

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020



CLAconnect.com

**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2020**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION	6
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES	7
NOTES TO FINANCIAL STATEMENTS	8
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	14
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 <i>GOVERNMENT AUDITING STANDARDS</i>	16
MANAGEMENT LETTER	18
INDEPENDENT ACCOUNTANTS' REPORT	20



INDEPENDENT AUDITORS' REPORT

Board of Directors
Sebring Regional Airport and Industrial Park
Community Redevelopment Agency
Sebring, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA), a component unit of Sebring Airport Authority, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the entity'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 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 and budgetary comparison information on pages 3 through 5 and 14 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 19, 2021, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
February 19, 2021

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020**

As management of the Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA), we offer the readers of the CRA's basic financial statements this narrative overview and analysis of the financial activities of the CRA for the year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

Financial Highlights

- The assets of the CRA exceeded its liabilities as of September 30, 2020 by \$1,800,349 (net position).
- The CRA's total assets as of September 30, 2020 were \$1,800,349.
- The CRA's total revenue was \$399,568, consisting primarily of CRA Incremental Tax Revenue.
- The CRA's total expenses came to \$190,057. General operating expense came to \$18,759 and professional services expense consisted of \$26,180. Project assistance to Sebring Airport Authority was \$145,118. The increase in net position was \$209,511.

Overview of Financial Statements

The CRA's government-wide financial statements include the following:

- Statement of Net Position — reports the CRA's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at the end of the fiscal year, and provides information about the nature and amounts of investment of resources and obligations to creditors.
- Statement of Activities — reports the results of activity over the course of the fiscal year. It details the costs associated with operating the CRA and how those costs were funded. It also provides an explanation of the change in net position from the previous fiscal year-end to the current fiscal year-end.
- The basic financial statements also include notes that provide required disclosures and other information necessary to gather the full meaning of the material presented in the statements.

The analysis of net position, revenue, and expenses are detailed and provide a comprehensive portrayal of financial conditions and related trends. The analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned regardless of when cash is received or paid.

Our analysis presents the CRA's net position, which can be thought of as the difference between what the CRA owns (assets) and what the CRA owes (liabilities). The net position analysis will allow the reader to measure the health or financial position of the CRA.

Over time, significant changes in the CRA's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any CRA, the reader must also consider other nonfinancial factors such as fluctuations in the local economy, fluctuations in fuel prices, and the physical condition of the CRA's capital assets.

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020**

Net Position

The difference between an organization's assets and deferred outflows of resources and its liabilities and deferred inflows of resources equals its net position. The CRA's net position is classified as follows:

Net investment in capital assets — Capital assets, net of accumulated depreciation and reduced by debt attributable to the acquisition of those assets.

Restricted - Net position that can only be spent for specific purposes because of constraints imposed by external sources (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Unrestricted — Net position that is not invested in capital assets or subject to restrictions.

Condensed Financial Information

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position:

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets	\$ 1,800,349	\$ 1,594,670
LIABILITIES		
Accounts Payable	<u>-</u>	<u>3,832</u>
NET POSITION		
Restricted	<u>\$ 1,800,349</u>	<u>\$ 1,590,838</u>

Assets increased \$205,679 from the prior year, while liabilities decreased by \$3,832 from the prior year. There was an increase in net position of \$209,511 due to less project expenditures in the current year.

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020**

Condensed Financial Information (Continued)

Revenues, Expenses, and Changes in Net Position

	<u>2020</u>	<u>2019</u>
GENERAL REVENUE		
Incremental Tax Revenue	\$ 392,301	\$ 412,123
Interest Income, Net	7,267	9,306
Total General Revenue	<u>399,568</u>	<u>421,429</u>
EXPENSES		
Professional Services	26,180	12,520
General Operating Expenses	18,759	1,759
Transfer Out	145,118	330,000
Total Expenses	<u>190,057</u>	<u>344,279</u>
CHANGE IN NET POSITION	209,511	77,150
Net Position - Beginning of Year	<u>1,590,838</u>	<u>1,513,688</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,800,349</u></u>	<u><u>\$ 1,590,838</u></u>

Total general expenses decreased by \$154,222. The decrease was due largely to decreases in transfers out to Sebring Airport Authority for Project Assistance.

In fiscal year 2020, total general revenue was \$399,568, while total general expenditures were \$190,057. This resulted in a positive change in net position of \$209,511.

Economic Factors and Next Year's Budgets and Rates

The Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA) is reported as a blended component unit of Sebring Airport Authority. Its Annual Budget was approved by Resolution 20-07 on September 17, 2020. The detailed budgets are available for review upon request.

Requests for Information

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed as follows:

Colleen Plonsky
Director of Finance
Sebring Airport CRA
128 CRA Lane
Sebring, FL 33870

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,800,349	\$ -	\$ 1,800,349
Total Assets	<u>\$ 1,800,349</u>	-	1,800,349
FUND BALANCE/NET POSITION			
Fund Balance			
Restricted	\$ 1,800,349	(1,800,349)	-
Total Fund Balance	<u>\$ 1,800,349</u>	(1,800,349)	-
Net Position			
Restricted		1,800,349	1,800,349
Total Net Position		<u>\$ 1,800,349</u>	<u>\$ 1,800,349</u>

See accompanying Notes to Financial Statements.

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

	General Fund	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES			
Professional Services	\$ 26,180	\$ -	\$ 26,180
General Operating	18,759	-	18,759
Sebring Airport Authority Project Assistance	145,118	-	145,118
Total Expenditures/Expenses	<u>190,057</u>	<u>-</u>	<u>190,057</u>
GENERAL REVENUES			
Incremental Tax Revenue	392,301	-	392,301
Interest Income	7,267	-	7,267
Total General Revenues	<u>399,568</u>	<u>-</u>	<u>399,568</u>
EXCESS OF REVENUES OVER EXPENDITURES	209,511	-	209,511
FUND BALANCE/NET POSITION			
Beginning of Year	<u>1,590,838</u>	<u>-</u>	<u>1,590,838</u>
END OF YEAR	<u><u>\$ 1,800,349</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,800,349</u></u>

See accompanying Notes to Financial Statements.

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA) was established by County ordinance on December 17, 1996 to grow and develop the boundaries of Sebring Regional Airport. Its mission is to eliminate blight and promote the redevelopment of the property within the CRA district. It achieves these goals through public-private partnerships and improvement of the public infrastructure. The CRA is governed by a board of seven members.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units and present only the financial position of the CRA, a component unit of the Sebring Airport Authority (Authority), and not the Authority as a whole.

As defined by accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as all component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Based on the application of these criteria, the CRA has determined there are no component units.

Basis of Presentation

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category and (or) the governmental and enterprise combined) for the determination of major funds. The CRA has used GASB Statement No. 34 minimum criteria for major fund determination.

The accounts of the CRA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Currently, the CRA has only one fund, the General Fund. The General Fund is the general operating fund of the CRA. It is used to account for all financial resources and expenditures.

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all activities of the CRA. The CRA reports only governmental activities; it does not have any business-type activities. Governmental activities are supported largely by tax increment funding.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues consist of grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Payments received from taxes, insurance proceeds and other items not properly included as program revenues are reported as general revenues.

Separate financial information is provided for the governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. 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 or soon enough thereafter to pay liabilities for the current period. For this purpose, the CRA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Budgets and Budgetary Data

The following are the procedures in establishing the budget:

The CRA's executive director prepares the annual fiscal operating budget. The proposed budget is then presented to the CRA's board of directors for changes and final approval. Once adopted, the budget serves as legal authorization for expenditures.

Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Budgets for the general fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). All appropriations lapse at the close of the fiscal year.

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

The classifications of fund balances are described as follows:

Nonspendable Fund Balance – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the CRA's highest level of decision-making authority. The CRA has not established a policy regarding authorization to commit fund balance.

Assigned Fund Balance – Amounts the CRA intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the CRA's board or by the CRA's board delegating this responsibility to the CRA Coordinator through the budgeting process. The CRA has not established a formal policy regarding authorization to assign fund balance amounts for a specific purpose.

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the CRA's general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the CRA considers restricted to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS

Cash and cash equivalents as of September 30, 2020 consisted of:

Demand Deposits	\$ 1,790,310
Local Government Surplus Trust Funds	10,039
Total	<u>\$ 1,800,349</u>

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. Bank balances of the CRA's deposits at September 30, 2020 were \$1,790,310. The CRA's monies must be deposited in banks designated as qualified public depositories by the chief financial officer, Florida Department of Financial Services. Therefore, the CRA's total deposits are insured by the Federal Depositary Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, Florida Department of Financial Services. The law requires the chief financial officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the CRA has no policy on custodial credit risk.

The CRA invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Throughout the year and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 17.8% of Florida PRIME's portfolio at September 30, 2020.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2020 was 48 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2020 was 63 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

On September 30, 2020, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "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 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% of their account value.

NOTE 3 RISK MANAGEMENT

The CRA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against this risk the CRA has engaged Public Risk Insurance Advisors, a governmental insurance carrier, as its agent. This agency administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile crime, and worker compensation. The CRA is liable for deductibles on certain coverage. Insurance settlements have not exceeded insurance coverage in any of the three prior fiscal years.

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 4 RELATED PARTY TRANSACTIONS

The members of the CRA board are also members of the board of the Authority. Transactions between the CRA and the Authority for the year ending September 30, 2020 include \$145,118 of project assistance.

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget			Variance - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Incremental Tax Revenue	\$ 392,301	\$ 392,301	\$ 392,301	\$ -
Interest Income	7,500	7,500	7,267	(233)
Total Revenues	399,801	399,801	399,568	(233)
EXPENDITURES				
Professional Services	16,800	31,800	26,180	5,620
General Operating	2,005	19,205	18,759	446
Sebring Airport Authority Project Assistance	139,810	144,095	145,118	(1,023)
Total Expenditures	158,615	195,100	190,057	5,043
NET CHANGE IN FUND BALANCE	241,186	204,701	209,511	4,810
Fund Balance - Beginning of Year	1,590,838	1,590,838	1,590,838	-
FUND BALANCE - END OF YEAR	<u>\$ 1,832,024</u>	<u>\$ 1,795,539</u>	<u>\$ 1,800,349</u>	<u>\$ 4,810</u>

**SEBRING REGIONAL AIRPORT AND INDUSTRIAL PARK
COMMUNITY REDEVELOPMENT AGENCY
NOTE TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 1 BUDGETARY INFORMATION

Budgets are prepared and adopted annually for the general fund in accordance with procedures and time intervals prescribed by Florida Statutes. Accordingly the board adopted an annual budget for the general fund for the fiscal year ended September 20, 2020.

The annual budget serves as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each account. All budget amendments, which change the legally adopted appropriations, are approved by the board, and may be amended at any CRA meeting prior to 60 days after the fiscal year-end. The level of control for appropriations is exercised at the account level. Appropriations lapse at year-end. Budgets are prepared using the same modified accrual basis as is used to account for actual transactions.



**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***

Board of Directors
Sebring Regional Airport and Industrial Park
Community Redevelopment Agency
Sebring, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA), a component unit of Sebring Airport Authority, 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 February 19, 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 CRA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Sebring, Florida
February 19, 2021



MANAGEMENT LETTER

Board of Directors
Sebring Regional Airport and Industrial Park
Community Redevelopment Agency
Sebring, Florida

Report on the Financial Statements

We have audited the financial statements of the Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA), a component unit of Sebring Airport Authority, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 19, 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 Florida 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 Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 19, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no recommendations made 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. Information regarding the specific legal authority for the entity is contained in Note 1 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(s) met. In connection with our audit, we determined that the CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The CRA contains no component units.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. Matters identified in our audit are reported in the Independent Accountants' Report on our testing of compliance with Sections 163.387(6) and (7), Florida Statutes.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Sebring, Florida
February 19, 2021



INDEPENDENT ACCOUNTANTS' REPORT

Sebring Regional Airport and Industrial Park
Community Redevelopment Agency
and the Florida Auditor General
Sebring, Florida

We have examined the Sebring Regional Airport and Industrial Park Community Redevelopment Agency's (CRA) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies, during the year ended September 30, 2020. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA'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 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 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 CRA's compliance with specified requirements.

Our examination disclosed that the CRA did not submit the adopted budget to the Board of County Commissioners, as required by Florida Statute 163.387(6)(b); CRA expenditures exceeded the adopted budget at the legal level of budgetary control, as required by Florida Statute 189.016(3); and there is no documented plan in place for excess funds remaining at the end of the year, as required by Florida Statute 163.387(7).

In our opinion, except for the items described in the preceding paragraph, the CRA complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies; during the year ended September 30, 2020

Sebring Regional Airport and Industrial Park
Community Redevelopment Agency
and the Florida Auditor General

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Sebring, Florida
February 19, 2021