore the identified blighted areas.

**B. Government-wide and Fund Financial Statements**

The basic financial statements consist of the government-wide financial statements and fund financial statements.

The government-wide financial statements include a statement of net position and a statement of activities. These statements report on the CRA as a whole and provide a complete financial picture of the CRA.

The government-wide statement of net position reports all financial and capital resources of the CRA’s governmental activities. Governmental activities are those supported by taxes and intergovernmental revenue. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Although there were none, program revenues include charges for services that are recovered directly from customers for services rendered. Taxes and other items not properly included among program revenues are reported instead as general revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Since the CRA fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are provided that briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide governmental activities financial statements.

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses reported 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.

The governmental fund financial statements (the “General Fund”) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are generally recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used 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. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

**D. Deposits**

The CRA considers cash on hand, cash with fiscal agents, and overnight investments with original maturities of less than three months to be cash and cash equivalents. The CRA also maintains its own bank account which is used for the majority of CRA transactions.

**E. Receivables**

Receivables consist of trade receivables and amounts due from other governments and are recorded net of any allowance for uncollectible amounts, if applicable.

Activity between the CRA and the City that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year (if any) are reported as “advances to/from other funds.” All other outstanding balances between the CRA and City (if any) are reported as “due to/from other funds.”

**F. Capital Assets**

Capital assets, including land, buildings and improvements, infrastructure, intangibles, and vehicles and equipment, are reported in the government-wide financial statements. Capital assets are those that have a useful life of greater than one year and a value of greater than \$1,000. Capital assets are stated at cost in the government-wide financial statements. Donated capital assets are stated at acquisition cost on the date contributed. Depreciation is recorded in the government-wide statements as an operating expense for all assets meeting the CRA’s capitalization threshold. 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. Depreciation is provided over estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	5-25 years
Equipment	5-10 years
Infrastructure	10-25 years

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Long-Term Obligations**

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position.

**H. Fund Balance/Net Position**

In the fund financial statements, the General Fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints imposed on the use of resources reported. 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 Board of Directors through a resolution are classified as committed fund balances. These constraints remain binding unless removed or changed in the same manner employed to commit those resources by resolution. Amounts that are constrained by the CRA's intent to be used for specific purposes, however, are neither restricted, nor committed are classified as assigned fund balances. Assignments are approved by the Executive Director.

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 an amount that has not been restricted, committed, or assigned to specific purposes within the General Fund. When both restricted and unrestricted fund balances are available for use, it is the CRA's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Net position of the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. The first category represents capital assets net of accumulated depreciation, less outstanding debt related to the acquisition or construction of the capital assets.

The restricted category, if any, represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation. Unrestricted net position represents resources that are available for spending.

**I. Budgetary Data**

On or before September 1 of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. A public hearing is conducted at City Hall to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance.

As set forth in the City Charter, the CRA Board legally adopts an annual budget for the General Fund. The annual budget for the General Fund is prepared in accordance with GAAP for governmental fund types (modified accrual basis). All annual appropriations lapse at fiscal year-end.

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Budgetary Data (Continued)**

Budgetary control is legally maintained at the fund level. City and CRA policy requires that expenditures do not exceed budgeted appropriations at the department level. Department heads are permitted to transfer appropriations between line items within their department, with the approval of the Finance Director and City Manager. Appropriations may be transferred between departments with the approval of the Finance Director and City Manager. The City Commission approves budget amendments for expenditures/expenses which are funded by new or increased revenue sources through passage of an ordinance. All outstanding commitments at fiscal year-end are re-appropriated at fiscal year-end as part of the following year's budget.

**J. 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 deferred outflows of resources, and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**K. Risk Management**

The CRA is insured, through the City's self-insurance program, for general liability, health, directors and officers, and property damage. There are no outstanding general liability claims related to the CRA.

**NOTE 2 – TAX INCREMENT REVENUE**

The primary source of revenue is tax increment funds received through the City of Haines City and Polk County. The revenue from the City is treated as property taxes, while the remainder is recorded as intergovernmental revenue – tax increment financing.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

At September 30, 2020, the bank balances of the CRA's deposits was \$2,330,033. All of the CRA's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. 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 pledging level. The pledging level may vary depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – CAPITAL ASSETS**

The following is a summary of capital asset activity for the year ended September 30, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ -	\$ 515,690	\$ -	\$ 515,690
Construction in progress	-	1,200,355	-	1,200,355
Total capital assets not being depreciated	<u>-</u>	<u>1,716,045</u>	<u>-</u>	<u>1,716,045</u>
Capital assets, being depreciated				
Buildings and improvements	23,952,386	11,600	-	23,963,986
Equipment	208,475	27,587	-	236,062
Infrastructure	9,315,366	-	-	9,315,366
Total capital assets being depreciated	<u>33,476,227</u>	<u>39,187</u>	<u>-</u>	<u>33,515,414</u>
Less accumulated depreciation for				
Buildings and improvements	(10,030,813)	(959,658)	-	(10,990,471)
Equipment	(87,054)	(20,814)	-	(107,868)
Infrastructure	(3,636,108)	(394,383)	-	(4,030,491)
Total accumulated depreciation	<u>(13,753,975)</u>	<u>(1,374,855)</u>	<u>-</u>	<u>(15,128,830)</u>
Total capital assets being depreciated, net	<u>19,722,252</u>	<u>(1,335,668)</u>	<u>-</u>	<u>18,386,584</u>
Capital assets, net	<u>\$ 19,722,252</u>	<u>\$ 380,377</u>	<u>\$ -</u>	<u>\$ 20,102,629</u>

Depreciation expense in the amount of \$1,199,481 was charged to culture and recreation and \$175,374 was charged to the economic environment function for the year ended September 30, 2020.

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – LONG-TERM LIABILITIES**

Summarized below is the CRA’s debt issued to finance the acquisition and construction of major capital facilities that is outstanding as of September 30, 2020:

1. Governmental activities debt (direct borrowings)

\$4,636,000 total loan payable, 44% of which is payable by the CRA (\$1,381,600 in principal remaining at September 30, 2020), CenterState Bank–Funds borrowed during fiscal year 2016 to refund two previous notes with Municipal Loan Council. Annual payments will be made over a 15 year period, including interest at 2.70%.

\$24,109,000 loan payable, approximately 90% of which is payable by the CRA (\$17,973,796 in principal remaining at September 30, 2020), CenterState Bank–Funds borrowed during fiscal year 2017 to refund \$2,725,000 of the Police Station Loan from the Florida Municipal Loan Council and \$21,780,000 of the CRA projects loan from the Florida Municipal Loan Council. Semi-annual payments will be made over a 17 year period, including interest at 2.95%.

The following is a summary of long-term liabilities for the year ended September 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Direct Borrowings:					
CenterState Bank Loan, Series 2014	\$ 1,500,400	\$ -	\$ (118,800)	\$ 1,381,600	\$ 122,320
CenterState Bank Loan, Series 2016 Refunding	<u>19,131,807</u>	<u>-</u>	<u>(1,158,011)</u>	<u>17,973,796</u>	<u>1,188,461</u>
Total governmental activities long-term liabilities	<u>\$ 20,632,207</u>	<u>\$ -</u>	<u>\$ (1,276,811)</u>	<u>\$ 19,355,396</u>	<u>\$ 1,310,781</u>

A summary of annual debt service requirements as of September 30, 2020, is as follows:

Fiscal Year	Notes Payable from Direct Borrowings		
	<u>Ending Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,310,781	\$ 550,000	\$ 1,860,781
2022	1,346,998	511,149	1,858,147
2023	1,390,820	471,132	1,861,952
2024	1,432,851	429,857	1,862,708
2025	1,478,464	387,298	1,865,762
2026-2030	8,080,480	1,251,912	9,332,392
2031-2033	<u>4,315,002</u>	<u>193,396</u>	<u>4,508,398</u>
	<u>\$ 19,355,396</u>	<u>\$ 3,794,744</u>	<u>\$ 23,150,140</u>

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – DEPOSITS AND WITHDRAWALS**

Pursuant to Florida Statue 163.387, listed below is a summary of the sources and amounts of deposits into, and the amount and purpose of withdrawals from the CRA for the fiscal year ended September 30, 2020:

	<b>Revenues</b>	<b>Expenditures</b>
<b>Source of Revenues</b>		
Ad valorem taxes	\$ 2,671,565	-
Ad valorem taxes received from Polk County	2,490,988	-
Interest	18,128	-
 <b>Purpose of Expenditures</b>		
Professional services	-	960,690
Culture and recreation	-	849,635
Capital outlay	-	2,145,139
Debt service	-	1,903,667
	<b>\$ 5,180,681</b>	<b>5,859,131</b>

**NOTE 7 – CONTINGENT LIABILITIES**

The CRA receives revenues from various federal grants. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in disallowed expenditures under the terms of the grants. Based upon prior experience, CRA management believes such disallowances, if any, would be immaterial.

During March 2020, the World Health Organization declared the Coronavirus outbreak a global pandemic. Actions taken around the world to help mitigate the spread of the Coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The Coronavirus and actions taken to mitigate it have had, and are expected to continue to have an adverse impact on the local economies. While it is unknown how long these conditions will last and what the complete financial effect will be to the CRA. As the economy continues to open throughout the region, management anticipates revenue to return to normal levels. The ultimate impact of the pandemic on the CRA's results of operations, financial position, and liquidity cannot be reasonably estimated at this time.

**NOTE 8 – RISK MANAGEMENT**

The CRA is exposed to various risks of loss, including general liability, personal injury, workers compensation, and errors and omissions. To manage its risks, the CRA has purchased commercial insurance.

**NOTE 9 – SUBSEQUENT EVENTS**

The CRA has evaluated all subsequent events through May 18, 2021, the date the financial statements were available to be issued.

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## **OTHER REPORTS**

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**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**

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Board of Directors and Executive Director  
Haines City Community Redevelopment Agency  
Haines City, 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 major fund of the Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, 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, and have issued our report thereon dated May 18, 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 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.

**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, 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*.

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**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 entity'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.

Bradenton, Florida  
May 18, 2021

*Mauldin & Jenkins, LLC*

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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**SECTION I**  
**SUMMARY OF AUDIT RESULTS**

**Financial Statements**

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

Unmodified

Internal control over financial reporting:  
Material weaknesses identified?

Yes     No

Significant deficiencies identified not considered to be material weaknesses?

Yes     None reported

Noncompliance material to financial statements noted?

Yes     No

**Federal Awards and State Financial Assistance Projects**

The Haines City Community Redevelopment Agency did not expend \$750,000 in federal or state funds during its fiscal year ended September 30, 2020.

**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Haines City, Florida)**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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None.



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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Board of Directors and Executive Director  
Haines City Community Redevelopment Agency  
Haines City, Florida

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

We have audited the financial statements of the Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, Florida) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated May 18, 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 Standard* 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 May 18, 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 financial audit report. There were no findings or recommendations in the preceding annual financial report requiring correction.

### **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 CRA has made these disclosures in the notes to the financial statements. There are no component units.

### **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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Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. 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 the 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.

**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 Board of Trustees and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
May 18, 2021





## INDEPENDENT ACCOUNTANT'S REPORT

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Board of Directors and Executive Director  
Haines City Community Redevelopment Agency  
Haines City, Florida

We have examined the Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, Florida) compliance with Sections 218.415, 163.387(6), and 163.387(7), *Florida Statutes*, during the year ended September 30, 2020. Management of the CRA 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 specified 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 judgement, including an assessment of the risks of material 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 during the year ended September 30, 2020.

This report is intended solely for the information and use of the CRA and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mauldin &amp; Jenkins, LLC".

Bradenton, Florida  
May 18, 2021

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