

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

For the year ended September 30, 2021

City of Marianna Community Redevelopment Agency
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September 30, 2021

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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, 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 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, 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 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 June 7, 2022 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. 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.

Marianna, Florida
June 7, 2022

Grimsley & Associates

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, 2021.

FINANCIAL HIGHLIGHTS

The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$143,967 (*net position*).

The CRA’s total net position decreased \$6,317. This is due to more activity in CRA and the timing of CRA project/expenses..

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.

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.

CITY OF MARIANNA 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, 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.

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.

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

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 \$143,967 at the close of the most recent fiscal year.

The CRA's net position at September 30, 2021 and 2020 is summarized below:

Net Position		
September 30, 2021 and 2020		
	<u>2021</u>	<u>2020</u>
Assets		
Current and other assets	<u>\$190,120</u>	<u>\$150,284</u>
Total assets	<u><u>\$190,120</u></u>	<u><u>\$150,284</u></u>
 Liabilities		
Current liabilities	<u>46,153</u>	<u>0</u>
Total liabilities	<u><u>\$46,153</u></u>	<u><u>\$0</u></u>
 Net position		
Restricted-CRA projects	<u>143,967</u>	<u>150,284</u>
Total net position	<u><u>\$143,967</u></u>	<u><u>\$150,284</u></u>

The CRA's net position decreased by \$6,317 during the current fiscal year, which primarily represents the degree to which current year expenses exceeded tax increment revenues.

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

Governmental activities. Governmental activities decreased the CRA’s net position by \$6,317. Key elements of this increase are as follows.

**Statement of Activities
Years Ended September 30, 2021 and 2020**

Revenue	<u>2021</u>	<u>2020</u>
General revenue:		
Tax increment revenue	\$132,116	\$121,303
Investment earnings	<u>79</u>	<u>22</u>
Total revenue	132,195	121,325
 Expenses		
General government	138,512	33,080
Total expenses	<u>138,512</u>	<u>33,080</u>
Increase (Decrease)in net position	(6,317)	88,245
Net position-beginning of year	<u>150,284</u>	<u>62,039</u>
Net position-end of year	<u><u>\$143,967</u></u>	<u><u>\$150,284</u></u>

Tax increment revenues increased by approximately \$10,813 for the year.

General government expenses increased approximately \$105,432 due to the timing of CRA projects.

CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUND

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

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 \$143,967, a decrease of \$6,317 for the year. All of the CRA's fund balance is restricted for CRA projects.

The approximately \$6,317 decrease in fund balance for the General Fund in 2021 was attributable to CRA project expenses in excess of tax increment revenue.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2021, total revenues were over budget by approximately \$195. Overall, total expenditures were approximately \$2,488 less than the final budgeted appropriations for 2021. There was an increase of approximately \$20,000 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, 2021.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following economic factors were considered in establishing the CRA's budget for the 2021/2022 fiscal year.

- The property valuations in the CRA district were consistent in 2022.
 - Inflationary and economic trends in the area compare favorably relative to national trends.
 - The CRA Board designated certain projects to accomplish in 2021/2022.
- These factors were considered in preparing the CRA's budget for the 2021/2022 fiscal year.

City of Marianna Community Redevelopment Agency
Statement of Net Position

September 30, 2021

	GOVERNMENTAL ACTIVITIES
Assets	
Restricted assets	
Cash and cash equivalents	190,120
Total assets	190,120
Liabilities	
Accounts payable	46,153
Total liabilities	46,153
Net position	
Restricted for:	
Community development projects	143,967
Total net position	\$ 143,967

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, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			GOVERNMENTAL ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS		
Primary Government						
Governmental Activities:						
General government	\$ 138,512	\$ -	\$ -	\$ -		\$ (138,512)
Total governmental activities	138,512	-	-	-		(138,512)
Total primary government	\$ 138,512	\$ -	\$ -	\$ -		(138,512)
General Revenues						
Taxes:						
Tax increment revenue						132,116
Interest and investment earnings						79
Total general revenues and transfers						132,195
Change in net position						(6,317)
Net position - beginning						150,284
Net position - ending						\$ 143,967

The accompanying notes are an integral part of these financial statements

City of Marianna Community Redevelopment Agency
Balance Sheet
Governmental Funds

September 30, 2021

	Community Redevelopment Agency
Assets	
Cash and cash equivalents	\$ -
Accounts receivable, net	-
Due from other governments	-
Due from other funds	-
Inventory	-
Restricted assets	
Cash and cash equivalents	190,120
Total assets	\$ 190,120
Liabilities	
Accounts payable	\$ 46,153
Total liabilities	46,153
Fund balances	
Restricted for:	
Community development projects	143,967
Total fund balances	143,967
Total liabilities and fund balances	\$ 190,120

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, 2021

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

Total fund balances – governmental funds	<u>\$ 143,967</u>
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<u>Net position of governmental activities</u>	<u>\$ 143,967</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, 2021

		COMMUNITY REDEVELOPMENT AGENCY
<hr/>		
Revenues		
Other taxes	\$	132,116
Interest		79
<hr/>		
Total revenues		132,195
<hr/>		
Expenditures		
Current		
General government		138,512
<hr/>		
Total expenditures		138,512
<hr/>		
Excess of revenues over (under) expenditures		(6,317)
<hr/>		
Net change in fund balances		(6,317)
<hr/>		
Fund balances - beginning		150,284
<hr/>		
Fund balances - ending	\$	143,967
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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, 2021

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

Net change in fund balances - total governmental funds	<u>\$ (6,317)</u>
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<u>Change in net assets of governmental activities</u>	<u>\$ (6,317)</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. Due from Other Governments

Amounts due from other governments are shown at their net realizable value. See Note 4.

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 January 2017, the GASB issued Statement No. 84, Fiduciary Activities. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of this statement has no impact on the financial statements.

In June 2017, the GASB issued Statement No. 90, Majority Equity Interests – An Amendment of GASB Statement No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The implementation of this statement had no impact on the 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.

Statement No.	GASB Accounting Standard	GASB Effective Fiscal Year
87	<i>Leases</i>	2022
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</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
98	<i>The Annual Comprehensive Financial Report</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 \$190,120 and the bank balance was \$191,090. 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 represents amounts due to the City of Marianna CRA from Jackson County, Florida and the City of Marianna. No amount is due as of September 30, 2021.

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 of Marianna and Jackson County, Florida. For the year ended September 30, 2021, the CRA recorded tax revenues from the City and the County in the amount of \$132,116.

NOTE 6 – RELATED PARTY TRANSACTIONS

For the year ended September 30, 2021, the CRA paid the City \$53,961 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 \$83,876C 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 2020 amounts have been reclassified to conform to 2021 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, 2021.

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, 2021, 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, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
Revenues				
Taxes	\$ 152,000	\$ 132,000	\$ 132,116	\$ 116
Interest	-	-	79	79
Total revenues	152,000	132,000	132,195	195
Expenditures				
General government	121,000	141,000	138,512	2,488
Total expenditures	121,000	141,000	138,512	2,488
Excess of revenues over (under) expenditures	31,000	(9,000)	(6,317)	2,683
Net change in fund balance	31,000	(9,000)	(6,317)	2,683
Fund balance - beginning	150,284	150,284	150,284	-
Fund balance - ending	\$ 181,284	\$ 141,284	\$ 143,967	\$ 2,683

See Independent Auditors' Report

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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, 2021, and have issued our report thereon dated June 7, 2022.

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 June 7, 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 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.

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the information below provided by the City's management that is unaudited and, accordingly, we do not express an opinion or provide any assurance on this information reported:

- a. The total number of CRA employees compensated in the last pay period of the City's fiscal year as zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Noted no construction project with a total cost of at least \$65,000 approved by the City that is scheduled to begin on or after October 1 of the fiscal year being reported
- 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, as: See page 17 of the financial statements.

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.

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.

Marianna, Florida
June 7, 2022

Grimsley & Associates

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES

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*, during the year ended September 30, 2021. 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, 2021.

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

Marianna, Florida
June 7, 2022

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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, 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 June 7, 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) 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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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.

Marianna, Florida
June 7, 2022

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 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 163.387(6) and (7), Florida Statutes, during 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 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, 2021.

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

Marianna, Florida
June 7, 2022

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Certified Public Accountants