

Town of Eatonville



Town of Eatonville
Community Redevelopment Agency
FINANCIAL STATEMENTS
For the Fiscal Year
Ended September 30, 2021

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**Town of Eatonville Community Redevelopment Agency
Agency Officials
Year Ended September 30, 2021**

CRA Members

Donovan Williams – Chairman

Michael Reese

Marilyn Sconions

Linder Greathouse

Leviticous Henderson

Kathy Baldwin

Barbara Lloyd

CRA Staff

Michael Johnson, Executive Director

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INDEPENDENT AUDITORS' REPORT

To the Honorable Chairman and Board of Directors
Town of Eatonville Community Redevelopment Agency
Town of Eatonville, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Town of Eatonville Community Redevelopment Agency 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 4 - 8, and the budgetary comparison information on page 25 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 November 28, 2022 on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

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

Orlando, Florida
November 28, 2022

Management's Discussion and Analysis

Acting in our capacity as management of the Town of Eatonville Community Redevelopment Agency (the "Agency"), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended September 30, 2021. Please read our discussion and analysis of the Agency's financial activities for the year ended September 30, 2021 in conjunction with the Agency's basic financial statements which immediately follow the discussion.

Financial Highlights

- The assets of the agency exceeded its liabilities at the close of the most recent fiscal year resulting in a net position of \$1,224,444.
- The change in the Agency's total net position in comparison with the prior fiscal year was an increase of \$56,070.
- As of the close of the current fiscal year, the Agency's governmental funds reported an ending fund balance of \$960,347; which represents a decrease of \$61,393 in comparison with the prior year. The Agency invested \$162,626 in capital additions in the Town.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Eatonville Community Redevelopment Agency's basic financial statements. The Agency'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 other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the Agency's assets and liabilities, with the difference between the two being 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 Agency is improving or deteriorating.

The statement of activities presents information that demonstrates how the Agency'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 that will only result in cash flows in future fiscal periods (for example amounts due from the Town but are uncollected, and earned but unused vacation leave).

All of the Agency's revenues and expenditures are considered to be governmental activities for the community redevelopment.

The government-wide financial statements can be found on pages 9-10 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 Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency is 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 resources, as well as on balances of nonspendable and 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 Town of Eatonville Community Redevelopment Agency has only one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Town of Eatonville Community Redevelopment Agency.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables but do not include capital assets such as land and buildings. The operating statement for governmental funds reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures are generally recorded when incurred.

The basic governmental fund financial statements can be found on pages 11-14 of 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 on pages 15-24 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) which is a comparison between the Town of Eatonville Community Redevelopment Agency's adopted and final budget and actual financial results for its general fund. The Town of Eatonville Community Redevelopment Agency adopts an annual budget for its general fund, and a budgetary comparison schedule has been provided to demonstrate compliance with this budget. Required supplementary information can be found on page 25 of this report.

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 Agency, assets exceeded liabilities by \$1,224,444 at the close of the most recent fiscal year.

By far the largest portion of the Agency's net assets, seventy percent (78%), are restricted for community development. The Agency uses these assets to provide value to citizens by implementing its' redevelopment plans.

The following table reflects the condensed statement of net position:

Town of Eatonville Community Redevelopment Agency's Net Position

	2021	2020
Current and other assets	\$ 960,347	\$ 1,032,320
Capital assets	301,398	147,477
Total assets	\$ 1,261,745	\$ 1,179,797
Current liabilities	\$ 19,586	\$ 10,580
Long-term liabilities	17,715	843
Total liabilities	37,301	11,423
Net position:		
Net investment in capital assets	264,097	147,477
Restricted	960,347	1,020,897
Total net position	\$ 1,224,444	\$ 1,168,374

The amount of tax increment financing revenue received from the Town and Orange County, Florida, is determined by an interlocal agreement between the Town; Orange County, Florida; and the Agency. The funding will remain constant between fiscal years 2021 and 2024.

The following table shows condensed revenue and expense data:

Town of Eatonville Community Redevelopment Agency's Changes in Net Position

	<u>2021</u>	<u>2020</u>
Revenues:		
General revenues:		
Tax increment revenues	\$ 401,000	\$ 350,000
Transfers	17,837	-
Other income	7,366	760
Total revenue	426,203	350,760
Expenses:		
General government	204,811	304,118
Culture and recreation	163,525	134,975
Capital outlay		182,000
Interest on long term debt	1,797	265
Total expenses	370,133	621,358
Change in net position	56,070	(270,598)
Net position, beginning of year	1,168,374	1,438,972
Net position, end of year	\$ 1,224,444	\$ 1,168,374

Financial Analysis of the Town of Eatonville Community Redevelopment Agency's Fund

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with the legal requirements for financially related matters.

The focus of the Agency's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements.

At the end of the current fiscal year, the Agency reported a fund balance of \$960,347 for the general fund. This represents a decrease of \$61,393 in comparison to the prior year's fund balance of \$1,021,740. The CRA has ample funds available for future expenditures.

Capital Assets and Debt Administration

The Agency's investment in capital assets as of September 30, 2021, amounts to \$301,398 (net of accumulated depreciation). This investment in capital assets includes land, building, vehicles, leasehold improvements and equipment. Additional information on the Agency's capital assets can be found in Note 2 on page 23 of this report.

The Agency's debt as of September 30, 2021 amounts to \$37,301. The outstanding debt is for the capital lease of two vehicles. Additional information on the Agency's debt can be found in Note 2 on page 24 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Agency'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, should be addressed to the Office of the Finance Director, Eatonville Community Redevelopment Agency, 307 Kennedy Blvd., Eatonville Florida, 32751.

BASIC FINANCIAL STATEMENTS

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**Town of Eatonville Community Redevelopment Agency
Statement of Net Position - Government-wide**

<i>September 30, 2021</i>	Governmental Activities
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Assets	
Cash and cash equivalents	\$ 465,401
Accounts receivable	132,740
Prepaid items	39,926
Due from primary government	322,280
Capital assets	
Nondepreciable	246,136
Depreciable, net	55,262
Total assets	1,261,745
Liabilities	
Noncurrent liabilities:	
Due within one year	19,586
Due in more than one year	17,715
Total liabilities	37,301
Net Position	
Net investment in capital assets	264,097
Restricted for:	
Community development	960,347
Total net position	\$ 1,224,444

The accompanying notes are an integral part of this financial statement.

Town of Eatonville Community Redevelopment Agency Statement of Activities - Government-wide

For the year ended September 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental activities:						
General government	\$ 204,811	\$ -	\$ -	\$ -	\$ (204,811)	\$ (204,811)
Culture and recreation	163,525	-	-	-	(163,525)	(163,525)
Interest on long-term debt	1,797	-	-	-	(1,797)	(1,797)
Total governmental activities	\$ 370,133	\$ -	\$ -	\$ -	\$ (370,133)	\$ (370,133)
General revenues						
Tax increment revenues					\$ 401,000	
Interest income					7,366	
Transfers					17,837	
Total general revenues					426,203	
Change in net position					56,070	
Net position, beginning of year					1,168,374	
Net position, end of year					\$ 1,224,444	

The accompanying notes are an integral part of this financial statement.

**Town of Eatonville Community Redevelopment Agency
Balance Sheet – Governmental Fund**

<i>September 30, 2021</i>	General Fund
Assets	
Cash and cash equivalents	\$ 465,401
Accounts receivable	132,740
Prepaid items	39,926
Due from primary government	322,280
Total assets	\$ 960,347
Fund balance	
Nonspendable	\$ 39,926
Restricted	920,421
Total fund balance	960,347
Total liabilities and fund balance	\$ 960,347

The accompanying notes are an integral part of this financial statement.

**Town of Eatonville Community Redevelopment Agency
Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position**

September 30, 2021

Total fund balance for the governmental fund \$ 960,347

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund. 301,398

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (37,301)

Net position of governmental activities \$ 1,224,444

The accompanying notes are an integral part of this financial statement.

**Town of Eatonville Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balance –
Governmental Fund**

For the year ended September 30, 2021

General Fund

Revenues	
Taxes increment financing	\$ 401,000
Interest Income	7,366
<hr/>	
Total revenues	408,366
Expenditures	
Current:	
General government	196,106
Culture and recreation	163,525
Capital outlay	162,626
Debt service:	
Principal	18,632
Interest	1,797
<hr/>	
Total expenditures	542,686
<hr/>	
Deficiency of revenues under expenditures	(134,320)
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Other financing sources (uses)	
Issuance of capital lease financing	55,090
Transfers in	17,837
<hr/>	
Total other financing sources	72,927
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Net change in fund balance	(61,393)
Fund balance, beginning of year	1,021,740
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Fund balance, end of year	\$ 960,347
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The accompanying notes are an integral part of this financial statement.

**Town of Eatonville Community Redevelopment Agency
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance of the Governmental Fund to the Statement of Activities**

For the year ended September 30, 2021

Net change in fund balance - total governmental fund \$ (61,393)

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those costs over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$ 162,626	
Less current year depreciation	<u>(8,705)</u>	153,921

Repayment of long term debt principal is an expenditure in the governmental fund; however, the repayment reduces long-term liabilities in the statement of net position. 18,632

Issuance of long-term debt are an other financing source in the governmental fund, but increases long-term liabilities in the statement of net position. (55,090)

Change in net position of governmental activities \$ 56,070

The accompanying notes are an integral part of this financial statement.

Town of Eatonville Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Eatonville Community Redevelopment Agency (Agency), a public body was established on December 16, 1997. Pursuant to the requirements of Chapter 163, Part III of Florida Statutes, the Town of Eatonville Florida ("the Town") with the consent of Orange County, created the Agency and designated the Redevelopment Area to foster improvement activities in Eatonville. The Agency uses future tax increment revenues to fund a variety of improvement projects.

The Redevelopment Plan for the Town is intended to formulate and implement a strategy for the Agency, for the comprehensive and coordinated revitalization of the Town's Redevelopment Area ("CRA") which encompasses the entire extent of the Town limits.

The Community Redevelopment Act (Florida Statutes, Chapter 163, Part III), as adopted by the Florida Legislature, provides the legislative authority for local governments to use creative approaches to redevelopment of unused or underutilized property within their communities. The Act primarily focuses upon overcoming the burdens of deteriorated, older areas of a community by outlining a comprehensive program to provide the legal framework and financing mechanisms for local government's use to arrest the deterioration and encourage redevelopment of those 'blighted' areas.

Section three, Ordinance 97-08, established the Redevelopment Trust Fund. The Trust Fund is funded by municipal and county property tax revenues. These taxes are collected from properties within the boundaries of the CRA. The funding is comprised of the increases in property tax revenues above the base-tax revenues during 1997, the year the Agency was created. These tax increment revenues are the primary source of revenue for the Agency. Tax increment revenues are collected from two governmental entities that levy property taxes within the legally defined redevelopment area of the CRA, which is the Town of Eatonville, Florida and Orange County, Florida.

The funds shall be used by the Agency to finance or refinance any community redevelopment the Agency undertakes in the designated Area pursuant to the approved community redevelopment plan.

The Agency is a component unit of the Town of Eatonville, Florida ("Town") for financial reporting purposes; the Agency has no component units that meet the criteria for inclusion in the Agency's basic financial statements. The governing board of the Agency consists of the Town's Mayor and members of the Town Council. It also includes an appointee of the Town Council and an appointee of the Orange County Commissioner for District 2.

Town of Eatonville Community Redevelopment Agency Notes to Financial Statements (Continued)

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. Governmental activities are those which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions. The CRA does not engage in any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and reporting policies of the Town of Eatonville CRA relating to the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB).

Measurement focus refers to what is being measured. Basis of accounting refers to the process of revenues and expenditures being recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made regardless of the measurement focus applied.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the CRA considers revenues to be available if they are collected within ninety days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Town of Eatonville Community Redevelopment Agency Notes to Financial Statements (Continued)

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental fund. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Fund Financial Statements

The CRA has only one major governmental fund reported in the basic financial statements, the general fund. The general fund is the general operating fund of the CRA. It is used to account for all financial resources. When both restricted and unrestricted resources are available for use, it is the government's policy to use unrestricted resources first for qualifying expenditures, then restricted resources as they are needed.

Budgetary Information

An annual operating budget is prepared by the CRA's Finance Department. The CRA's Executive Director submits this proposed operating budget for the ensuing fiscal year to the CRA's Board for approval.

This budget includes proposed expenditures and the means by which to finance them, including a proposed Tax Increment Financing. Expenditures may not exceed legal appropriations. All appropriations lapse at year end. Amendments or revisions to the original budget require a Board resolution.

The budget for the CRA is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts included in these financial statements are as formally amended by the CRA Board's during the year.

Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term highly liquid investments with maturity dates within three months from the date of purchase. Cash and cash equivalents consist of petty cash and deposits held by qualified public depositories under Florida Law. All deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Town of Eatonville Community Redevelopment Agency Notes to Financial Statements (Continued)

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Agency's investment policy is designed to ensure the prudent management of funds, and the availability of operating and capital funds when required, while earning a competitive return within the policy framework. The primary objectives, in order of priority, of investment activity shall be safety, interest rate risk, liquidity and yield. As of September 30, 2021, the Agency did not have any investments.

Accounts Receivable

Accounts receivable consist of account balances less than forty-five days overdue. Account balances exceeding forty-five days overdue are written off. Therefore, all receivables are deemed collectible.

Due from Primary Government

The Due from Primary Government of \$322,280 results from funds due from the Town of Eatonville.

Interfund Activities and Transactions

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide presentation.

Capital Assets

Capital assets, which include land, improvements and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years.

Land is not depreciated. The other capital assets of the Agency are depreciated using the straight line method over the following estimated useful lives:

Classification	Service Life
Building and improvements	39
Vehicles	7
Improvements other than buildings	10
Furniture and equipment	3-15

Town of Eatonville Community Redevelopment Agency Notes to Financial Statements (Continued)

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

It is the Agency's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the fund financial statements of the governmental funds if the benefits are expected to be liquidated with expendable available financial resources. As of September 30, 2021, there was no unused accumulated vacation.

Long-term Obligations

In the government-wide financial statements, long-term debt is reported as liabilities in the applicable governmental activities statement of net position.

Categories and Classification of Fund Equity

Net position flow assumptions – Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the Agency will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of the governmental fund is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Agency itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Town of Eatonville Community Redevelopment Agency Notes to Financial Statements (Continued)

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Agency's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Agency that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Agency for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the Agency manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Revenues

The Agency's primary source of revenue is tax-increment funds. This revenue is computed by applying the respective operating tax rates for the Town and Orange County, Florida (the "County") multiplied by the increased value of property located within the boundaries of the redevelopment areas of the Agency in excess of the base property value less 5%. The Town and County are required to fund the amount annually by January 1 of each year without regard to tax collections or other obligations.

Town of Eatonville Community Redevelopment Agency Notes to Financial Statements (Continued)

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with the modified accrual or accrual basis of accounting described in the previous paragraphs, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets or liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 28, 2022. See Note 4 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Agency is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Accounts Receivable

Accounts receivable consist of the County's portion of tax incremental funding as of September 30, 2021.

**Town of Eatonville Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Intergovernmental Receivables and Transfers

Intergovernmental Receivable for the year ended September 30, 2021:

	Due from:	
	Primary Government	Total
Due to:		
Community Redevelopment Agency	\$ 322,280	\$ 322,280
Total	\$ 322,280	\$ 322,280

Transfers for the year ended September 30, 2021:

	Transfers in:	
	Community Redevelopment Agency	Total
Transfers out:		
Primary Government	\$ 17,837	\$ 17,837
Total	\$ 17,837	\$ 17,837

Transfers are used to (1) move revenues from the fund that is required (per statute or budget) to collect them to the fund that is required (per statute or budget) to expend them and (2) return excess revenues not expended during the year back to the general fund at year-end in accordance with state statutes.

**Town of Eatonville Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2021:

	Balance at September 30, 2020	Increases/ Transfers	Decreases/ Transfers	Balance at September 30, 2021
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 138,600	\$ 107,536	\$ -	\$ 246,136
Capital assets, being depreciated:				
Vehicles	-	55,090	-	55,090
Improvements other than buildings	2,265	-	-	2,265
Furniture and equipment	14,588	-	-	14,588
Total capital assets being depreciated	16,853	55,090	-	71,943
Less accumulated depreciation for:				
Vehicles	-	(7,870)	-	(7,870)
Improvements other than buildings	(683)	(608)	-	(1,291)
Furniture and equipment	(7,293)	(227)	-	(7,520)
Total accumulated depreciation	(7,976)	(8,705)	-	(16,681)
Total capital assets being depreciated, net	8,877	46,385	-	55,262
Governmental activities capital assets, net	\$ 147,477	\$ 153,921	\$ -	\$ 301,398

Depreciation expense of \$8,705 was charged to general government for fiscal year 2021.

Net Investment in Capital Assets

<i>September 30, 2021</i>	Governmental Activities
Capital assets (net)	\$ 301,398
Outstanding debt related to capital assets	(37,301)
Net investment in capital assets	\$ 264,097

**Town of Eatonville Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Other liabilities:					
Capital leases	\$ 843	\$ 55,090	\$ 18,632	\$ 37,301	\$ 19,586
Governmental activities					
long-term liabilities	\$ 843	\$ 55,090	\$ 18,632	\$ 37,301	\$ 19,586

Capital Leases

On October 7, 2020, the Agency entered into a leasing agreement for financing the acquisitions of vehicles for \$55,090 and accrues interest at 3.326% annum. The lease requires annual rental payments of \$19,586 through lease termination of September 30, 2023.

The assets acquired through capital leases are as follows:

Capitalized assets	
Vehicles	\$ 55,090
Less: Accumulated depreciation	(7,870)
Total	\$ 47,220

Future minimum lease payments are as follows:

September 30:	
2022	\$ 19,586
2023	19,586
Total minimum lease payments	39,172
Less: amount representing interest	(1,871)
Present value of minimum lease payments	\$ 37,301

Town of Eatonville Community Redevelopment Agency Notes to Financial Statements (Continued)

Note 3: COMMITMENTS AND CONTINGENCIES

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency purchases commercial insurance for the risks of loss to which it is exposed. Policy limits and deductibles are reviewed by management and established at amounts to provide reasonable protection from significant financial loss. The Agency is involved in legal actions and claims arising in the normal course of business. After taking into consideration legal counsel's evaluations of such actions, management is of the opinion that their outcome will not have a significant effect on the CRA's financial statements.

Note 4: SUBSEQUENT EVENTS

As of April 22, 2022, the Executive Director position was vacated, with no current replacement as of the date of this report.

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**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Town of Eatonville Community Redevelopment Agency
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual – General Fund**

<i>For the year ended September 30, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes increment financing	\$ 400,000	\$ 400,000	\$ 401,000	\$ 1,000
Interest Income	2,500	2,500	7,366	4,866
Total revenues	402,500	402,500	408,366	5,866
Expenditures				
Current:				
General government	394,350	394,350	196,106	198,244
Culture and recreation	116,400	116,400	163,525	(47,125)
Capital outlay	426,750	426,750	162,626	264,124
Debt service:				
Principal	-	-	18,632	(18,632)
Interest	-	-	1,797	(1,797)
Total expenditures	937,500	937,500	542,686	394,814
Deficiency of revenues under expenditures	(535,000)	(535,000)	(134,320)	400,680
Other financing sources (uses)				
Issuance of capital lease financing	-	-	55,090	(55,090)
Transfers in	35,000	35,000	17,837	17,163
Total other financing sources	35,000	35,000	72,927	(37,927)
Net change in fund balance	(500,000)	(500,000)	(61,393)	362,753
Fund balance, beginning of year	1,021,740	1,021,740	1,021,740	-
Fund balance, end of year	\$ 521,740	\$ 521,740	\$ 960,347	\$ 362,753

The Budget is prepared on a modified accrual basis consistent with accounting principles generally accepted in the United States of America (GAAP), with the exception of compensated absences. Compensated absences are budgeted only to the extent expected to be paid, rather than on the modified accrual basis. The level of control at which expenditures may not exceed budget is in the aggregate. Budget amendments that increase the aggregate budgeted appropriations must be approved by the Board. Unexpended balances of appropriation lapse at year end.



Carr, Riggs & Ingram, LLC
1031 West Morse Boulevard
Suite 200
Winter Park, FL 32789

407.644.7455
407.628.5277 (fax)
CRIcpa.com

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 Chairman and Board of Directors
Town of Eatonville Community Redevelopment Agency
Town of Eatonville, 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 Town of Eatonville Community Redevelopment Agency, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Eatonville Redevelopment Agency's basic financial statements, and have issued our report thereon dated November 28, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Eatonville Community Redevelopment Agency'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 Town of Eatonville Community Redevelopment Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Eatonville Community Redevelopment Agency'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2021-01 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Eatonville Community Redevelopment Agency'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*.

Town of Eatonville Community Redevelopment Agency's Response to Findings

Town of Eatonville Community Redevelopment Agency's response to the findings identified in our audit is described in the accompanying schedule of findings. Town of Eatonville Community Redevelopment Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Orlando, Florida
November 28, 2022



Carr, Riggs & Ingram, LLC
 1031 West Morse Boulevard
 Suite 200
 Winter Park, FL 32789

407.644.7455
 407.628.5277 (fax)
 CRlcpa.com

INDEPENDENT AUDITORS’ MANAGEMENT LETTER

The Honorable Chairman and Board of Directors
 Town of Eatonville Community Redevelopment Agency
 Town of Eatonville, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Eatonville Community Redevelopment Agency (the “Agency”) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated November 28, 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 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 November 28, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Audit finding 2020-02 was not corrected in the current year and is reported as current year finding 2021-001.

Tabulation of Uncorrected Audit Findings		
Current Year	2019-20 FY	2018-19 FY
Finding #	Finding #	Finding #
2021-001	2020-002	N/A

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 authority of the Town of Eatonville Community Redevelopment Agency is disclosed in the footnotes. The Town of Eatonville Community Redevelopment Agency 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 us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town of Eatonville Community Redevelopment Agency 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 Town of Eatonville Community Redevelopment Agency 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 Town of Eatonville Community Redevelopment Agency. It is management's responsibility to monitor the Town of Eatonville Community Redevelopment Agency'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 recommend the debt service payments be reported appropriately in correct expense account to properly reflect the amount paid toward debt.

Specific Information (unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6-8, Rules of the Auditor General, the Town of Eatonville Community Redevelopment Agency reported the information below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Town of Eatonville Community Redevelopment Agency reported:

- | | |
|---|-----------------|
| a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as | One |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as | Five |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. | \$69,779 |

- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. **\$115,990**
- e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the following fiscal year being reported, together with the total expenditures for such projects as **None, \$0**
- 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 Agency amends a final adopted budget under Section 189.016(6), Florida Statutes. **See Page 25**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Town of Eatonville Community Redevelopment Agency reported:

- a. The millage rate or rates imposed by the Agency. **7.2938**
- b. The total amount of ad valorem taxes collected by or on behalf of the Agency. **\$ 401,000**
- c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds as **None**

Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General: The Town of Eatonville Community Redevelopment Agency has not imposed any special assessments and therefore no reporting is required by Section 218.39(3), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, the Agency did not submit its annual budget for fiscal year 2021 to the Orange County Board of County Commissioners within 10 days after the adoption of such budget.

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 Agency’s Board Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Rigg & Ingram, L.L.C.

Orlando, Florida
November 28, 2022

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Carr, Riggs & Ingram, LLC
1031 West Morse Boulevard
Suite 200
Winter Park, FL 32789

407.644.7455
407.628.5277 (fax)
CRlcpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Honorable Chairman and Board Members
Town of Eatonville Community Redevelopment Agency

We have examined the Town of Eatonville Community Redevelopment Agency's (the Agency) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency'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 Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency 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 obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, the Agency complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

This report is intended solely for the information and use of the Agency's Board, 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.

Orlando, Florida
November 28, 2022



Carr, Riggs & Ingram, LLC
1031 West Morse Boulevard
Suite 200
Winter Park, FL 32789

407.644.7455
407.628.5277 (fax)
CRlcpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REDEVELOPMENT TRUST FUND

The Honorable Chairman and Board of Directors
Town of Eatonville Community Redevelopment Agency

We have examined the Town of Eatonville Community Redevelopment Agency's (the Agency) compliance with the requirements of Section 163.387(6) and (7), Florida Statutes, Redevelopment Trust Fund Policies, during the year ended September 30, 2021. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency'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 Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency 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 obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

Our examination disclosed the following noncompliance with Section 163.387(6)(b), Florida Statutes, applicable to the Town of Eatonville Community Redevelopment Agency during the fiscal year ended September 30, 2021:

2021-02 The Agency did not submit its annual budget for fiscal year 2021 to the Orange County Board of County Commissioners within 10 days after the adoption of such budget.

In our opinion, the CRA complied, in all material respects, with the requirements of Sections 163.387(6) and 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2021, except for as noted in the paragraph above.

This report is intended solely for the information and use of the Agency's Board, 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.

Orlando, Florida
November 28, 2022

Town of Eatonville Community Redevelopment Agency Schedule of Findings

PART I – FINANCIAL STATEMENT FINDINGS

2021-001 Financial Reporting (Repeat Finding)

Criteria: All transactions should be recorded in accordance with GAAP. The financial close process should include evaluation and adjustments to ensure accrual of respective accounts.

Condition: Multiple transactions were not recorded consistently with accounting principles generally accepted in the United States of America (GAAP).

Cause of Condition: Transactions inconsistent with GAAP were recorded improperly due to lack of oversight or insufficient knowledge. Transactions were not recorded appropriately as part of the financial close and reconciliation process.

Effect of Condition: The Agency's financial statements were materially misstated prior to audit adjustments. The following adjustments were made:

- \$322,000 to properly account for the balance due from the Town
- \$133,000 of accounts receivable and revenue that was not properly recorded as tax incremental revenue
- \$55,000 to properly reflect capital outlay and related proceeds from capital leases
- \$40,000 to properly reflect prepaid items

Recommendations: We recommend the Finance Department ensure adjustments are made to reflect all activity on the GAAP basis and all filings are timely made as part of the financial close process. We recommend the amount due from the Town be considered to be reclassified as a transfer if not expecting repayment and obtain board approval for the transfer.

Views of Responsible Officials: See page 35 for management's response to the finding.

PART II – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

2020-001: Segregation of duties

Condition: There is not adequate segregation of duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Recommendation: Transactions should be reviewed and approved by someone other than the person creating the transaction. We recommend that management setup a review process for bank reconciliations and establishes a deadline for the completion of bank reconciliations each month. Journal entries made in the accounting system are not being reviewed and approved. We recommend that an individual other than the person preparing and making the entry review and approve it as it was posted in the system.

Town of Eatonville Community Redevelopment Agency Schedule of Findings (Continued)

Current Status: Procedures were implemented and no findings occurred during the current year.

2020-002: Prepare financial statements in accordance with GAAP and significant adjustments

Condition: Material adjustments were required to be made to the accounting records subsequent to the start of the audit process.

Recommendation: The Agency should obtain services of a consultant to assist with reconciliations of account balances and ensure all amounts have been appropriately recorded and budgeted.

Current Status: Finding remains relevant in the current year. See 2021-001.

Town of Eatonville Community Redevelopment Agency Management's Corrective Action Plan



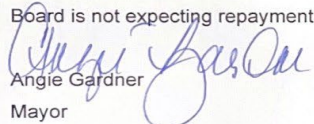
Town of Eatonville



Town of Eatonville
Community Redevelopment Agency
370 E. Kennedy
Blvd Eatonville, FL
32751
407-960-1361
support@eatonvillecra.org
www.eatonvillecra.org

Finding 2021-001 Financial Reporting

Corrective Action Plan: The Town of Eatonville Community Redevelopment Agency management agrees with the finding and will ensure adjustments will be implemented in accordance with GAAP. Additionally, the Town of Eatonville CRA Finance Department will seek Board approval for transfer if Board is not expecting repayment.


Angie Gardner
Mayor