

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY
FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY

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**Englewood Community Redevelopment Agency
September 30, 2021**

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditors' Report.....	7
Management's Discussion and Analysis.....	9
Basic Financial Statements:	
Balance Sheet / Statement of Net Position.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balance /Statement of Activities....	15
Notes to Financial Statements.....	17
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual.....	26
SUPPLEMENTAL AUDIT REPORTS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30
Independent Auditors' Management Letter.....	32
Independent Accountants' Report on Compliance with Florida Statute Sections 163.387(6), 163.387(7), and 218.415, Florida Statutes.....	35

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY

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FINANCIAL SECTION

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

To the Members of the Board
Englewood Community Redevelopment Agency
Sarasota County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and the major fund of the Englewood Community Redevelopment Agency (the CRA), a component unit of Sarasota County, Florida (the "County"), 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 and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 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 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 County'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.

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

Carr, Riggs, & Ingram, LLC

Sarasota, Florida
March 30, 2022

Management's Discussion and Analysis

As management of the Englewood Community Redevelopment Agency (the CRA) of Sarasota County, Florida, we offer the readers of the CRA's basic financial statements this narrative overview and analysis of the financial activities for fiscal year ended September 30, 2021.

Financial Highlights

- The assets of the CRA exceeded its liabilities as of September 30, 2021 by \$2,566,544 (Net Position). Of this amount, \$245,378 was invested in capital assets and \$2,321,166 was restricted for redevelopment purposes.
- The CRA's total assets as of September 30, 2021 were \$2,575,481. The main contributor in the decrease of total assets can be found on page 11.
- The CRA's total revenue was \$2,520,464, consisting primarily of Ad Valorem Taxes.
- The decrease in net position was \$1,216,726 and is described on page 12.
- The CRA's total expenses were \$438,515. The key factor in the decrease of total expenses can be found on page 12.

Overview of Agency

The Englewood CRA was established on March 31, 1998 by the Sarasota County Board of County Commissioners (Board of County Commissioners) after accepting the "Findings of Necessity" that determined areas of Englewood were appropriate for rehabilitation, conservation or redevelopment. The Board of County Commissioners further directed staff to work with the Englewood residents, businesses, and other stakeholders to prepare a redevelopment plan. The Board of County Commissioners acted on May 26, 1998 to establish itself as the Sarasota County Community Redevelopment Agency and at the same time appointed seven-members to serve as the Englewood CRA Advisory Board. On December 14, 1999, the Englewood Redevelopment Plan was adopted by resolution.

Overview of the Financial Statements

The discussion and analysis is intended to serve as introduction to the CRA's basic financial statements. The CRA's basic financial statements are comprised of 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 statement 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 private-sector financial statements.

The *statement of net position* presents the CRA's assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. 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 flows*. Thus, revenues and expenses are reported in this statement for some items which will only result in cash flows in future fiscal periods.

Both government-wide financial statements are designed to distinguish functions of the CRA that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The CRA does not engage in business-type activities and as such, no business-type activities are reported in the financial statements.

The government-wide financial statements can be found on page 14 - 15 of this report.

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The CRA adopts an annual appropriated budget. A budgetary comparison statement has been provided as part of the Required Supplementary Information, to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on page 14 - 15 of this report.

Notes to the financial statements. The notes provide additional information that are 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 on pages 17 – 23 of 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. Required Supplementary Information can be found on page 27.

Government-Wide Financial Analysis

Statement of Net Position. The following table reflects a summary of the statement of net position compared to the prior year.

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition.

Statement of Net Position as of September 30, 2021

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Assets		
Current and other assets	\$ 2,330,103	\$ 3,718,031
Depreciable capital assets (net)	245,378	81,100
Total assets	<u>2,575,481</u>	<u>3,799,131</u>
Liabilities		
Current liabilities	8,937	15,861
Total liabilities	<u>8,937</u>	<u>15,861</u>
Net Position:		
Net investment in capital assets	245,378	81,100
Restricted	2,321,166	3,702,170
Total net position	<u>\$ 2,566,544</u>	<u>\$ 3,783,270</u>

Assets decreased by \$1,223,650 from the prior year related to the increase in capital project spending. Liabilities decreased by \$6,924 from the prior year related to a reduction in accrued expenses. There was a decrease in net position of \$1,216,726 in the current year. The CRA's largest portion of net position is reported as restricted and can only be used for community redevelopment in accordance with Chapter 163, Florida Statutes and the Community Redevelopment Plan.

Statement of Activities. The following table reflects a summary of the statement of activities compared to the prior year.

**Statement of Activities
For the year ended September 30, 2021**

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Revenues:		
<i>General revenues:</i>		
Taxes	\$ 2,537,196	\$ 2,400,666
Interest income	34,520	99,512
Net inc (dec) in fair value of investments	(51,252)	5,800
Other	-	63,863
Total revenues	<u>2,520,464</u>	<u>2,569,841</u>
Expenses:		
<i>Governmental activities:</i>		
Economic Environment	<u>438,315</u>	<u>576,421</u>
Total expenses	<u>438,315</u>	<u>576,421</u>
Transfers:		
Transfers in	179,078	-
Transfers out	(3,477,953)	(2,893,580)
Change in Net Position	(1,216,726)	(900,160)
Net position - Beginning	<u>3,783,270</u>	<u>4,683,430</u>
Net position - Ending	<u>\$ 2,566,544</u>	<u>\$ 3,783,270</u>

For fiscal year ending September 30, 2021, total revenue were \$2,520,464. Total expenses were \$438,315. Transfers out were \$3,477,953 which was an increase of \$584,373 as a direct result of increased spending on capital projects.

Governmental activities. For fiscal year ending September 30, 2021, governmental activities' net position decreased by \$1,216,726 compared to a decrease of \$900,160 in the prior year. The main reason for current year changes are as follows:

- West Dearborn Street Plaza Improvement project spending increased \$100,000 in fiscal year 2021.
- South McCall Road Improvement project spending increased \$1,223,262 in fiscal year 2021.

Financial analysis of the CRA's funds

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

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 requirements.

As of the end of the fiscal year, the CRA's governmental fund reported an ending fund balance of \$2,321,166, which is restricted for community redevelopment expenditures. The fund balance had a decrease of \$1,381,004 in comparison with the prior year due to increased project spending.

Budgetary Highlights

There were no significant amendments between the original and the final CRA budget.

Actual expenditures in the governmental fund were \$380,234 less than final budgeted amounts. The main reason for this is due to the timing of one-time expenditures.

Budgetary comparisons between the final budget and actual results can be found on page 27 of this report.

Capital Asset and Debt Administration

Capital Assets. The CRA's investment in capital assets for its governmental activities as of September 30, 2021 amounted to \$245,378. This investment in capital assets included improvements made to street lighting as shown in the table below.

Capital Assets, Net of Depreciation

	Governmental Activities	
	2021	2020
Infrastructure	\$ 245,378	\$ 81,100
Total	<u>\$ 245,378</u>	<u>\$ 81,100</u>

Long Term Debt. The CRA reported no long-term obligations as of September 30, 2021.

Economic Factors and Next Year's Budgets and Rates

There are many challenges facing local governments today. Property values have continued to increase in recent years, contributing to related growth in the revenues of the CRA. While property values for the 2021-2022 fiscal year have increased, the future outlook of property values during and after the Coronavirus Disease (COVID-19) public health emergency, and any potential impact they will have on the CRA's finances, are unknown.

Requests for Information

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

Sarasota County, Florida
 Karen E. Rushing
 Clerk of the Circuit Court and County Comptroller
 P. O. Box 8, Sarasota, FL 34230-0008
www.sarasotaclerk.com

**Englewood Community Redevelopment Agency
Balance Sheet / Statement of Net Position
For the Year Ended September 30, 2021**

	Balance Sheet CRA Fund	Adjustments	Statement of Net Position Governmental Activities
Assets			
Current and other assets	\$ 2,330,103	\$ -	\$ 2,330,103
Capital assets - depreciable	-	245,378	245,378
Total assets	\$ 2,330,103	\$ 245,378	\$ 2,575,481
Liabilities			
Accounts payable and other accrued liabilities	\$ 8,937	\$ -	\$ 8,937
Total liabilities	8,937	-	8,937
Fund Balance / Net Position			
Fund Balance:			
Restricted for:			
Community redevelopment	2,321,166	(2,321,166)	-
Net Position:			
Net investment in capital assets	-	245,378	245,378
Restricted for:			
Community redevelopment	-	2,321,166	2,321,166
Total fund balance / net position	2,321,166	245,378	2,566,544
Total liabilities and fund balance / net position	\$ 2,330,103	\$ 245,378	\$ 2,575,481

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

Englewood Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balance /
Statement of Activities
For the Year Ended September 30, 2021

	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
	CRA Fund	Adjustments	Governmental Activities
Revenues			
Taxes	\$ 2,537,196	\$ -	\$ 2,537,196
Interest Income	34,520	-	34,520
Net inc (dec) in fair value of investments	(51,252)	-	(51,252)
Total revenues	<u>2,520,464</u>	<u>-</u>	<u>2,520,464</u>
Expenditures			
Current:			
Economic environment	602,593	(164,278)	438,315
Total expenditures	<u>602,593</u>	<u>(164,278)</u>	<u>438,315</u>
Other financing sources (uses)			
Transfers in	179,078	-	179,078
Transfers out	(3,477,953)	-	(3,477,953)
Total other financing sources (uses)	<u>(3,298,875)</u>	<u>-</u>	<u>(3,298,875)</u>
Net change in fund balance / net position	(1,381,004)	164,278	(1,216,726)
Fund balance / net position, beginning of year	3,702,170	81,100	3,783,270
Fund balance / net position, end of year	<u>\$ 2,321,166</u>	<u>\$ 245,378</u>	<u>\$ 2,566,544</u>

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

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY

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Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Englewood Community Redevelopment Agency (the CRA) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the CRA's accounting policies are described below.

A. REPORTING ENTITY

The CRA is a dependent special district of Sarasota County, Florida. The CRA was established on March 31, 1998 (County Resolution 1998-064) with the purpose of improving the economic viability of the community of Englewood. The CRA is governed by the Sarasota County Redevelopment Agency (the Agency) which was established on May 26, 1998 (County Resolution 1998-122) in accordance with Chapter 163, Part III, of the Florida Statutes. The Agency's board consists of the same members as the Sarasota Board of County Commissioners. The Agency also receives recommendations from the Englewood CRA Advisory Board which was established on May 26, 1998 (County Resolution 1998-123) and is composed of seven appointed members of the community.

For financial reporting purposes, the CRA is a component unit of the County and is included in the County's comprehensive annual financial report as a blended component unit. This report is not a complete presentation of Sarasota County.

B. BASIS OF PRESENTATION

The CRA's basic financial statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, revenues, expenses, as well as the gains and losses on all of the nonfiduciary activities of the CRA.

Each statement distinguishes between activities that are supported primarily by taxes. The governmental activities of the CRA include economic environment.

The statement of net position reports all financial and capital resources of the CRA as a whole. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. The statement of activities presents information showing how the CRA's net position changed during the fiscal year.

Direct expenses are those that are clearly identifiable with a specific function or segment. The effect of administrative and support services' indirect expense allocations has been eliminated in the government-wide financial statements. Depreciation expense for capital assets that serve all functions is reported as a direct expense of the economic environment function on the government-wide statement of activities.

Fund Financial Statements

The accounts of the CRA are organized on the basis of funds. The only fund for the CRA is a governmental fund.

Governmental Funds Governmental Funds focus primarily on the sources, uses, and balances of current financial resources.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements not the measurement focus applied.

The CRA's financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. For this purpose, the CRA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Primary revenue sources which have been treated as susceptible to accrual include, where material, interest earnings and certain other revenues such as taxes and other intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

D. CASH AND INVESTMENTS

The CRA uses a pooled cash concept in maintaining its bank account. Cash is pooled with the County for operating and investing purposes.

The County is authorized by County Ordinance No. 89-75, adopted September 5, 1989, to invest surplus funds in accordance with Florida Statute 125.31. On September 19, 1995, the investment policy was revised to conform to the newly adopted Florida Statute 218.415. On January 10, 2006, the policy was further revised to conform to County Ordinance No. 06-04. On September 9, 2008, the policy was further revised to conform to County Ordinance No. 08-111. On December 11, 2013, the policy was further revised to conform to County Ordinance No. 13-045 and most recently the policy was revised on October 23, 2018 to conform to County Ordinance No. 18-045.

In addition to the investment instruments described in F.S. 218.415 and other investment instruments constituting permitted investments under Florida law, this investment policy formally established guidelines and authorized the County to invest in the following:

- 1) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01, Florida Statutes.
- 2) Securities and Exchange Commission registered money market funds invested in the investment securities authorized hereunder.
- 3) Interest-bearing time deposits or savings accounts in qualified public depositories as defined in s. 280.02, Florida Statutes.
- 4) Direct obligations of the United States Treasury.
- 5) Federal agencies and instrumentalities.
- 6) Securities of, or other interest in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to investment securities authorized hereunder and to repurchase agreements fully collateralized by such investment securities, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

- 7) Other investments authorized by law or by ordinance for a county or a municipality.
- 8) Obligations of the following Government Agencies and Government Sponsored Enterprises (GSEs), including but not limited to:
 - a. Export-Import Bank of the United States.
 - b. Federal Farm Credit Banks (FFCB).
 - c. Federal Home Loan Bank (FHLB) or its banks.
 - d. Federal Home Loan Mortgage Corporation (FHLMC).
 - e. Federal National Mortgage Association (FNMA).
 - f. Financing Corporation (FICO).
 - g. Government National Mortgage Association (GNMA).
 - h. Overseas Private Investment Corporation (OPIC).
 - i. Private Export Funding Corporation (PEFCO).
 - j. Resolution Funding Corporation (REFCORP).
 - k. Student Loan Marketing Association (SLMA).
 - l. Tennessee Valley Authority (TVA).
 - m. United States Agency for International Development (USAID).

Permitted investments in the above listed agencies and instrumentalities shall include bonds, debentures, note or other evidence of indebtedness issued including mortgage pass-throughs, collateralized mortgage obligations, commercial mortgage backed securities, adjustable rate securities and adjustable rate mortgages.

- 9) Obligations guaranteed by the United States Government.
- 10) Commercial Paper, Notes and Bonds of U.S. Corporations.
- 11) Banker's Acceptances that are eligible for purchase by the Federal Reserve Banks.
- 12) State and Local obligations secured by taxes or essential services revenue, including those of Sarasota County.
- 13) Fixed Income Funds in open-end and no load fixed income mutual funds registered under the Investment Company Act of 1940.
- 14) Asset Backed Securities and Asset Backed Commercial Paper limited to traditional consumer receivables, such as auto, equipment, utility or credit card receivables.
- 15) Supranational Bonds that are U.S. dollar denominated, provided that the United States Government is the largest capital contributor.
- 16) Florida Municipal Investment Trust (FMIvT) fixed income portfolios with a modified duration of less than 5 years, administered by the Florida League of Cities.
- 17) The Florida Municipal Pension Trust Fund (FMPTF) administered by the Florida League of Cities, only applicable for Other Post Employment Benefit (OPEB) plan assets.
- 18) Repurchase Agreements (for purchase and subsequent sale) for any of the investments authorized hereunder.

All funds participate in the pooled cash and investment program. Investment income is allocated to individual funds based upon their average daily balance in the cash pool. Each fund's individual equity in the County's

investment pool is considered to be a cash equivalent, since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Investments in debt securities are recorded at fair value based upon quoted market prices. Money markets are recorded at amortized cost. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or values obtained from independent pricing services. The County's policy for reporting particular investments at amortized cost applies only to investments held in external investment pools which meet all of the specified criteria in Section 150: Investments of the GASB Codification to qualify to elect to measure the investments at amortized cost. The Florida Local Government Investment Trust Day to Day Fund (FLGIT), the Florida Fixed Income Trust Cash Pool and Preferred Deposit Pool (FLFIT), Florida Safe Investment Pool (FLSAFE), Florida Public Asset for Liquidity, Management Portfolio (FLPALM) and Florida Cooperative Liquid Assets Securities System (FLCLASS) are external investment pools that target a stable net asset value of \$1 and the fair value of the County's positions is the same as the number of pool shares. Net realized and unrealized gains and losses on investments are reflected in the statement of activities; the statement of revenues, expenditures and changes in fund balances; and the statement of revenues, expenses and changes in fund net positions, as applicable.

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses are netted for financial statement presentation purposes. Realized gains and losses on investments that are held in more than one fiscal year are included as a change in the fair value of investments reported in the prior year(s) and the current fiscal year.

FLGIT, FLFIT, FLSAFE, FLPALM and FLCLASS are public entities created via a trust indenture, organized under the laws of the State of Florida, and reviewed monthly by a Nationally Recognized Statistical Rating Organization (NRSRO) such as S&P Global Ratings or Fitch Ratings' Agency. FLGIT, FLFIT, FLSAFE, FLPALM and FLCLASS, as governed by their Board of Trustees, report all share information at net asset value and reflect fair value accounting in accordance with GASB No. 31. Each of these trusts are intergovernmental investment pools authorized pursuant to the Florida Interlocal Cooperation Act of 1969.

E. 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 as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. NET POSITION / FUND BALANCES

The government-wide statements utilize a net position presentation. Net position is categorized as restricted net position.

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

G. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure (e.g., roads, bridges, wastewater, water, drainage systems, and similar items), are reported in the governmental activities column in the government-wide financial statements.

Assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are reported at their acquisition value. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Amounts expended for maintenance and repairs are charged to expenditures / expenses as incurred. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Property, plant and equipment of the CRA are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Buildings & building improvements	10 – 40 years	Capitalize all
Infrastructure: General Gov't/Enterprise	10 – 50 years	\$1,000,000/\$50,000
Equipment: All other	3 – 10 years	Per FL Statute 274.02
Intangible Assets:		
Patents, copyrights, trademarks	10 – 50 years	\$150,000
Water, and timber use rights	10 – 50 years	\$150,000
Software	3 – 10 years	\$150,000

Information regarding assets is included in Note 4 to the financial statements.

H. TAX INCREMENT REVENUE

Tax increment revenues are collected from the County and are the primary source of revenue for the CRA. The tax increment revenue is calculated by applying the adopted millage rate of the County to the increase in current year taxable assessed valuations over the 1999 base year taxable assessed valuations for all properties located within the CRA's boundaries. The County is required to pay 95% of these incremental property taxes to the CRA. The increase in assessed valuations of property within the boundaries over the base year valuations is presumed to be the result of the redevelopment efforts of the CRA. The calculation of tax increment revenues for the year ended September 30, 2021 was as follows:

Assessed property value for 2021	\$ 1,402,433,722
Assessed property value for the 1999 base year	\$ 538,174,830
Increase in assessed property value	<u>\$ 864,258,892</u>
Assessed property value subject to incremental ad valorem property tax (95%)	\$ 821,045,947
Mileage rate	\$ 3.0902
Tax increment revenue transferred to Agency	<u>\$ 2,537,196</u>

The County assesses properties, bills for and collects property taxes as follows:

Lien date	- June 1
Levy date	- November 1
Tax bills mailed	- November 1
Collection dates	- 4% discount if paid in November
	- 3% discount if paid in December
	- 2% discount if paid in January
	- 1% discount if paid in February
Due date	- Before April 1
Tax certificate sale for delinquent property taxes	- June 1

I. BUDGETARY INFORMATION

The CRA's budget is legally adopted by the Board only for the Board funded appropriations and is on a basis consistent with GAAP. Budgetary control is at the fund level. Budgetary changes within the fund are made at the discretion of the Board.

NOTE 2. INTERFUND TRANSFERS

The following is a schedule of interfund transfers for the year ended September 30, 2021.

Transfer to Englewood Community Redevelopment Agency fund from:	
Sarasota County Nonmajor Governmental Funds	\$ 179,078
Total transfer in	<u>\$ 179,078</u>
Transfer from Englewood Community Redevelopment Agency fund to:	
Sarasota County Nonmajor Governmental Funds	\$ 3,477,953
Total transfer out	<u>\$ 3,477,953</u>

Transfers out reflects the West Dearborn Street project, West Dearborn Street Plaza, S. McCall improvements and outstanding notes and Englewood CRA Residential/Commercial improvement project.

NOTE 3. DEPOSITS AND INVESTMENTS

As of September 30, 2021 the book balance of deposits was \$2,327,833, which represents the cash and investments balance. Additional detail concerning deposits and investments can be found in Sarasota County's Annual Comprehensive Financial Report.

All of the CRA's deposits are insured under Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. The remaining balances are collateralized pursuant to Chapter 280, Florida Statutes.

The County's investment policy limits credit risk by restricting the authorized investments to those illustrated in Note 1, Section D. The following table illustrates the credit quality distribution with credit exposure as a percentage of the County's investment securities.

Interest Rate Risk

Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The interest rate is limited by maintaining an investment portfolio with limited volatility. The investment policy states that no security shall have an estimated average return of principal exceeding five years, unless the investment is in an adjustable rate security.

Credit Risk

Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in

debt securities as described by nationally recognized statistical rating organizations. The County's investment policy limits credit risk by restricting the authorized investments to securities with specific ranking criteria.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The majority of the County's investments are held in collateralized bank accounts pursuant to F.S. 280.

NOTE 4. CAPITAL ASSETS

A. CAPITAL ASSET ACTIVITY

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

	Balance 9/30/2020	Additions	Deletions	Balance 9/30/2021
<u>Englewood CRA:</u>				
Capital assets, being depreciated or amortized:				
Equipment	\$ 4,166	\$ -	\$ 4,166	\$ -
Infrastructure	158,242	-	-	158,242
Easements	-	168,235	-	168,235
Total capital assets, being depreciated or amortized	<u>162,408</u>	<u>168,235</u>	<u>4,166</u>	<u>326,477</u>
Less accumulated depreciation or amortization for:				
Equipment	4,166	-	4,166	-
Infrastructure	77,142	3,957	-	81,099
Total accumulated depreciation or amortization	<u>81,308</u>	<u>3,957</u>	<u>4,166</u>	<u>81,099</u>
Total capital assets, being depreciated or amortized, net	<u>81,100</u>	<u>164,278</u>	<u>-</u>	<u>245,378</u>
Englewood CRA capital assets, net	<u>\$ 81,100</u>	<u>\$ 164,278</u>	<u>\$ -</u>	<u>\$ 245,378</u>

B. DEPRECIATION

Depreciation expense was charged to functions of the CRA as follows:

Governmental Activities

Economic environment	\$ 3,957
Total depreciation expense – governmental activities	<u>\$ 3,957</u>

NOTE 5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 30, 2022 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY

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REQUIRED SUPPLEMENTARY INFORMATION

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY

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Englewood Community Redevelopment Agency
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,548,202	\$ 2,548,202	\$ 2,537,196	\$ (11,006)
Interest income	75,363	75,363	34,520	(40,843)
Net inc (dec) in fair value of investments	-	-	(51,252)	(51,252)
Total revenues	<u>2,623,565</u>	<u>2,623,565</u>	<u>2,520,464</u>	<u>(103,101)</u>
EXPENDITURES				
Current:				
Economic environment	844,591	982,827	602,593	380,234
Total expenditures	<u>844,591</u>	<u>982,827</u>	<u>602,593</u>	<u>380,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,778,974</u>	<u>1,640,738</u>	<u>1,917,871</u>	<u>277,133</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	179,078	179,078	-
Transfers out	<u>(3,783,218)</u>	<u>(3,499,218)</u>	<u>(3,477,953)</u>	<u>(21,265)</u>
Total other financing sources and (uses)	<u>(3,783,218)</u>	<u>(3,320,140)</u>	<u>(3,298,875)</u>	<u>(21,265)</u>
Net change in fund balance	(2,004,244)	(1,679,402)	(1,381,004)	298,398
Fund balance - beginning	3,702,170	3,702,170	3,702,170	-
Fund balance - ending	<u>\$ 1,697,926</u>	<u>\$ 2,022,768</u>	<u>\$ 2,321,166</u>	<u>\$ 298,398</u>

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY

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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 Members of the Board
Englewood Community Redevelopment Agency
Sarasota County, 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 Englewood Community Redevelopment Agency (the CRA), a component unit of Sarasota County, Florida (the “County”), 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 March 30, 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA’s internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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.

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

Carr, Riggs, & Ingram, LLC

Sarasota, Florida
March 30, 2022

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Members of the Board
Englewood Community Redevelopment Agency
Sarasota County, Florida

Report on the Financial Statements

We have audited the financial statements of the Englewood Community Redevelopment Agency (the "CRA"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 30, 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 Rules of the Auditor General. Disclosures in those reports, which are dated March 30, 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 audit report. However, no recommendations were made in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authorities for the CRA are disclosed in the footnotes. The CRA has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County'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.

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 (name of district) reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as of September 30, 2021. One
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as September 30, 2021. One
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as of September 30, 2021. \$157,710.10
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as of September 30, 2021. \$5,409.10
- 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, together with the total expenditures for such project as of September 30, 2021.
 - Project 83188-West Dearborn Street Plaza- \$446,259.17
 - Project 83191-West Dearborn Street Improvements - \$2,553,221.43
 - Project 83192-S McCall Rd Improvements - \$69,511.89
- 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 of September 30, 2021.
 - Adopted Budget- \$4,627,809
 - Amended Budget - \$4,482,045
 - Budget Variance – (\$145,765)

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. 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, Federal and other granting agencies, the Board of County Commissioners, and management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Carr, Riggs, & Ingram, LLC

Sarasota, Florida
March 30, 2022

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

To the Members of the Board
Englewood Community Redevelopment Agency
Sarasota County, Florida

We have examined the Englewood Community Redevelopment Agency's (the "CRA") compliance with the following Florida Statutes sections during the year ended September 30, 2021:

Section 163.387(6)	Redevelopment Trust Fund
Section 163.387(7)	Redevelopment Trust Fund
Section 218.415	Investment of Public Funds

Management of the Englewood Community Redevelopment Agency is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2021.

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

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

Carr, Riggs, & Ingram, LLC

Sarasota, Florida
March 30, 2022