

Live Oak Community Redevelopment Agency

(a Component Unit of the City of Live Oak, Florida)

Financial Statements and Independent Auditor's Report

September 30, 2021



**COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)**

SEPTEMBER 30, 2021

Community Redevelopment Agency Board Members	Term Expiration
Robintina Reed - City Council, District 1	June 2022
Lynda Brown Owens - City Council, District 2	June 2024
David Burch Board Chair - City Council, District 3	June 2024
Marquis Stewart - City Council, District 4	June 2022
J. Don Allen- City Council, District 5	June 2024
Cynthia Robinson - Appointed Board Member, T.D. Bank	June 2023
Alonzo Philmore - Appointed Board Member, City Resident	June 2025

Fred Koberlein – CRA Attorney

City Officials

Frank C. Davis – Mayor	June 2022
John Gill – City Clerk	June 2022

Fred Koberlein, Attorney at Law

George D. Curtis, City Manager

Joanne M. Luther, Finance Director

**COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Redevelopment Agency
City of Live Oak, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Community Redevelopment Agency (the CRA), a component unit of the City of Live Oak, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the CRA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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To the Board of Directors
Community Redevelopment Agency
City of Live Oak, Florida

INDEPENDENT AUDITOR'S REPORT

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, 2021, 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2022, 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 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 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.



April 26, 2022
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (the MD&A) of the Community Redevelopment Agency (the CRA), is intended to provide an overview of the CRA's financial position and results of operations for the fiscal year ended September 30, 2021. The MD&A should be read in conjunction with the CRA's financial statements, including the accompanying notes, to enhance the understanding of the CRA's financial performance.

Financial Highlights

- At September 30, 2021, restricted net position of \$1,125,689 are unspent tax increment financing revenues restricted for community redevelopment activities. There was a net increase in the restricted net position in the current year of \$53,663.
- Tax increment financing revenues received by the CRA in the current year increased by 1.61% primarily as a result of increased property values within the CRA of .08%.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the CRA's basic financial statements, which have the following components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and 4) required supplementary information. This report also contains other 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 each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements listed above distinguish functions of the CRA that are principally supported by ad-valorem taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their cost through user fees and charges. The governmental activity of the CRA is community redevelopment.

The government-wide financial statements include only the financial activities of the CRA. However, the CRA is considered a component unit of the City of Live Oak, Florida (the City), and as such, the financial information of the CRA is included in the City's Annual Financial Report in each fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in 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 the comparison between governmental funds and governmental activities when required.

Key elements of the reconciliation of these two statements are that the government-wide statement of activities reports the issuance of debt as a liability, the purchases of capital assets as assets which are then charged to expense over their useful lives (depreciated) and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental funds statements report the issuance of debt as another financing source of funds, the repayment of debt as an expenditure, the purchase of capital assets as an expenditure, and do not reflect changes in long-term liabilities.

The CRA maintains one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund. The CRA does not have any other funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUMMARY SCHEDULE OF NET POSITION

The table below summarizes the statement of net position for the fiscal years ended September 30, 2021 and 2020:

Condensed Statement of Net Position

	Governmental Activities		Total % Change 2020-2021
	2021	2020	
Current and other assets	1,159,764	1,195,439	-3.0%
Capital assets	367,603	367,603	0.0%
Total assets	<u>1,527,367</u>	<u>1,563,042</u>	-2.3%
Current liabilities	<u>34,075</u>	<u>123,413</u>	-72.4%
Total liabilities	<u>34,075</u>	<u>123,413</u>	-72.4%
Net Position			
Net Investments in capital assets	367,603	367,603	0.0%
Restricted for Community Redevelopment	1,125,689	1,072,026	5.0%
Total Net Position	<u>1,493,292</u>	<u>1,439,629</u>	3.7%

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Governmental activities increased the CRA's net position by \$53,663.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The table below summarizes the changes in net position:

Statement of Activities

	CRA Governmental Activities		Total % Change 2020-2021
	2021	2020	
<u>Revenues</u>			
General revenue			
Taxes	252,660	248,651	1.59%
Investment earnings	2,145	5,629	-61.89%
Total Revenues	<u>254,805</u>	<u>254,280</u>	0.21%
<u>Expenses</u>			
General government	285,597	151,058	89.06%
Transportation	3,350	-	0.00%
Economic Environment	103,101	122,282	-15.69%
Culture/recreation	68,832	16,149	326.23%
Total Expenses	<u>460,880</u>	<u>289,489</u>	59.20%
Changes in net position before transfers	(206,075)	(35,209)	485.29%
Transfers In			
From Primary Government	259,738	253,544	2.44%
Change in net position	53,663	218,335	-75.42%
Net position - beginning	1,439,629	1,221,294	17.88%
Net position - ending	<u>1,493,292</u>	<u>1,439,629</u>	3.73%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds

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 requirement. 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 year. At the end of fiscal year 2021, the Agency's governmental fund reported an ending fund balance of \$1,125,689, with \$2,985 of it being nonspendable and the remaining \$1,122,704 restricted for community redevelopment activities. While it is great that the Net Position of the Redevelopment Agency increased that's not the ultimate goal of the CRA. The CRA goals are eliminating blight and encourage economic growth. The main tools the Agency has implemented are the business startup grant, façade grant, housing initiative grant, planning and zoning cost share grants and community activities.

The CRA general fund is required to adopt an annual budget prepared on a basis consistent with accounting principles generally accepted in the United States of America.

Budgetary Highlights

The CRA Board is authorized to transfer budget amounts. Revisions that alter the total expenditure must be approved by the CRA Board. Legal level of control is maintained at the function level. There were no significant amendments in the current year and no changes to the original total budgeted amount.

Economic Factors and Future Developments

The City and CRA continue to partner and plan infrastructure improvements that encourage private sector development in the designated Downtown area. The City and CRA will continue to work with Suwannee County to ensure all levels of transit needs are met and planned for as the City's redevelopment plans are implemented.

Requests for Information

This financial report is designed to provide a general overview of the City of Live Oak Community Redevelopment Agency's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Live Oak Community Redevelopment Agency located at 101 SE White Ave., Live Oak, Florida 32064.

STATEMENT OF NET POSITION
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)
SEPTEMBER 30, 2021

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 1,141,319
Accounts Receivable	4,808
Due from other Funds/Internal	
Balance	10,652
Prepaid	2,985
Capital Assets:	
Land, Improvements, and Construction in Progress	367,603
Total Assets	1,527,367
 Liabilities:	
Accounts Payable and Other Accrued Liabilities	34,075
Total Liabilities	34,075
 Net Position	
Net Investment in Capital Assets	367,603
Restricted for:	
Community Redevelopment	1,125,689
Total Net Position	1,493,292

**STATEMENT OF ACTIVITIES
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Expenses</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities	Governmental Activities	
General Government	\$ 285,597	\$ (285,597)
Transportation	3,350	(3,350)
Economic Environment	103,101	(103,101)
Culture/Recreation	68,832	(68,832)
Total Governmental Activities	<u>460,880</u>	<u>(460,880)</u>
General Revenues and Transfers		
Property Taxes, Levied for Tax Increment District		252,660
Investment Earnings		2,145
Transfers from Primary Government		259,738
Total General Revenues and Transfers		<u>514,543</u>
Changes in Net Position		53,663
Net Position, Beginning of Year		1,439,629
Net Position, Ending of Year		<u>\$ 1,493,292</u>

**BALANCE SHEET
AND RECONCILIATION OF THE GOVERNMENTAL
FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)
SEPTEMBER 30, 2021**

	Community Redevelopment Tax Fund
Assets	
Cash and Cash Equivalents	\$ 1,141,319
Accounts Receivable	4,808
Due from Other Funds/Internal Balance	10,652
Prepaid Items	2,985
Total Assets	\$ 1,159,764
Liabilities	
Accounts Payable and Other Accrued Liabilities	34,075
Total Liabilities	34,075
Fund Balances	
Nonspendable:	
Prepaid Items	2,985
Restricted for:	
Community Redevelopment	1,122,704
Total Fund Balances	1,125,689
Total Liabilities and Fund Balances	\$ 1,159,764
Reconciliation of the Governmental fund Balance Sheet to the Statement of Net Position	
Total Fund Balances of Governmental Funds	\$ 1,125,689
Accounts 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 funds.	367,603
Net Position of Governmental Activities	\$ 1,493,292

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Community Redevelopment Tax Fund
Revenues	
Taxes	\$ 252,660
Interest	2,145
Total Revenue	254,805
Expenditures	
General Government	285,597
Transportation	3,350
Economic Environment	103,101
Culture/Recreation	68,832
Total Expenditures	460,880
(Deficiency) Excess of Revenue (Under) Over Expenditures	(206,075)
Other Financing Sources (Uses):	
Transfers in from Primary Government	259,738
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	53,663
Fund Balances, Beginning of Year	1,072,026
Fund Balances, End of Year	\$ 1,125,689

**NOTES TO FINANCIAL
STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)**

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

In 1995, the Community Redevelopment Agency (the CRA) was established by the City of Live Oak, Florida (the City), by Ordinance No. 861 and 1294 as a public body organized pursuant to Part III of Chapter 163 of the Florida Statutes. The CRA's purpose is to eliminate the development or spread of slums and blight in the redevelopment area. The governing body of the CRA is the Board of Directors, composed of seven members, five of which are members of the City Council and two of which are appointed by the City Council.

The following is a summary of the significant accounting policies applicable to the CRA:

The accounting policies of the CRA conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the governmental activities of the CRA. The government-wide focus is more on the sustainability of the CRA as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include operating and capital grants and contributions. In 2020, the CRA did not have any program revenues. The CRA reports one function, which is community redevelopment. Taxes and other items not included as program revenues are reported as general revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The basic financial statements consist of the government-wide financial statements and fund 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. Tax increment financing from property taxes are recognized as revenue in the year when levied for. 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. Only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally included on their balance sheet. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

**NOTES TO FINANCIAL STATEMENTS
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)**

The operating statements present sources (revenue and financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. 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 of the current period. For this purpose, the CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recognized when due.

Tax increment financing revenue, when levied for and interest associated with the current fiscal period, are both considered to be measurable and have been recognized as revenues of the current fiscal year, if available.

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.

The CRA reports the general fund as a major governmental fund. The general fund is used to account for all financial resources received by the CRA. The general fund serves as the primary operating fund of the CRA. The CRA does not have any non-major funds.

Assets, Liabilities and Net Position

Cash and Cash Equivalents: Cash and cash equivalents is comprised of deposits with financial institutions.

Compensation Costs: The CRA has no employees of its own. Instead, the CRA reimburses the City for the portion of salaries and benefits attributable to CRA activities based on the estimated time spent on those activities as projected during the annual budget process. Any long-term payroll and benefit liabilities such as compensated absences, other postemployment benefits, or pension liabilities are reported on the City's financial statements.

Capital Assets: Capital assets include land titled to the CRA. From time to time, the CRA pays for certain infrastructure improvements within the designated redevelopment area, however, these improvements are considered to be property of the City, and therefore, are not included on the CRA's capital asset records. Capital assets titled to the CRA are reported in governmental activities in the government-wide financial statements. The CRA capitalizes all capital assets with a cost in excess of a \$1,000 threshold and an estimated life greater than one year. Capital assets are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but are expensed as incurred.

Nature and Purpose of Fund Balance: In the fund financial statements the governmental fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the CRA Board through an ordinance or resolution

**NOTES TO FINANCIAL STATEMENTS
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)**

are classified as committed fund balances. Amounts that are constrained by the CRA's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the CRA Board or the City Manager. Non-spendable fund balances include amounts that cannot be spent because they are either: a) not in spendable form, or b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that is not restricted, committed or assigned to specific purposes within the general fund.

Pursuant to Florida Statutes, Section 163.387, unspent tax increment financing revenues are restricted for future redevelopment projects or activities and are reported as restricted fund balance in the financial statements. There are no other classifications of fund balance.

Net Position: The government-wide statements utilized a net position presentation. Net investment in capital assets is that portion of net position that relates to the CRA's capital assets reduced by accumulated depreciation, if any. Restricted net position are unspent tax increment financing revenues that are restricted for future redevelopment projects or activities.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk Management: The CRA is adequately insured for general liability and directors and officer's insurance through the purchase of a commercial insurance policy. The amount of settlements has not exceeded insurance coverage in any of the past three years.

Note 2 - Deposits and Investments

At year-end, the carrying amount of the CRA's bank deposits was \$1,141,319. These are defined as public deposits. All CRA public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 25% to 200% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with an approved financial institution. The Public Depository Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. The CRA's bank balances were insured either by the federal depository insurance corporation or collateralized in the bank's participation in the *Florida Security for Public Deposits Act*.

The CRA does not have a separate deposit and investment policy and it follows the deposit and investment policies of the City. Florida Statute 218.415 and the City's investment policy authorize investments in certificates of deposit, obligations of the U.S. Treasury, its agencies and instrumentalities, prime commercial paper, money market mutual funds, state and local taxable and tax-exempt debt, corporate notes and pooled investments of the SBA.

**NOTES TO FINANCIAL STATEMENTS
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)**

Note 3 - Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance 10/1/2020	Additions	Deletions/ Transfers	Ending Balance 9/30/2021
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 367,603	\$ -	\$ -	\$ 367,603

Note 4 - Tax Increment Financing Revenue

The CRA is primarily funded through tax-increment financing revenue. This revenue is computed by applying the operating tax for the City and Suwanee County multiplied by the increased value of property in the CRA over the base property value minus 5%. The City and Suwanee County are required to fund this amount annually without regard to tax collections or other obligations.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 246,000	\$ 246,000	\$ 252,660	\$ 6,660
Interest Earned	4,000	4,000	2,145	(1,855)
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>254,805</u>	<u>4,805</u>
Expenditures				
General Government	153,500	153,500	55,571	97,929
Transportation	33,000	33,000	3,350	29,650
Recreation	20,500	20,500	15,870	4,630
Economic Environment	414,000	414,000	103,101	310,899
Capital Outlay contributed to Primary Government				
General Government	360,000	360,000	230,026	129,974
Transportation	200,000	200,000	-	200,000
Recreation	70,000	70,000	52,962	17,038
Total Expenditures	<u>1,251,000</u>	<u>1,251,000</u>	<u>460,880</u>	<u>790,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,001,000)</u>	<u>(1,001,000)</u>	<u>(206,075)</u>	<u>785,315</u>
Other Financing Resources (Uses)				
Transfers in from Primary Government	256,000	256,000	259,738	3,738
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>(745,000)</u>	<u>(745,000)</u>	<u>53,663</u>	<u>789,053</u>
Fund Balance, Beginning of Year	<u>745,000</u>	<u>745,000</u>	<u>1,072,026</u>	<u>327,026</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,125,689</u>	<u>\$ 1,125,689</u>

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF LIVE OAK, FLORIDA)**

Note 1 - Budgetary Procedures and Budgetary Accounting

The CRA adheres to the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

Prior to September 30, the CRA Administrator submits, to the Board of Directors, a proposed operating budget for the General Fund for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

The CRA budget is also included in the City's budget and is presented to the City Council for ratification prior to September 30.

CRA management is authorized to transfer budget amounts. Revisions that alter the total expenditures must be approved by the CRA Board. Legal level of budgetary control is maintained at the function level. There were no significant amendments in the current year and no changes to the original total budgeted amount of \$1,251,000.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Community Redevelopment Agency
City of Live Oak, 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 the Community Redevelopment Agency (the CRA), a component unit of the City of Live Oak, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated April 26, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

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To the Board of Directors
Community Redevelopment Agency
City of Live Oak, Florida

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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.



April 26, 2022
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Board of Directors
Community Redevelopment Agency
City of Live Oak, Florida

We have examined the Live Oak Community Redevelopment Agency's (the CRA) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the 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 non-compliance, 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 of 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, 2021.

This report 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 pass-through entities, the CRA Board members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



April 26, 2022
Tallahassee, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 163.387(6) AND (7), FLORIDA STATUTES

To the Board of Directors
Community Redevelopment Agency
City of Live Oak, Florida

We have examined the Live Oak Community Redevelopment Agency's (the CRA) compliance with Section 163.387(6) and (7), Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the 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 non-compliance, 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 of 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, 2021.

This report 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 pass-through entities, the CRA Board members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



April 26, 2022
Tallahassee, Florida

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MANAGEMENT LETTER

To the Board of Directors
Community Redevelopment Agency
City of Live Oak, Florida

Report on the Financial Statements

We have audited the financial statements of the Live Oak Community Redevelopment Agency (the CRA), a component unit of the City of Live Oak, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 26, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports 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 that report, which is dated April 26, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

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

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To the Board of Directors
Community Redevelopment Agency
City of Live Oak, Florida

MANAGEMENT LETTER

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 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 Unit

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 special district component unit provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

UNAUDITED

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the CRA reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year was 0. The CRA has no employees but receives administrative staffing and support from the City.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year was 2.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$0. As noted above, the CRA has no employees of its own.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency was \$322,152.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported. There were no construction projects that began on or after October 1 in the fiscal year. All projects began prior to October 1, 2020.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, was \$0. There were no budget amendments during the fiscal year reported.

To the Board of Directors
Community Redevelopment Agency
City of Live Oak, Florida

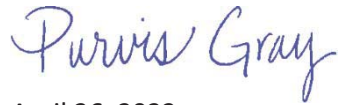
MANAGEMENT LETTER

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note 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, and the Board of Directors and management of the CRA, and is not intended to be, and should not be, used by anyone other than these specified parties.



April 26, 2022
Tallahassee, Florida