

# *Maitland Community Redevelopment Agency*

## Annual Financial Report

Fiscal Year Ended  
September 30, 2020

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# **MAITLAND COMMUNITY REDEVELOPMENT AGENCY**

## **CRA GOVERNING BOARD**

A. Dale McDonald, Mayor  
Michael Wilde, Esq, Vice Mayor  
Vance Guthrie, Councilmember  
Lindsay Hall Harrison, Councilmember  
Michael Thomas, Councilmember  
Teresa Garrett, Orange County Appointee

## **ADMINISTRATION**

Sharon M. Anselmo, CPA, City Manager  
Dan Matthys, Community Development Director  
Jerry Gray, CPA, Finance Director

MAITLAND COMMUNITY REDEVELOPMENT AGENCY  
 ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED SEPTEMBER 30, 2020  
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## **INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and City Council  
City of Maitland Community Redevelopment Agency

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

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Maitland Community Redevelopment Agency (the "Agency"), a component unit of the City of Maitland, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency'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.

#### ***Auditors' 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 auditors' 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 the major fund of the City of Maitland Community Redevelopment Agency as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof 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 the budgetary comparison information 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 February 17, 2021 on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

*Carly Riggs & Ingram, L.L.C.*

Melbourne, Florida  
February 17, 2021

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**Maitland Community Redevelopment Agency  
Management's Discussion and Analysis  
September 30, 2020**

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The Maitland Community Redevelopment Agency (the "CRA") Management's Discussion and Analysis (the "MD&A") presents an overview of the CRA's financial activities for the fiscal year ended September 30, 2020. Please read the CRA's financial statements following the MD&A.

**Financial Highlights**

- The assets and deferred outflow of resources of the CRA is less than the liabilities and deferred inflow or resources by \$8.7 million (net position). That amount is further diluted when looking at the unrestricted net position deficit of \$9.1 million.
- At September 30, 2020, the CRA fund reported ending fund balances of negative \$11.2 million, a decrease of \$1.3 million, compared to FY 19's negative \$12.6 million balance. The decrease is due to increased tax increment financing revenues in the CRA from the City of Maitland, Florida (the "City" or "primary government") and Orange County, Florida (the "County") by \$1.6 million, an increase of 106% due to completed projects within the CRA, namely the Maitland City Centre, the Parker, and 400 North project. Taxable values in the CRA increased by \$133.3 million for FY 20.
- At September 30, 2020, unassigned fund balance deficit was \$11.2 million.
- CRA revenues and transfers in increased by \$1.1 million or 106% over the prior fiscal year, as a result of increased taxable values in the CRA.
- The CRA's outstanding long-term liabilities decreased by \$1.8 million during fiscal year 2020 net of the pay down of debt through scheduled debt service payments of \$470 thousand and repayment of the advance to the primary government of \$1.3 million.

**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 supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements**

The *government-wide financial statements*, which consist of the following two 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 fiscal year 2020. 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*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected but earned revenue, and unused personal leave).

Both of these financial statements distinguish functions of the CRA that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the CRA include general government and transportation, as the primary improvements in the CRA involved significant traffic improvements and relocation of stormwater ponds to facilitate growth. The government-wide financial statements can be found immediately following the MD&A.



**Maitland Community Redevelopment Agency  
Management's Discussion and Analysis  
September 30, 2020**

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**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. While the primary government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and has multiple funds, the CRA, being one of them, has only one fund.

**Governmental funds**

*Governmental funds* are 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, 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.

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 *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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The CRA adopts an annual appropriated budget and a budgetary comparison schedule has been provided to demonstrate budgetary compliance. The basic governmental fund financial statements may be found immediately following the government-wide financial statements.

**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 can be found after the fund financial statements.

**Other information**

In addition to the basic financial statements and accompanying notes, *required supplementary information* is included which presents a budgetary comparison schedule for the CRA and can be found following the notes to the financial statements.

**Government-wide Financial Analysis**

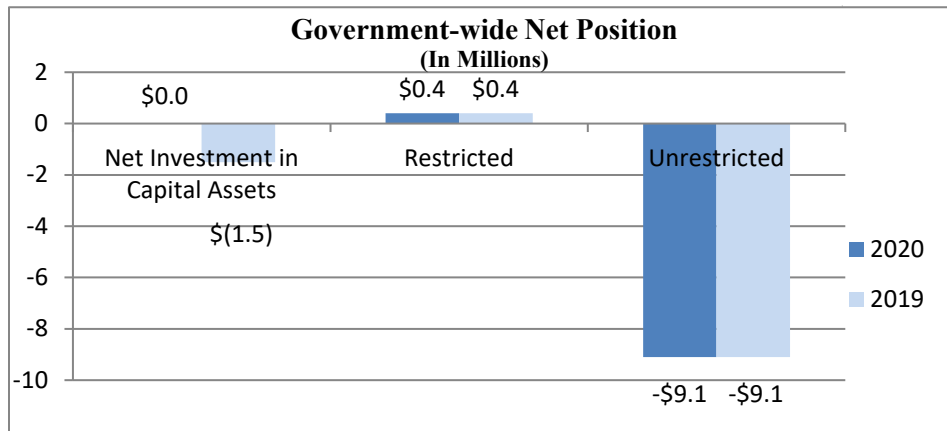
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the CRA, assets and deferred outflow of resources are less than liabilities and deferred inflows of resources by \$8.7 million at the close of the fiscal year ended September 30, 2020, a decrease of \$1.5 million. This decrease in negative net position is due to increased taxable values.

The following table and graph provides a summary of Net Position compared to the prior year.

**Maitland Community Redevelopment Agency  
Management's Discussion and Analysis  
September 30, 2020**

**Maitland Community Redevelopment Agency  
Net Position  
(in Millions)**

	<b>Governmental Activities</b>	
	2020	2019
<b>Assets</b>		
Current and Other Assets	\$ 0.4	\$ 0.4
Capital Assets (net)	14.0	14.3
Total Assets	14.4	14.7
Total Deferred Outflows of resources	0.1	0.1
<b>Liabilities</b>		
Current and Other Liabilities	0.1	0.1
Long-term Liabilities	23.1	24.9
Total Liabilities	23.2	25.0
<b>Net Position</b>		
Net Investment in Capital Assets	-	(1.5)
Restricted	0.4	0.4
Unrestricted	(9.1)	(9.1)
<b>Total Net Position</b>	<b>\$ (8.7)</b>	<b>\$ (10.2)</b>



The largest portion of the CRA's net position, is reflected in its' negative unrestricted balance. Even though there was positive movement in the CRA overall, there is no change in Unrestricted Net Position; however, Net Investment in Capital Assets improved by \$1.5 million, essentially zero (\$3,000) this year compared to a deficit of \$1.5 million in previous year. The CRA has a *restricted net position* of \$0.4 million for debt service as shown restricted investment balance.

The CRA's total revenues increased 106% or \$1.1 million, and total expenses for all programs remained essentially the same as previous year. Our analysis below show the operations of governmental activities.

**Maitland Community Redevelopment Agency  
Management's Discussion and Analysis  
September 30, 2020**

**Maitland Community Redevelopment Agency  
Changes in Net Position  
(in thousands)**

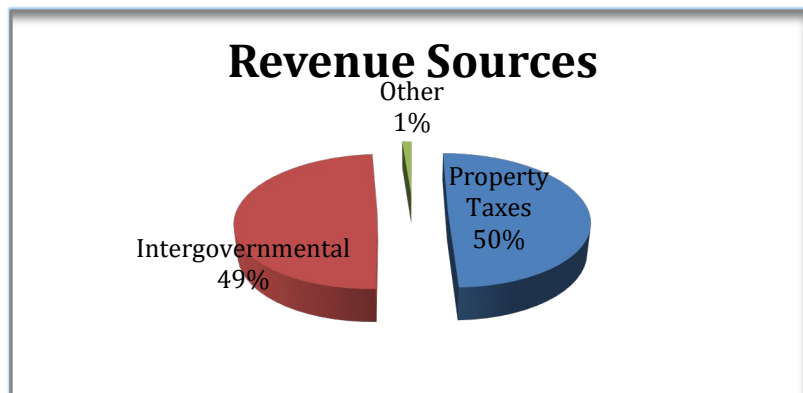
	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
General Revenues		
Property Taxes	\$ 1,076	\$ 509
Unrest. Intergovernmental	1,069	519
Other	19	21
<b>Total Revenues</b>	<b>2,164</b>	<b>1,049</b>
<b>Expenses</b>		
General Government	9	27
Transportation	301	625
Interest on Long Term Debt	387	402
<b>Total Expenses</b>	<b>697</b>	<b>1,054</b>
Change in Net Position - before Transfers and Special Items	1,467	(5)
<b>Transfers and Special Items</b>		
Transfers	6	27
<b>Total Transfers and Special Items</b>	<b>6</b>	<b>27</b>
Change in Net Position	1,473	22
Net Position - Beginning	(10,194)	(10,216)
<b>Net Position - Ending</b>	<b>\$ (8,721)</b>	<b>\$ (10,194)</b>

***Governmental Activities***

The CRA's total governmental revenues increased by 106% (\$1.1 million) while total governmental expenses remained essentially the same. As stated previously, the areas realizing the increases in revenue were property taxes and County intergovernmental revenues.

There have not been any significant investment in future growth within the CRA recently as past projects were being completed; subsequently, due to the uncertainties around the national COVID 19 crisis, the CRA has not received any viable development inquiries.

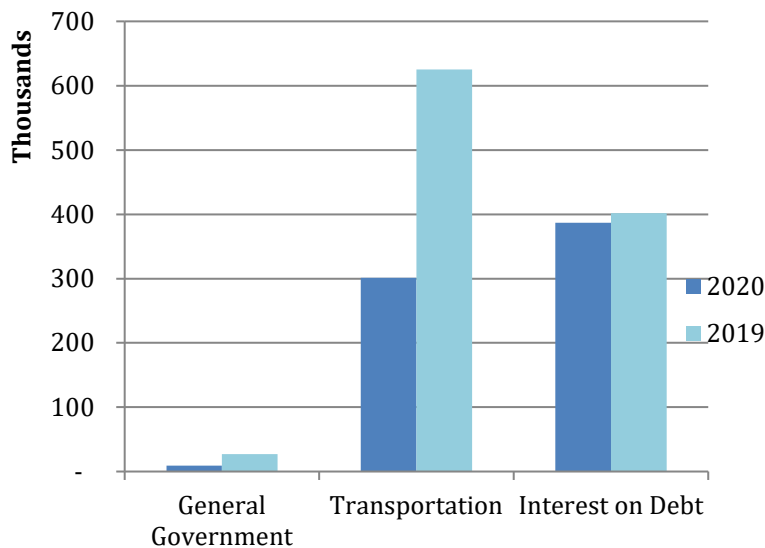
The CRA's millage rate remained the same from the prior year at 4.3453 mills for the City contribution and 4.4347 mills for the County contribution. The table below compares current year revenues by source to the prior year for the CRA's governmental activities.



**Maitland Community Redevelopment Agency  
Management's Discussion and Analysis  
September 30, 2020**

The total cost of all governmental activities this year and the prior year was \$698 thousand and \$1 million respectively. The reason for the significant decrease, was due to a change in accounting estimate for depreciation expense. The funding for the activities came from general governmental revenues which includes property taxes, intergovernmental revenues, investment income, and transfers from the primary government.

**Comparison of Expenditures by Function**



The table and graph below presents the net cost (total expenses less revenues generated by the activity) of each function. The net cost shows the financial burden that was placed on the CRA's taxpayers by each of these functions.

**Net Cost by Function - Governmental  
Activities  
(in thousands)**

Function	Net Cost	Percent of Total
General Government	\$ 9	1.3%
Transportation	301	42.2%
Interest on Long Term Debt	387	55.5%
	\$ 697	100.0%

**Governmental fund**

The focus 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, *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 2020, the CRA's governmental fund reported an ending fund balance deficit of \$11.2 million, a decrease of \$1.3 million in comparison with prior years' deficit of \$12.5 million. At September 30, 2020, the CRA reported an *Unassigned fund balance* deficit of \$11.7 million. *Restricted fund balance* is \$422 thousand and consists of amounts that are restricted funds for debt service.

**Maitland Community Redevelopment Agency  
Management's Discussion and Analysis  
September 30, 2020**

**CRA Budgetary Highlights**

Differences between the CRA's original budget and final amended budget, for expenditures decreased by \$1.2 million overall for the year. The variance is attributable to, for cash flow purposes, the CRA repaying the advance to the primary government. The needs to appropriate CRA funds overall, but the repayment of the advance does not show as a transfer in the final or actual charge to appropriations. There was an increase to the budget which was the result from the automatic adjustment of the budget for encumbrances outstanding at the end of fiscal year 2019 (\$65 thousand), and carry forward adjustments of transfers in the same amount as the primary government had previously committed to fund preliminary engineering for the extension of Independence Lane.

The changes within functions are briefly summarized as follows:

**Maitland Community Redevelopment Agency  
Original and Final Budget Comparison  
(in thousands)**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Increase / (Decrease)</b>
General Government	\$ 1,326	\$ 96	\$ (1,230)
Debt Service	846	846	-
	<b>\$ 2,172</b>	<b>\$ 942</b>	<b>\$ (1,230)</b>

The CRA's total actual expenditures (budgetary basis) were \$86 thousand less than the final amended budget for the CRA Fund, of which \$60 thousand was encumbered and will be included in fiscal 2021 revised budget. The CRA's total actual revenues and transfers in were \$4 thousand more than the final amended budget, the difference relates to property taxes (\$3 thousand) and intergovernmental (\$2 thousand), which consistently come in higher than the mandated budget appropriation formula. Transfers from the primary government increased from the original to the final, because, the CRA only spent \$5 thousand towards the committed contribution from the primary government in fiscal year 2020. Additional information on budgetary compliance, including a budgetary comparison schedule for the CRA can be found following the notes to the financial statements.

**Capital Assets and Debt Administration**

**Capital Assets**

The CRA's investment in capital assets as of September 30, 2020 amounts to \$14.0 million (net of accumulated depreciation). This investment in capital assets includes land and infrastructure. The only change in the CRA's investment in capital assets for the current fiscal year was \$301 thousand of depreciation.

**Capital Assets - Net  
(in thousands)**

	<b>Governmental Activities</b>
Land	\$ 2,779
Infrastructure	18,084
	20,863
Less:	
Accumulated Depreciation and Amortization	(6,865)
Capital Assets - Net	<b>\$ 13,998</b>

**Maitland Community Redevelopment Agency  
Management's Discussion and Analysis  
September 30, 2020**

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**Long-term debt**

At the end of fiscal year 2020, the CRA had total long-term liabilities of \$23 million. The CRA had outstanding loans to a bank of \$11.5 million and advances due to the primary government of \$11.6 million.

Maitland Community Redevelopment Agency  
Outstanding Note Payable and Due to Primary Government  
(in thousands)

Loans Payable	11,500
Due to Primary Government	11,629
Long-term Liabilities	<u>\$ 23,129</u>

Additional information on the CRA's debt can be found in Note 4 of this report.

**Economic Factors and Next Year's Budgets and Rates**

CRA revenues and transfers in for 2021 are projected at \$2.8 million, approximately 28% higher than 2020 actual receipts. Expenditures and repayment to the primary government are budgeted at \$2.8 million, resulting in a balanced budget. The favorable revenue will reduce the deficit fund balance by \$1.8 million, with actual expenses projected to be \$944 thousand. The CRA's operating ad valorem tax rate of 4.3453 the County's CRA's millage rate of 4.4347 remains the same for the 2021 fiscal year.

**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 the City's Finance Department, 1776 Independence Lane, Maitland, Florida 32751.

**Maitland Community Redevelopment Agency**  
**Statement of Net Position**  
**September 30, 2020**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Restricted Assets	
Investments	\$ 421,708
Capital Assets:	
Non-depreciable	2,779,270
Depreciable - Net	11,218,753
<b>Total Assets</b>	<b>14,419,731</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Charge on Refunding	108,239
<b>Total deferred outflows of resources</b>	<b>108,239</b>
<b>LIABILITIES</b>	
Liabilities Payable from Restricted Assets	
Accrued Interest Payable	90,275
Due to Other Governments	29,526
Long-term Liabilities	
Due Within One Year	
Loans Payable	510,000
Due to Primary Government	1,829,400
Due in More Than One Year	
Loans Payable	10,990,000
Due to Primary Government	9,800,008
<b>Total Liabilities</b>	<b>23,249,209</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	(2,645)
Restricted for:	
Debt Service	421,708
Unrestricted	(9,140,302)
<b>Total Net Position</b>	<b>\$ (8,721,239)</b>

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

**Maitland Community Redevelopment Agency**  
**Statement of Activities**  
**For the Year Ended September 30, 2020**

<b>FUNCTIONS / PROGRAMS</b>	<b>Expenses</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Governmental Activities</b>
Governmental Activities:		
General Government	\$ 9,370	\$ (9,370)
Transportation	301,130	(301,130)
Interest on Long-Term Debt	387,041	(387,041)
<b>Total Governmental Activities</b>	<b>697,541</b>	<b>(697,541)</b>
General Revenues:		
Property Tax		1,076,277
Unrestricted Intergovernmental Revenues		1,068,894
Unrestricted Investment Income		19,142
Transfer from Primary Government		5,507
Total General Revenues/Transfers		<u>2,169,820</u>
Change in Net Position		<u>1,472,279</u>
Net Position - Beginning		<u>(10,193,518)</u>
Net Position - Ending		<u>\$ (8,721,239)</u>

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



**Maitland Community Redevelopment Agency  
Balance Sheet - Governmental Fund  
September 30, 2020**

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	<b>Community Redevelopment Agency - 161</b>
<b>ASSETS</b>	
Restricted Investments	\$ 421,708
<b>Total Assets</b>	<b>\$ 421,708</b>
 <b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Due to Other Governments	\$ 29,526
Due to Primary Government	11,629,408
<b>Total Liabilities</b>	<b>11,658,934</b>
Fund Balances:	
Restricted	421,708
Unassigned	(11,658,934)
<b>Total Fund Balances</b>	<b>(11,237,226)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 421,708</b>

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

**Maitland Community Redevelopment Agency  
 Reconciliation of the Balance Sheet of Governmental Fund  
 To the Statement of Net Position  
 September 30, 2020**

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**Total fund balances of governmental fund** \$ (11,237,226)

Amounts reported for 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 fund. The cost of the assets is \$20,863,112 and the accumulated depreciation is \$6,865,089. 13,998,023

Bond proceeds and notes issued provided financial resources to governmental funds while repayment of principal consumes the current financial resources of the governmental fund. Also, the governmental fund reports the effect of premiums, discounts and deferred amounts on refundings when debt is first issued; these amounts are deferred and amortized in the statement of activities. The net effect of the differences in the treatment of long-term debt

Bonds payable	\$ (11,500,000)	
Deferred charge on refunding	108,239	
Accrued interest payable	(90,275)	(11,482,036)

**Total net position of governmental activities** **\$ (8,721,239)**

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

**Maitland Community Redevelopment Agency**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Fund**  
**For the Year Ended September 30, 2020**

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	<b>Community Redevelopment Agency - 161</b>
<b>REVENUES</b>	
Taxes:	
Property Taxes	\$ 1,076,277
Intergovernmental:	
Other Intergovernmental	1,068,894
Investment Income	19,142
Total Revenues	2,164,313
 <b>EXPENDITURES</b>	
Current:	
General Government	9,370
Debt Service	845,858
Total Expenditures	855,228
Excess of Revenues Over Expenditures	1,309,085
 <b>OTHER FINANCING SOURCES AND (USES)</b>	
Transfers In	5,507
Total Other Financing Sources and (Uses)	5,507
Net Change in Fund Balances	1,314,592
<b>Fund Balances (Deficits) - Beginning</b>	<b>(12,551,818)</b>
<b>Fund Balances (Deficits) - Ending</b>	<b>\$ (11,237,226)</b>

The notes to the financial statements are an integral part of this statement.

**Maitland Community Redevelopment Agency  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balances of Governmental Fund to the Statement of Activities  
 For the Year Ended September 30, 2020**

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**Net change in fund balances - total governmental fund** \$ 1,314,592

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

The Governmental fund reports capital purchases 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. This is the amount of depreciation (\$301,130) in the current period (per Note 3). (301,130)

The issuance of long-term debt provides current financial resources to the governmental fund, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental fund. Neither transaction, however, has any effect on net position.  
 2014 CRA Loan principal payment 470,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.

Amortization of deferred charge on refunding	(14,873)	
Change in accrued interest on long-term debt	3,690	(11,183)

Change in net position of governmental activities \$ 1,472,279

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

**Maitland Community Redevelopment Agency**  
**Notes to the Financial Statements**  
**September 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Maitland Community Redevelopment Agency (the “CRA”) have been prepared in conformity with generally accepted accounting principles as applicable to government units.

**A. Reporting Entity**

The CRA is an incremental tax district and component unit created by the City of Maitland (the “City” or “primary government”). The CRA was created by the City with the adoption of Resolution #13-2003 on August 25, 2003, pursuant to Florida Statutes 163.356. The City Council and one representative appointed by the Board of Orange County Commissioners serve as the governing board (the “Council”), approve the budget, provide funding, and oversee all accounting functions for the CRA. The CRA’s services are provided exclusively to the City. The Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager as is appropriate for the City’s Council-Manager form of government.

**B. New Accounting Standards Adopted**

In fiscal year 2020, the CRA adopted new accounting standards as follows:

GASB Statement No. 93, *Replacement of Interbank Offered Rates* – Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). This statement has no impact on the CRA.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*—The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The CRA is postponing the implementation of GASB 87, *Leases*; GASB 92, *Omnibus 2020*; and *Implementation Guide 2019-3, Leases*.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the CRA. The CRA does not have any business-type or fiduciary activities. *Governmental activities*, are supported by taxes intergovernmental revenues and interest income. The Statement of Activities demonstrates the degree to which the direct expenses and indirect costs of a given function, or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect Expenses* are those costs that are allocated to functions and activities in accordance with the CRA’s and City’s adopted indirect cost allocation plan combined. The “Expenses” column includes both direct and indirect expenses. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not assigned as program revenues are reported instead as *general revenues*.

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

**Government-wide 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. Property taxes and intergovernmental revenues are recognized as revenues in the year for which they are levied.

**Fund Financial Statements**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as

**Maitland Community Redevelopment Agency**  
**Notes to the Financial Statements**  
**September 30, 2020**

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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 government considers revenues to be available if they are collected within 180 days after the end of the current fiscal period, except for property tax revenue as to which the period is 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, intergovernmental, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the CRA.

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.

**E. Use of Estimates**

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and operations for the period. Actual amounts could differ from those estimates. In accordance with its policy, the City reviews the estimated useful lives of its fixed assets on an ongoing basis. This review indicated that the actual lives of certain infrastructure assets will be longer than what has been previously estimated for depreciation purposes in the City's financial statements. As a result, effective October 1, 2019, the City changed its estimates of the useful lives of some infrastructure asset to better reflect the estimated periods during which these assets will remain in service. The estimated useful lives of the infrastructure previously estimated thirty years were increased to fifty years. The effect of this change in estimate reduces Transportation expense and increases Net Investment in Capital Assets by \$323,338.

**F. Stewardship, Compliance and Accountability**

**1. Budgetary Information**

The CRA follows these procedures in establishing the budgetary data reflected on the financial statements-

- (a) The CRA is legally required to prepare formal budgets. Subsequent implementations of the budgets serve as a financial and authoritarian control during the year.
- (b) On or before July 15th of each year, the City Manager submits to the Council a budget for the ensuing fiscal year along with an accompanying budget message.
- (c) Budget workshop sessions are scheduled by the Council as needed.
- (d) The general summary of the budget and notice of public hearing is published in the local newspaper.
- (e) Prior to October 1, the budget is legally enacted through passage of a resolution.
- (f) The Council may make supplemental appropriations in excess of those estimated for the year up to the amount of available resources. During fiscal year 2020, the CRA made amendments to the budget, which added to the amount that was originally appropriated.

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- (g) The City Manager is authorized to transfer part or all of an unencumbered appropriation balance among programs within a fund, and upon written request by the City Manager; the Council may authorize (by majority vote) a transfer of part or all of any unencumbered appropriation balance to the primary government. The level of classification detail at which expenditures may not legally exceed appropriations is by fund. Administrative control is maintained at the program level.
- (h) Every appropriation, except for a capital expenditure, shall lapse at the close of the fiscal year to the extent it has not been expended or encumbered.

**2. Deficit Fund Balance**

The CRA had a deficit unassigned fund balance of \$11,658,934 at September 30, 2020. The General Fund, Parks Impact Fee Fund, Road Impact Fee Fund, and Utility Fund of the primary government have advanced \$8,379,468; \$289,467; \$1,064,018; and \$1,896,455, respectively, to cover this shortfall. The advances are expected to be liquidated in future years with tax increment revenues. For fiscal year 2020, the CRA paid back \$1,295,810 to the primary government.

**G. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, savings accounts, and highly liquid investments (including restricted assets with a maturity of three months or less when purchased).

**H. Investments**

The CRA presents investments at fair value using quoted market prices or discounted cash flow models and broker quotes to price securities. The CRA invests with an external local government investment pool (LGIP), the State Board of Administration of Florida (SBA or Florida PRIME). Accordingly, the LGIP's values are calculated using the amortized cost method, consistent with GASB Statement No. 79.

The SBA has an executive director appointed by the Governor, State Treasurer, and the State Comptroller. An Investment Advisory Council is provided for by law and is composed of six members appointed by the Governor, State Treasurer, and State Comptroller. The Florida Senate confirms members. The Investment Advisory Council meets quarterly for the purpose of reviewing investment performance, providing insights, advice, and counsel on these matters.

**I. Restricted Assets**

The use of certain assets of the CRA are restricted by specific provisions of bond resolutions and other agreements. Assets so designated are identified as restricted assets on the statement of Net Position.

**J. Capital Assets**

Capital assets include land and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the government-wide financial statements. The CRA has no capital assets that meet the definition of intangible assets per GASB No. 51, *Accounting and Financial Reporting for Intangible Assets*. Roads, bridges, and sidewalks are capitalized when their initial costs equal or exceed \$25,000 and have estimated useful lives of more than one year.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation and amortization is provided over the estimated useful lives of depreciable assets using the straight-line method. The estimated useful lives of the infrastructure are 10 ~ 50 years.

**K. Deferred Outflows/ Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for the deferred outflows of resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be

**Maitland Community Redevelopment Agency**  
**Notes to the Financial Statements**  
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recognized as an outflow of resources (expense/ expenditure) until then. The CRA reports deferred charge on refunding, a deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that period.

**L. Encumbrances**

Encumbrances are recorded in governmental funds at the time a purchase order or other commitment is issued. Encumbrances at year-end represent the estimated amount of expenditures to result if unperformed purchase orders and other commitments at year-end are completed. Encumbrance accounting is utilized to assure effective budgetary control and accountability. Encumbrances are carried forward to the subsequent year and become part of the subsequent year's budget for annually budgeted funds.

**M. Net Position/Fund Balances**

The government-wide fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

**Net Position Flow Assumption** – Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the CRA's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**Net Investment in Capital Assets** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of assets reduce the balance of this category.

**Restricted Net Position** – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** – This category represents net position that does not meet the definition of "investment in capital assets" or "restricted."

**Fund Balance Flow Assumption** – Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the CRA's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance can be used for the same purpose; committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The governmental funds present the components of fund balances in classifications described below.

**Restricted Fund Balance** – Amounts that can only be spent for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**Unassigned Fund Balance** – This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the CRA Fund.



**Maitland Community Redevelopment Agency**  
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Unassigned fund balance may also include negative balances for any governmental fund, if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

The CRA uses restricted amounts first when both restricted and unrestricted fund balance is available. Additionally, the CRA would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**N. Revenues and Expenditures/Expenses**

**Property Taxes / Intergovernmental** – The CRA’s primary source of revenue is tax increment funds from the City of Maitland and Orange County. Property taxes are levied annually by the City based upon assessed valuations established by the Orange County Property Appraiser. The rate, as permitted by Florida Law and City Charter, is set annually by the City Council and collected by the Orange County Tax Collector. The City is permitted by State Statute to levy taxes up to 10 mills on assessed properties. Property taxes are secured by a statutory lien effective as of the original levy date of October 2019. Taxes are due March 31 and become delinquent April 1. The incremental revenues are computed by applying the operating tax rates for the City and County, multiplied by the increased value of the property located within the boundaries of the CRA, over the base property value. The City and County are required to fund this amount annually, without regard to the tax collection or other obligations by January 1 each year.

**2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

As of September 30, 2020, these amounts are classified in the accompanying financial statements as restricted investments.

**A. Investments**

Florida Statutes, the City’s Charter and the City’s Investment Policy for the Primary Government, which incorporates the CRA.

***Primary Government***

- (1) The Florida Local Government Surplus Funds Trust,
- (2) Direct obligations of the U.S. Government,
- (3) Direct obligations of any bank or savings and loan association certified as a Qualified Public
- (4) Depository by the State of Florida including: interest bearing savings accounts, money market accounts, certificates of deposit, money market certificates or time deposits, and
- (5) Obligations of the Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank or its district banks, Government National Mortgage Association, and Federal National Mortgage Association (US Government agency).

The State of Florida State Board of Administration (SBA) administers the Local Government Surplus Funds Trust Fund (LGSTF), a Local Government Investment Pool (LGIP), which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the LGSTF. The LGSTF is not a registrant with the Securities and Exchange Commission (SEC). All of the CRA’s investments are invested with the SBA.

The fair values of the LGSTF is equal to the value of the pool shares. The investments in the LGSTF are not insured by FDIC or any other governmental agency. The LGSTF follows GASB Statement No. 79 and values all securities at amortized cost, which approximate fair value, in an attempt to maintain a constant net asset value (NAV) of \$1 per share.

LGSTF withdraw limits, Chapter 218.409(8)(a), Florida Statutes, states, “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or

**Maitland Community Redevelopment Agency**  
**Notes to the Financial Statements**  
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withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

***Credit Risk***

In compliance with the investment policy, the CRA minimizes credit risk losses due to default of a security issue or backer by: limiting investments to the safest types of securities, limiting bank certificates of deposit to institutions designated as qualified public depositories in compliance with Florida Statute 280.02, and diversifying the investment portfolio so that potential losses on individual securities are minimized.

The CRA’s investments categorized by credit risk as of September 30, 2020, is AAAM by Standard and Poor’s.

***Interest Rate Risk***

***Primary Government***

As a means of limiting its exposure to fair value losses arising from rising interest rates, the investment policy requires a maximum maturity of no longer than five (5) years for operating funds and ten (10) years for non-operating funds. Maturities are structured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity. The dollar weighted average days to maturity of LGSTF at September 30, 2020, is 48 days. Next interest rate reset dates for floating rate securities are used in the calculation of the dollar weighted average days to maturity. The weighted average life of LGSTF at September 30, 2020, is 63 days.

***Custodial Risk***

Custodial credit risk is the risk that, in the event of the failure of the counter party, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To mitigate custodial risk, the policy requires brokers/dealers to provide audited financial statements, proof of National Association of Securities Dealers certification and proof of state registration. Securities transactions between a financial institution and broker/dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a “delivery vs. payment” basis, if applicable, to ensure the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

***Concentration of Credit Risk***

***Primary Government***

The investment policy requires that investments be diversified by security type and institution. Specific limitations as to the percentage of the portfolio and length of maturity for each type of investment are

**Maitland Community Redevelopment Agency**  
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**September 30, 2020**

monitored for the City as whole, and does not apply specifically to the CRA and the CRA is in compliance with the investment policy.

**3. CAPITAL ASSETS**

**A. Changes in Capital Assets**

The following table shows the changes in capital assets of the CRA. Depreciation expense is shown as transportation expense.

<b>Governmental Activities</b>	<b>Beginning Balance 10/1/2019</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 9/30/2020</b>
Capital Assets, Not Being Depreciated:				
Land	\$ 2,779,270	\$ -	\$ -	\$ 2,779,270
Total Capital Assets, Not Being Depreciated	<u>2,779,270</u>	<u>-</u>	<u>-</u>	<u>2,779,270</u>
Capital Assets, Being Depreciated:				
Infrastructure	18,083,842	-	-	18,083,842
Total Capital Assets Being Depreciated	<u>18,083,842</u>	<u>-</u>	<u>-</u>	<u>18,083,842</u>
Less Accumulated Depreciation For:				
Infrastructure	(6,563,959)	(301,130)	-	(6,865,089)
Total Accumulated Depreciation	<u>(6,563,959)</u>	<u>(301,130)</u>	<u>-</u>	<u>(6,865,089)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,519,883</u>	<u>(301,130)</u>	<u>-</u>	<u>11,218,753</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,299,153</u>	<u>\$ (301,130)</u>	<u>\$ -</u>	<u>\$ 13,998,023</u>

**B. Net Capital Assets**

The following is a summary of net capital assets as shown on the government-wide statement of net position:

	<b>Governmental Activities</b>
Land	\$ 2,779,270
Infrastructure	18,083,842
	<u>\$ 20,863,112</u>
Less:	
Accumulated Depreciation and Amortization	(6,865,089)
Capital Assets - Net	<u>\$ 13,998,023</u>

**4. LONG-TERM LIABILITIES**

**A.** A summary of changes in long-term liabilities is as follows:

	<b>Balance 10/1/2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 9/30/2020</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Loans Payable:					
CRA Revenue Loan	\$ 11,970,000	\$ -	\$ (470,000)	\$ 11,500,000	\$ 510,000
Advance from Primary Government	12,925,218	-	(1,295,810)	11,629,408	1,829,400
Governmental Activities					
Long-term Liabilities	<u>\$ 24,895,218</u>	<u>\$ -</u>	<u>\$ (1,765,810)</u>	<u>\$ 23,129,408</u>	<u>\$ 2,339,400</u>

**Community Redevelopment Agency Redevelopment Revenue Note, Series 2014**

On November 4, 2014, the CRA secured a \$13,485,000 Redevelopment Revenue loan through a direct borrowing from TD Bank secured by tax increment revenue and a covenant to budget and appropriate from any non-ad valorem resources available. The loan carries an interest rate of 3.14%, has annual

**Maitland Community Redevelopment Agency**  
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principal and bi-annual interest payment with a final maturity of July 1, 2034. Deposits to the restricted revenue account are required monthly in the amount of one sixth (1/6<sup>th</sup>) of the interest due on the next semi-annual interest payment date and one twelfth (1/12<sup>th</sup>) of the principal on the next principal date. Funds in the restricted revenue account are to be continuously secured in the same manner as state and municipal deposits of funds are required to be secured by the Laws of the State of Florida.

The City has pledged, as security for the loan, to appropriate funds from the City's General Fund should revenues from the CRA be insufficient to cover the debt service payments. The proceeds from the Series 2014 issuance were used to refund the CRA Bonds Series 2005 which were used for the construction of transportation improvements, stormwater and utility infrastructure related to the Downtown Maitland Master Plan Projects. For the current year, principal and interest paid and total tax incremental financing revenue was \$845,858 and \$2,145,171; respectively. The current outstanding amount is \$11,500,000.

The Due to Primary Government represents an advance (loan), from various sources of the primary government, as approved by the City Council, as a means of funding operating expenses and capital projects to be repaid with future excess TIF revenues. The loan is being repaid with tax increment revenues and the repayment amount is calculated each year when revenues are known. There is no repayment schedule. The current year repayment to the primary government was \$1,295,810.

**B. Debt Service Requirements**

The following are the debt service requirements to maturity on the CRA's community redevelopment agency revenue note:

<b>Direct Borrowing</b>			
<b>CRA Redevelopment Revenue Note</b>			
<b>Series 2014</b>			
<b>Fiscal</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	510,000	361,100	871,100
2022	550,000	345,086	895,086
2023	590,000	327,816	917,816
2024	635,000	309,290	944,290
2025	685,000	289,351	974,351
2026 - 2030	4,165,000	1,094,133	5,259,133
2031 - 2034	4,365,000	352,308	4,717,308
<b>Total</b>	<b>\$ 11,500,000</b>	<b>\$ 3,079,084</b>	<b>\$ 14,579,084</b>

**5. ENCUMBRANCES**

Encumbrance reporting is utilized as an extension of formal budgetary integration for the General Fund, the CRA Fund, and Special Revenue funds. At September 30, 2020, certain amounts shown as restricted, committed or assigned for specific purposes have been encumbered in the governmental funds and re-appropriated on October 1, 2020. Encumbrances at year end amount to \$59,704.

**6. COMMITMENTS AND CONTINGENCIES**

**Litigation** - The CRA is subject to various disputes, legal proceedings and labor relations claims which arise in the normal course of its operations. In the opinion of management, the amount of ultimate liability with respect to these activities will not be material to the CRA's financial condition and would be handled by the primary government, with any applicable charges allocated to the CRA.

**7. SUBSEQUENT EVENTS**

The CRA has evaluated subsequent events through the date of the independent auditor's report, the date the financial statements were available to be issued.

**Maitland Community Redevelopment Agency  
Budgetary Comparison Schedule  
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Resources (inflows):</b>				
Property Taxes	\$ 1,073,446	\$ 1,073,446	\$ 1,076,277	\$ 2,831
Intergovernmental	1,066,872	1,066,872	1,068,894	2,022
Investment Income	20,000	20,000	19,142	(858)
Transfers from Other Funds	-	5,507	5,507	-
<b>Amounts available for appropriation</b>	<b><u>2,160,318</u></b>	<b><u>2,165,825</u></b>	<b><u>2,169,820</u></b>	<b><u>3,995</u></b>
<b>Charges to appropriations (outflows):</b>				
General Government	1,326,460	95,860	9,370	86,490
Debt Service	845,858	845,858	845,858	-
<b>Total charges to appropriations</b>	<b><u>2,172,318</u></b>	<b><u>941,718</u></b>	<b><u>855,228</u></b>	<b><u>86,490</u></b>
<b>Deficiency of Resources Under Charges to Appropriations</b>	(12,000)	1,224,107	1,314,592	90,485
Fund Balance (Deficit) - Beginning of Year	<u>(12,551,818)</u>	<u>(12,551,818)</u>	<u>(12,551,818)</u>	<u>-</u>
<b>Fund Balance (Deficit) - End of Year</b>	<b><u><u>\$ (12,563,818)</u></u></b>	<b><u><u>\$ (11,327,711)</u></u></b>	<b><u><u>\$ (11,237,226)</u></u></b>	<b><u><u>\$ 90,485</u></u></b>

**Note: This schedule was prepared on a budgetary basis. The reconciliation between the budgetary basis and GAAP is explained below.**

Explanation of Differences between Budgetary Inflows and Outflows  
and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 2,169,820
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(5,507)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<b><u><u>\$ 2,164,313</u></u></b>

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 855,228
Differences - budget to GAAP:	
None.	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<b><u><u>\$ 855,228</u></u></b>

**INDEPENDENT AUDITORS' 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**

The Honorable Mayor and City Council  
City of Maitland Community Redevelopment Agency

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 City of Maitland Community Redevelopment Agency, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Maitland Community Redevelopment Agency's basic financial statements, and have issued our report thereon dated February 17, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Maitland Community Redevelopment Agency'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Maitland Community Redevelopment Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Maitland Community Redevelopment Agency'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 City of Maitland Community Redevelopment Agency's financial statements are free of 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 determination of financial statement amounts. 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*.

## **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.

*Carly Riggs & Ingram, L.L.C.*

Melbourne, Florida  
February 17, 2021

## **INDEPENDENT AUDITORS' MANAGEMENT LETTER**

The Honorable Mayor and City Council  
City of Maitland Community Redevelopment Agency

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

We have audited the financial statements of the City of Maitland Community Redevelopment Agency (the "Agency") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 17, 2021.

### **Auditors' 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 Auditors' 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 Accountants' 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 February 17, 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. No such recommendations were identified in the preceding financial 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 of the City of Maitland Community Redevelopment Agency is disclosed in the footnotes. The City of Maitland Community Redevelopment Agency has no component units.

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Maitland Community Redevelopment Agency 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 City of Maitland Community Redevelopment Agency 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 City of Maitland Community Redevelopment Agency. It is management's responsibility to monitor the City of Maitland Community Redevelopment Agency'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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not note any such findings.

## **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 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 members of the City Council and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Carly Riggs & Ingram, L.L.C.*

Melbourne, Florida  
February 17, 2021



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## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

The Honorable Mayor and City Council  
City of Maitland Community Redevelopment Agency

We have examined the City of Maitland Community Redevelopment Agency's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the City of Maitland Community Redevelopment Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Maitland Community Redevelopment Agency's compliance with the specified requirements 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 City of Maitland Community Redevelopment Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Maitland Community Redevelopment Agency 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 noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City of Maitland Community Redevelopment Agency's compliance with specified requirements.

In our opinion, the City of Maitland Community Redevelopment Agency complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020.

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

*Carr, Riggs & Ingram, L.L.C.*

Melbourne, Florida  
February 17, 2021



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**INDEPENDENT ACCOUNTANTS’ REPORT ON COMPLIANCE WITH COMMUNITY TRUST FUND**

The Honorable Mayor and City Council  
City of Maitland Community Redevelopment Agency

We have examined the City of Maitland Community Redevelopment Agency’s (the “Agency”), compliance with the requirements of Sections 163.387(6) and 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2020. Management of the Agency is responsible for the Agency’s compliance with those requirements. Our responsibility is to express an opinion on the Agency’s compliance with the specified requirements 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 Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency 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 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 Agency’s compliance with specified requirements.

In our opinion, the agency complied, in all material respects, with the requirements of Sections 163.387(6) and 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2020.

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

*Carr, Riggs & Ingram, L.L.C.*

Melbourne, Florida  
February 17, 2021



**MAITLAND**

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