

**City of Marianna Redevelopment Agency**  
**A Component Unit of the City of Marianna, Florida**

**For the year ended September 30, 2020**

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# GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER  
FLORIDA INSTITUTE AND  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the City Council  
City of Marianna Community Redevelopment Agency  
City of Marianna, Florida

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

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Marianna Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's 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 the major fund, of the CRA, as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3.1 through 3.6 and the budgetary comparison schedule on page 17 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 May 26, 2021 on our consideration of the CRA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance.

Honorable Mayor-Commissioner  
and City Commissioners  
City of Marianna  
Page Three

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.

*Grimsley & Associates*

May 26, 2021  
Marianna, Florida

Grimsley & Associates, P.A.  
Certified Public Accountants

## **CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Marianna (the "City"), acting in our capacity as the management of the City of Marianna Community Development Agency (the "CRA"), has prepared the following discussion and analysis to offer readers of the CRA's financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2020.

### **FINANCIAL HIGHLIGHTS**

The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$150,284 (*net position*).

The CRA's total net position increased \$88,245. Substantially all of this increase is attributable to tax increment revenue in excess of redevelopment expenses due to the timing of CRA projects.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

The *statement of activities* presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flow*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

## CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements present functions of the CRA that are principally supported by tax increment revenues (*governmental activities*). The governmental activities of the CRA consist of general government expenditures. The CRA has no business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The government-wide financial statements can be found in this report.

### FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The CRA utilizes only one fund, the *General Fund*, which is classified as a *governmental* fund and accounts for all financial resources of the CRA.

*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, the 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 CRA's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the *governmental fund* and *governmental activities*.

The basic governmental fund financial statements can be found in this report. The reconciliation between the governmental fund change in fund balance and the governmental activities change in net position can be found in this report.

**CITY OF MARIANNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**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 in this report.

**OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the CRA's budget to actual results for the General Fund for the current year. The CRA adopts an annual appropriated budget for its General Fund, for which a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the CRA, assets exceeded liabilities by \$150,284 at the close of the most recent fiscal year.

The CRA's net position at September 30, 2020 and 2019 is summarized below:

	Governmental Activities	
	2020	2019
Current and other assets	\$ 150,284	\$ 169,039
<b>Total assets</b>	<b>150,284</b>	<b>169,039</b>
Current and other		
Liabilities	-	107,000
<b>Total liabilities</b>	<b>-</b>	<b>107,000</b>
Net position:		
Restricted - CRA projects	150,284	62,039
<b>Total net position</b>	<b>\$ 150,284</b>	<b>\$ 62,039</b>

The CRA's net position increased by \$88,245 during the current fiscal year, which primarily represents the degree to which tax increment revenues exceeded current year expenses.

**CITY OF MARIANNA  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Governmental activities. Governmental activities increased the CRA’s net position by \$88,245. Key elements of this increase are as follows.

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
<b>REVENUES</b>		
<b>General Revenues:</b>		
Other Taxes	121,303	157,015
Investment Earnings	22	96
<i>Total Revenues</i>	121,325	157,111
<b>EXPENSES</b>		
<b>Program Activities</b>		
General Government	33,080	349,074
<i>Total Expenses</i>	33,080	349,074
Increase (decrease) in Net		
Position	88,245	(191,963)
Net Position - Beginning	62,039	254,002
Net Position - Ending	\$ 150,284	\$ 62,039

Other tax revenues decreased by approximately \$35,712 for the year. General government expenses decreased approximately \$315,994 due to the timing of CRA projects.

**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUND**

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

## **CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental fund.** The CRA has only one governmental fund, the General Fund. The focus of this *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* and *fund balance assigned for the subsequent year's budget* 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 the current fiscal year, the CRA's General Fund reported an ending fund balance of \$150,284, an increase of \$88,245 for the year. All of the CRA's fund balance is restricted for CRA projects.

The approximately \$88,245 increase in fund balance for the General Fund in 2020 was attributable to tax increment revenue in excess of redevelopment expenses due to the timing of CRA projects.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During 2020, total revenues were under budget by approximately \$33,675. Overall, total expenditures were approximately \$95,420 less than the final budgeted appropriations for 2020 due to redevelopment projects not being completed by year end. There was an increase of approximately \$14,500 from the original budgeted expenditures to the final amended budget for the year, which was attributable primarily to anticipated redevelopment projects.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital assets. The CRA does not have any capital assets.

Noncurrent Liability. The CRA does not have any debt obligations at September 30, 2020.

**CITY OF MARIANNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The following economic factors were considered in establishing the CRA's budget for the 2020/2021 fiscal year.

1. The property valuations in the CRA district were consistent in 2021.
2. Inflationary and economic trends in the area compare favorably relative to national trends.
3. The CRA Board designated certain projects to accomplish in 2020/2021.

These factors were considered in preparing the CRA's budget for the 2020/2021 fiscal year.

**REQUESTS FOR INFORMATION**

This report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the CRA's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

KIMBERLY J. APPLEWHITE, CPA, CITY CLERK/FINANCE DIRECTOR  
P.O. BOX 936  
MARIANNA, FL 32447

City of Marianna Community Redevelopment Agency  
Statement of Net Position

*September 30, 2020*

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>Assets</b>	
Restricted assets	
Cash and cash equivalents	41,945
Due from other governments	108,339
Total assets	150,284
<b>Net position</b>	
Restricted for:	
Community development projects	150,284
Total net position	\$ 150,284

*The accompanying notes are an integral part of these financial statements*

City of Marianna Community Redevelopment Agency  
Statement of Activities

*For the year ended September 30, 2020*

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	
		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
General government	\$ 33,080	\$ -	\$ -	\$ -	\$ (33,080)
Total governmental activities	33,080	-	-	-	(33,080)
Total primary government	\$ 33,080	\$ -	\$ -	\$ -	(33,080)
<b>General Revenues</b>					
Taxes:					
Tax increment revenue					121,303
Interest and investment earnings					22
Total general revenues and transfers					121,325
Change in net position					88,245
<b>Net position - beginning</b>					62,039
<b>Net position - ending</b>					\$ 150,284

*The accompanying notes are an integral part of these financial statements*

City of Marianna Community Redevelopment Agency  
Balance Sheet  
Governmental Funds

*September 30, 2020*

	<b>Community Redevelopment Agency</b>
<b>Assets</b>	
Cash and cash equivalents	\$ -
Accounts receivable, net	-
Due from other governments	108,339
Due from other funds	-
Inventory	-
Restricted assets	
Cash and cash equivalents	41,945
<b>Total assets</b>	<b>\$ 150,284</b>
 <b>Fund balances</b>	
Restricted for:	
Community development projects	150,284
<b>Total fund balances</b>	<b>150,284</b>
<b>Total liabilities and fund balances</b>	<b>\$ 150,284</b>

*The accompanying notes are an integral part of these financial statements*

City of Marianna Community Redevelopment Agency  
Reconciliation of the Balance Sheet of Governmental  
Funds to the Statement of Net Position

*September 30, 2020*

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

Total fund balances – governmental funds	<u>\$ 150,284</u>
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<u>Net position of governmental activities</u>	<u>\$ 150,284</u>
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*The accompanying notes are an integral part of these financial statements*

City of Marianna Community Redevelopment Agency  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds

For the year ended September 30, 2020

		<b>COMMUNITY REDEVELOPMENT AGENCY</b>
<hr/>		
<b>Revenues</b>		
Other taxes	\$	121,303
Interest		22
<hr/>		
Total revenues		121,325
<hr/>		
<b>Expenditures</b>		
Current		
General government		33,080
<hr/>		
Total expenditures		33,080
<hr/>		
Excess of revenues over (under) expenditures		88,245
<hr/>		
<b>Net change in fund balances</b>		88,245
<hr/>		
<b>Fund balances - beginning</b>		62,039
<hr/>		
<b>Fund balances - ending</b>	<b>\$</b>	<b>150,284</b>
<hr/>		

*The accompanying notes are an integral part of these financial statements*

City of Marianna Community Redevelopment Agency  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities

*For the 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 balances - total governmental funds	<u>\$ 88,245</u>
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<u>Change in net assets of governmental activities</u>	<u>\$ 88,245</u>
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*The accompanying notes are an integral part of these financial statements*

# City of Marianna Community Redevelopment Agency Notes to Financial Statements

## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

The City of Marianna Community Redevelopment Agency (the "CRA") is a dependent special district established by the City of Marianna, Florida (the "City") under authority granted by Florida Statute 163, Section III. The purpose of the CRA is to promote and guide the physical and economic redevelopment of the downtown Marianna area. The CRA is a legally separate entity established by Ordinance Number 822 of the City of Marianna in June 1993. The governing body of the CRA consists of the City's Council and the City staff manages and administers the financial matters of the CRA.

As defined by U.S. generally accepted accounting principles, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the application of these criteria, the CRA was evaluated and determined to be a component unit of the City of Marianna, Florida. The governing board of the CRA consists of the City Council and the tax increment financing received by the CRA is considered evidence of the City's obligation to provide financial support to the CRA.

### **B. Government-Wide and Fund Financial Statements**

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between governmental and business-type activities. The CRA has no business-type activities. Government-wide financial statements comprised of the statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

City of Marianna Community Redevelopment Agency  
Notes to Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that helps support all functions of government and contributes to the change in the net assets for the fiscal year.

The fund financial statements follow and report additional and detailed information about operations for major funds individually and non-major funds in the aggregate for governmental funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

**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, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, considered to be sixty days. 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 and claims and judgments, are recorded only when payment is due.

City of Marianna Community Redevelopment Agency  
Notes to Financial Statements

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

**D. Restricted Assets**

Restricted assets consist of cash which is required by resolution or contractual obligation to be set aside for specific purposes and is therefore unavailable for general operating purposes. When both restricted and unrestricted (unassigned) net assets are available, restricted assets are applied first. When both assigned and unassigned net assets are available, assigned net assets are applied first.

**E. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**F. Accounts Receivables**

Accounts receivables are shown at their net realizable value. See Note 5 for allowance for doubtful accounts.

**G. Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

**H. Fund Balance Reporting and Governmental Fund-Type Definitions**

The City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 19.

City of Marianna Community Redevelopment Agency  
Notes to Financial Statements

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

**I. Impact of Recently Issued Accounting Pronouncements**

**New Accounting Standards Adopted**

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the City’s financial statements.

**Recently Issued But Not Yet Effective**

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the City upon implementation. Management has not yet evaluated the effect of implementation of these standards.

<b>Statement No.</b>	<b>GASB Accounting Standard</b>	<b>GASB Effective Fiscal Year</b>
84	<i>Fiduciary Activities</i>	2021
87	<i>Leases</i>	2022
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2022
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2022
91	<i>Conduit Debt Obligations</i>	2023
92	<i>Omnibus 2020</i>	2023
93	<i>Replacement of Interbank Offered Rates</i>	2022
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2024
96	<i>Subscription-Based Information Technology Arrangements</i>	2024
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	2023

City of Marianna Community Redevelopment Agency  
Notes to Financial Statements

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The City and CRA follow these procedures in establishing the budget reflected in the financial statements:

1. City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is legally enacted through passage of an ordinance.
3. The budget of the CRA is prepared on the modified accrual basis of accounting the following exception:  
The City includes a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as a budgeted revenue in the succeeding year. The results of operation in accordance with generally accepted accounting principles do not recognize the fund balance allocation as revenue, as it is the result of the prior period's excess of revenues over expenditures.
4. Budgetary control is at the department level.

**NOTE 3: CASH**

At year end, the carrying amount of the City's deposits was \$41,945 and the bank balance was \$1,523. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

City of Marianna Community Redevelopment Agency  
Notes to Financial Statements

**NOTE 4 – DUE FROM OTHER GOVERNMENTS**

Due from other governments in the amount of \$108,339 represents amounts due to the City of Marianna CRA from Jackson County, Florida as of September 30, 2020.

**NOTE 5 – TAX REVENUES**

Tax increment revenues are the primary source of revenue for the CRA. Tax increment revenue is collected from the two governmental entities that levy property taxes within the legally defined redevelopment area of the CRA, the City and Jackson County, Florida. For the year ended September 30, 2020, the CRA recorded tax revenues from the City and the County in the amount of \$121,303.

**NOTE 6 – RELATED PARTY TRANSACTIONS**

For the year ended September 30, 2020, the CRA paid the City \$11,000 for contractual and other services provided by the City to the CRA in connection with various administrative and redevelopment activities. The CRA also transferred ownership of various capital assets in the amount of \$13,580 to the City for maintenance.

**NOTE 7 – CONTINGENCIES AND COMMITMENTS**

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of the coronavirus (COVID-19). The pandemic significantly affected economic conditions in the U.S. as federal, state, and local governments reacted to the public health crisis by ordering the temporary closure of schools, public facilities and non-essential businesses and organizations, and imposing travel restrictions. To date, the CRA has not been impacted by the pandemic. The duration of any business and economic disruptions, and the long-term impact on the CRA cannot presently be determined. It is at least reasonable possible that the effects of the pandemic on the City could impact the CRA in future periods.

**NOTE 8 – RECLASSIFICATION**

Certain 2019 amounts have been reclassified to conform to 2020 classifications. Such reclassifications had no effect on reported net income.

City of Marianna Community Redevelopment Agency  
Notes to Financial Statements

**NOTE 9 – RISK MANAGEMENT**

The City, and therefore the CRA, is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions; injuries to employees and/or the public; or damage to property of others; and natural disasters for which the City carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials' liability
- Accidental death and dismemberment

**NOTE 10 – FUND EQUITY**

**Governmental Funds**

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The CRA had no non-spendable net assets at September 30, 2020.

Spendable fund balances are classified based on a hierarchy of the CRA's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ending September 30, 2020, the CRA reports net assets as restricted, assigned and unassigned. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the CRA's intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

## **Required Supplementary Information**

City of Marianna Community Redevelopment Agency  
Budget to Actual Comparison Schedule

*For the year ended September 30, 2020*

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS (BUDGETAR BASIS)	VARIANCE WITH FINAL BUDGET
<b>Revenues</b>				
Taxes	\$ 155,000	\$ 155,000	\$ 121,303	\$ (33,697)
Interest	-	-	22	22
<b>Total revenues</b>	155,000	155,000	121,325	(33,675)
<b>Expenditures</b>				
General government	114,000	128,500	33,080	95,420
<b>Total expenditures</b>	114,000	128,500	33,080	95,420
Excess of revenues over (under) expenditures	41,000	26,500	88,245	61,745
Net change in fund balance	41,000	26,500	88,245	61,745
Fund balance - beginning	62,039	62,039	62,039	-
<b>Fund balance - ending</b>	<b>\$ 103,039</b>	<b>\$ 88,539</b>	<b>\$ 150,284</b>	<b>\$ 61,745</b>

*See Independent Auditors' Report*

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OWEN W. GRIMSLEY, C.P.A.

## **INDEPENDENT AUDITORS' MANAGEMENT LETTER**

Honorable Mayor and City Council  
City of Marianna  
Marianna, Florida

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

We have audited the financial statements of the City of Marianna Community Redevelopment Agency (the "CRA"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated May 26 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 Profession Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 26, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

Honorable Mayor and City Council  
City of Marianna Community Redevelopment Agency  
Marianna, Florida

### **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 the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

### **Financial Condition and Management**

Section 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 conditions met. In connection with our audit, we determined that the CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

### **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that the CRA provided the necessary information to the City of Marianna, Florida, for proper reporting within the audited financial statements of the City in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

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

Honorable Mayor and City Council  
City of Marianna Community Redevelopment Agency  
Marianna, Florida

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

May 26, 2021  
Marianna, Florida

*Grimsley & Associates*

Grimsley & Associates, P.A.  
Certified Public Accountants

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## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, AND SECTIONS 163.387(6) AND (7) FLORIDA STATUTES**

Honorable Mayor and City Council  
City of Marianna Redevelopment Agency  
Marianna, Florida

We have examined City of Marianna CRA's Community Redevelopment Agency's (the "CRA") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2020. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our 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 our examination provides a reasonable basis for our opinion.

Our examination does not provide a legal determination on the CRA's compliance with specified requirements.

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

This report is intended solely for the information and use of 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.

*Grimsley & Associates*

May 26, 2021  
Marianna, Florida

Grimsley & Associates, P.A.  
Certified Public Accountants

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OWEN W. GRIMSLEY, C.P.A.

## **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***

Honorable Mayor and City Council  
City of Marianna Community Redevelopment Agency  
Marianna, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marianna Community Redevelopment Agency (the "CRA") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated May 26, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) to determine 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 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.

Honorable Mayor and City Council  
City of Marianna Community Redevelopment Agency  
Marianna, Florida

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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CRA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, 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.

*Grimsley & Associates*

May 26, 2021  
Marianna, Florida

Grimsley & Associates, P.A.  
Certified Public Accountants