

**COMMUNITY REDEVELOPMENT AGENCY OF THE  
CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2022**

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**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)  
FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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Board of Directors  
Community Redevelopment Agency of the City of Destin, Florida  
Destin, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Community Redevelopment Agency of the City of Destin (the "CRA"), a component unit of the City of Destin, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CRA, as of September 30, 2022, 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.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

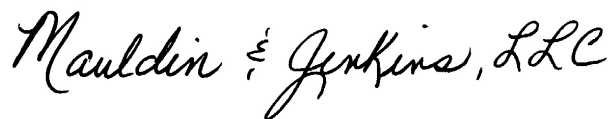
#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the required supplementary information on pages 20 and 21 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 15, 2023, 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

Bradenton, Florida  
March 15, 2023





**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Community Redevelopment Agency of the City of Destin, Florida (the "CRA") we offer readers of the CRA's financial statements this narrative overview and analysis of financial activities of the CRA for the fiscal year ended September 30, 2022. The CRA is a component unit of the City of Destin, Florida (the "City").

**FINANCIAL HIGHLIGHTS**

The CRA's liabilities exceed the assets and deferred outflows by \$12,802,342 (net position) and represent an increase in net position of \$1,619,717 from the prior year.

The CRA's governmental funds reported a combined ending deficit fund balance of \$1,194,591, an increase of \$745,561. The fund balance increase was the result of the change in property values.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The focus of the Governmental Accounting Standards Board ("GASB") Statement Number 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, financial statements is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (such as year-to-year and government-to-government), and enhance the City's accountability.

This discussion and analysis intends to serve as an introduction to the CRA's basic financial statements. The 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**

Designed to be corporate-like, the *government-wide financial statements* typically consolidate governmental and business-type activities into two columns, which add to a total for the primary government entity. However, the CRA has only governmental activities and, therefore, one column is presented that provides readers with a broad overview of the CRA's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the CRA's assets, deferred outflows, and liabilities with the difference reported as net position. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the CRA.

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 that will only result in cash flows in future fiscal periods.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts 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.

**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 expendable resources, as well as on balances of expendable resources available at fiscal year-end.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in governmental funds with similar information presented 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 revenue, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

**NOTES TO FINANCIAL STATEMENTS**

The notes to the financial statements provide additional information, which is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 13 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. The CRA's liabilities exceed the assets and deferred outflows by \$12,802,342 (net deficit) for the fiscal year ended September 30, 2022.

The overall increase in the CRA's net position was \$1,619,717 during fiscal year 2022. This increase is due to the rise in property values within the CRA districts.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**FINANCIAL IMPACTS**

**NORMAL IMPACTS**

There are three basic factors that impact revenues and expenses as reflected below:

***Revenue***

Economic Condition – This can reflect a declining, stable, or growing economic environment and has a substantial impact on property.

Market Impacts on Investment Income – The current market conditions have a significant influence on the CRA's investment income.

***Expenses***

Interest – The marked rate at issuance of long-term debt will have a significant effect on future interest expense.

***Current Year Impact – Governmental Activities***

Ad valorem property taxes increased \$439,799 (26%), which was caused by the increase of property values within the CRA.

The millage rate was maintained at 1.615 for each of the last six fiscal years.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

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

**Governmental Fund.** 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. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2022, the CRA's governmental funds reported an ending deficit fund balance of \$1,194,591, which has been financed by the City. This was an increase of \$745,561 from the prior year.

**BUDGETARY HIGHLIGHTS**

There were no significant variances between the Original and Final budgets adopted for each CRA district. Actual expenditures were lower than the Final budgets.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**DEBT ADMINISTRATION**

At September 30, 2022, the CRA had total revenue notes payable of \$11,512,581. The majority of the CRA’s debt represents notes secured solely by specified revenue sources (i.e. revenue notes). The CRA has no general obligation or special assessment debt. For general obligation debt greater than one year, the CRA is required to conduct a voter referendum process for approval.

Table 1  
Outstanding Debt  
Notes Payable

	Governmental Activities		
	2022	2021	\$ Change
Revenue notes	\$ 11,512,581	\$ 12,383,602	\$ (871,021)

The CRA is repaying its outstanding obligations. The CRA has no legal debt margin requirements set forth by the CRA’s Charter or the Florida Statutes.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The CRA is funded by ad valorem taxes through interlocal agreements with the City and Okaloosa County. The two districts within the CRA have different interlocal agreements which outline the different formulas to share ad valorem property revenues based upon the incremental increase in taxable property values. Revenue projections are based on data provided each summer from the County Property Appraiser. Expenditure projections are based upon the CRA master plans as directed by the CRA Board with support from staff and the CRA Committees. Until recent years, nearly all of the revenues were used to pay down debt, with a small amount dedicated to contracts to maintain infrastructure built within the districts and coverage of a small portion of salaries and benefits of support staff. The fiscal year 2023 budget has committed funds to updating the CRA master plans of both districts. The fiscal year 2023 budget considers additional debt to underground overhead utilities within the district. In addition, some of the cash balance accrued to date is planned to be used as matching funds against a grant from the State of Florida to design a linear park to improve multi-modal mobility.

Regional economic indicators were also considered in preparing the 2023 budget.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the CRA’s finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 4200 Indian Bayou Trail, Destin, Florida, 32541. The CRA’s website address is [www.cityofdestin.com](http://www.cityofdestin.com).

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA**  
**(A Component Unit of the City of Destin, Florida)**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,267,936
Total assets	1,267,936
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred change on refunding	2,874
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	13,703
Advances from the City of Destin	2,448,824
Accrued interest	98,044
Noncurrent liabilities	
Due within one year	889,795
Due in more than one year	10,622,786
Total liabilities	14,073,152
<b>NET POSITION</b>	
Unrestricted (deficit)	(12,802,342)
Total net position	\$ (12,802,342)

The accompanying notes are an integral part of the financial statements.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA**  
**(A Component Unit of the City of Destin, Florida)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

<b>Functions/programs</b>	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	Revenue and Changes in Net Position
				<u>Governmental Activities</u>
Governmental activities				
Economic development	\$ 115,329	\$ -	\$ -	\$ (115,329)
Interest and other fiscal charges	<u>338,390</u>	<u>-</u>	<u>-</u>	<u>(338,390)</u>
Total governmental activities	<u>\$ 453,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(453,719)</u>
General revenues				
Property taxes				2,072,000
Interest				<u>1,436</u>
Total general revenues				<u>2,073,436</u>
Change in net position				1,619,717
Net position (deficit), beginning				<u>(14,422,059)</u>
Net position (deficit), ending				<u>\$ (12,802,342)</u>

The accompanying notes are an integral part of the financial statements.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA**  
**(A Component Unit of the City of Destin, Florida)**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

	<b>Town Center Fund</b>	<b>Harbor Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 791,675	\$ 476,261	\$ 1,267,936
Total assets	\$ 791,675	\$ 476,261	\$ 1,267,936
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 6,559	\$ 7,144	\$ 13,703
Advances from the City of Destin	2,448,824	-	2,448,824
Total liabilities	2,455,383	7,144	2,462,527
<b>FUND BALANCE</b>			
Restricted for:			
Community redevelopment	-	469,117	469,117
Unassigned	(1,663,708)	-	(1,663,708)
Total fund balance	(1,663,708)	469,117	(1,194,591)
Total liabilities and fund balance	\$ 791,675	\$ 476,261	\$ 1,267,936

The accompanying notes are an integral part of the financial statements.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA**  
**(A Component Unit of the City of Destin, Florida)**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

Total fund balance, General Fund		\$ (1,194,591)
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Amounts reported for the governmental activities in the statement of net position are different because:

Deferred amounts on refunding are not financial resources and, therefore are not reported as assets or liabilities in governmental funds. The statement of net position includes these charges, net of amortization.

2,874

Long-term liabilities are not due and payable in the current period and therefore are not reported in the General Fund.

Notes payable		\$ (11,512,581)	
Accrued interest		<u>(98,044)</u>	

(11,610,625)

Total net position, governmental activities

\$ (12,802,342)

**The accompanying notes are an integral part of the financial statements.**



**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA**  
**(A Component Unit of the City of Destin, Florida)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>Town Center Fund</u>	<u>Harbor Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property taxes	\$ 1,360,169	\$ 711,831	\$ 2,072,000
Interest income	868	568	1,436
Total revenues	<u>1,361,037</u>	<u>712,399</u>	<u>2,073,436</u>
<b>EXPENDITURES</b>			
Current			
Economic environment	76,862	38,467	115,329
Debt service			
Principal	427,021	444,000	871,021
Interest	304,468	37,057	341,525
Total expenditures	<u>808,351</u>	<u>519,524</u>	<u>1,327,875</u>
Net change in fund balance	552,686	192,875	745,561
<b>Fund balance (deficit), beginning</b>	<u>(2,216,394)</u>	<u>276,242</u>	<u>(1,940,152)</u>
<b>Fund balance (deficit), ending</b>	<u>\$ (1,663,708)</u>	<u>\$ 469,117</u>	<u>\$ (1,194,591)</u>

The accompanying notes are an integral part of the financial statements.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA**  
**(A Component Unit of the City of Destin, Florida)**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE–GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

Net change in fund balance, governmental funds:	\$	745,561
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The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position. Also governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal payments	\$	871,021	
Change in accrued interest		3,422	
Amortization of bond premium		(287)	
		874,156	

Change in net position of governmental activities	\$	1,619,717
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**The accompanying notes are an integral part of the financial statements.**

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The Community Redevelopment Agency of the City of Destin, Florida (the “CRA”) is governed by a board consisting of seven directors who are the same individuals as those serving as the City of Destin (the “City”) City Council. The terms of office of the directors are concurrent with the terms of the members of the City Council. The CRA was established on March 3, 1998, through City Resolution No. 98-09. Details regarding the data utilized are located in the City of Destin – Community Redevelopment Plan. The CRA delineates two areas as the Harbor CRA and the Town Center CRA.

The Town Center CRA area, encompassing approximately 517 acres, was established by Resolution on March 3, 1998, with a 30-year term that expires on March 2, 2028. The area is located north of US 98 and bounded substantially by Airport Road to the east and north, and Beach Drive on the west.

The Harbor CRA area, encompassing approximately 397 acres, was established by Resolution on June 3, 2003, with a 40-year term that expires on June 2, 2043. It was modified by the terms of an Interlocal Agreement between the City of Destin and Okaloosa County on November 7, 2005 and approved by the Okaloosa County Board of County Commissioners on November 15, 2005. The term of the Redevelopment Area is not renewable without the approval of the County.

Florida State Statute Chapter 163 allows a community redevelopment agency to be created for one or more of the following purposes: the elimination and prevention of blight; the reduction or prevention of crime; the provision of affordable housing; or the rehabilitation and revitalization of coastal resort and tourist areas that are deteriorating and economically distressed. The primary goal of the CRA is to provide a tool that will guide private and public initiatives for creating economic development, improved physical characteristics, encourage investment in Destin, improve the quality of life for residents, and establish a framework for the proper evolution of the CRA District.

The CRA was established in accordance with the Community Redevelopment Act of 1969. This state act allows municipalities to use increases in property tax revenue to finance the necessary public investments in the project area. In accordance with provisions of this act, the CRA developed and implemented a Community Redevelopment Plan to diversify its efforts in the area of economic development of the downtown by improving blighted properties and addressing properties with infrastructure problems.

Funding for redevelopment and restoration projects that are essential for the reduction of slum and blight and the stimulation of private sector revitalization efforts is provided primarily from the tax increment generated by the increased valuation of properties within the community redevelopment area. Increases in property tax revenue above the baseline assessment that was established upon adoption of the Community Redevelopment Plan is set aside in the Community Redevelopment Fund and can be utilized only for projects identified in the plan.

The CRA is a separate entity from the City. However, the City Council of the City of Destin serves as the CRA Board and performs the legislative functions, governing duties and corporate responsibilities of the agency. The City Manager serves as the director of the agency, performs the administrative duties and oversees the day to day operations of the agency. Several City departments, including Development Services, Finance, and Public Works, provide assistance in planning and implementing project activities that are designed to revitalize and restore the identified blighted areas.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements**

The basic financial statements consist of the government-wide financial statements and fund financial statements.

The government-wide financial statements include a statement of net position and a statement of activities. These statements report on the CRA as a whole and provide a complete financial picture of the CRA.

The government-wide statement of net position reports all financial and capital resources of the CRA's governmental activities. Governmental activities are those supported by taxes and intergovernmental revenue. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Although there were none, program revenues include charges for services that are recovered directly from customers for services rendered. Taxes and other items not properly included among program revenues are reported instead as general revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Since the CRA fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are provided that briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide governmental activities financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses reported when a liability is incurred, regardless of the timing of related cash flows. Tax increment financing from property taxes are recognized as revenue in the year when levied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are generally recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

**D. Deposits**

The CRA considers cash on hand, cash with fiscal agents, and overnight investments with original maturities of less than three months to be cash and cash equivalents. The CRA also maintains its own bank account which is used for the majority of CRA transactions.

**E. Receivables**

Receivables consist of trade receivables and amounts due from other governments and are recorded net of any allowance for uncollectible amounts, if applicable.

Activity between the CRA and the City that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year (if any) are reported as "advances to/from the primary government." All other outstanding balances between the CRA and City (if any) are reported as "due to/from the primary government."

**F. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At September 30, 2022, the CRA had \$2,874 recorded as deferred charge on refunding.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Long-Term Obligations**

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position.

**H. Fund Balance/Net Position**

In fund financial statements, the governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints imposed on the use of resources reported. Amounts that are restricted to specific purposes either by: (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Directors through a resolution are classified as committed fund balances. These constraints remain binding unless removed or changed in the same manner employed to commit those resources by resolution. Amounts that are constrained by the CRA's intent to be used for specific purposes, however, are neither restricted, nor committed are classified as assigned fund balances. Assignments are approved by the Executive Director.

Non-spendable fund balances include amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents an amount that has not been restricted, committed, or assigned to specific purposes within the governmental funds. When both restricted and unrestricted fund balances are available for use, it is the CRA's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Net position of the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. The first category represents capital assets net of accumulated depreciation, less outstanding debt related to the acquisition or construction of the capital assets.

The restricted category, if any, represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation. Unrestricted net position represents resources that are available for spending.

**I. Budgetary Data**

Budgets are adopted on a basis consistent with GAAP for the current fiscal year. For the year ended September 30, 2022, annual appropriated budgets were adopted by ordinance for the governmental funds. All appropriations lapse at year-end except for appropriations related to multi-year capital projects.

The CRA follows these procedures to establish the budgetary data reflected in the financial statements:

1. Prior to September 1st, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and revenue sources. The City Council requires changes as deemed necessary, sets proposed millages, and establishes dates for tentative and final public budget hearings as prescribed by Florida Statutes.
2. Proposed budgets are advertised in a newspaper of general circulation in the City. Public hearings are conducted for the purpose of receiving input, responding to complaints, and providing reasons and explanations for intended actions to all citizens participating.
3. Prior to October 1st, the budgets for all governmental funds are legally enacted through passage of an ordinance. Budget amendments are periodically passed through resolutions during the fiscal year. Budgeted beginning fund balance in the accompanying financial statements reflects planned utilization of prior years unassigned fund balance to the level required to accomplish current year objectives.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Budgetary Data (Continued)**

4. Budgetary control (the level which expenditures cannot legally exceed the appropriated amount) is maintained by the City Manager at the fund level and may be amended as necessary during the fiscal year.
5. Budgeted amounts reflected in the financial statements are originally adopted amounts as amended by the City Council or by City Manager in accordance with applicable City ordinances.
6. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of resources are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances outstanding at year-end are included in the reported components of fund balances and do not constitute expenditures or liabilities because the commitments will be appropriated and honored during the subsequent year.

**J. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – TAX INCREMENT REVENUE**

The primary source of revenue is tax increment funds received through the City of Destin and Okaloosa County. The revenue from the City is treated as property taxes, while the remainder is recorded as intergovernmental revenue – tax increment financing.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

At September 30, 2022, the bank balances of the CRA's deposits were \$1,277,553. All of the CRA's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may vary depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – INTERFUND ACTIVITY**

Balances between the CRA and the City of Destin as of year-end were as follows:

	<b>Advance From</b>	<b>Advance To</b>
City of Destin	\$ 2,448,824	\$ -
Community Redevelopment Agency	-	2,448,824
	\$ 2,448,824	\$ 2,448,824

During the year, the CRA transfers funds to the City for debt service requirements. Transfers in the amount of \$1,212,546 have been reflected as debt service payments of principal (\$871,021) and interest (\$341,525) within these financial statements.

**NOTE 5 – LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended September 30, 2022:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b><u>Governmental activities:</u></b>					
Notes payable:					
Town Center Area Redevelopment Refunding Revenue Note, Series 2014	\$ 8,926,602	\$ -	\$ (427,021)	\$ 8,499,581	\$ 441,795
Non-Ad Valorem Refunding Revenue Note, Series 2021	3,457,000	-	(444,000)	3,013,000	448,000
Total governmental activities long-term liabilities	\$ 12,383,602	\$ -	\$ (871,021)	\$ 11,512,581	\$ 889,795

*Town Center Area Redevelopment Refunding Revenue Note, Series 2014*

Effective March 11, 2014, the City closed on a \$11,871,000 note payable issued for the purpose of refunding certain outstanding debt of the City. Interest payments are due semiannually on June 1 and December 1 with the principal payments due on June 1. The note carries an interest rate of 3.41%. On June 8, 2015, the City reissued the bonds to extend the repayment period by ten years. The final payment is now due on June 1, 2037. The net proceeds of the Series 2014 revenue note were used to refund the Capital Improvement Revenue Bonds, Series 2005.

The Town Center Area Redevelopment Refunding Revenue Note, Series 2014 ordinance provides for establishment and maintenance of various funds maintained by the City:

- Town Center Area Redevelopment Revenue Special Revenue Fund records pledged revenues consisting of the ad valorem tax increment revenue;
- Town Center Area Redevelopment Revenue Note Series 2014 Debt Service Fund records all the debt service requirements of the issue which includes the principal, interest and reserve requirements.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)**

Restrictions on the use of cash accumulated in the Town Center Area Redevelopment Revenue Note, Series 2014, Special Revenue Fund, in order of priority, are as follows:

- Deposits to the Sinking Fund accounts are to be used to pay debt service on the 2014 Note and will be spent within a 12-month period beginning on the date of deposits. Moneys in the Sinking Fund will be depleted at least once a year except for a reasonable carryover amount not in excess of and one-twelfth (1/12) of the annual debt service on the 2014 Note for the preceding year.

*Non-Ad Valorem Refunding Revenue Note, Series 2021*

Effective May 21, 2021, the City closed on a \$9,905,000 note payable with Key Government Finance, Inc. Interest and principal payments are made monthly. The note carries an interest rate of 1.139% and the final payment is due March 15, 2029.

The Non-Ad Valorem Refunding Revenue Note, Series 2021 ordinance provides for:

- A. Financing the acquisition of certain real property within the City to be used to expand public beach access. The 2021 series included \$2,819,000 of new debt issued to assist in the acquisition of two parcels of land in the Crystal Beach area that will be used to expand public beach access. Council has committed Okaloosa Half-Penny local discretionary infrastructure surtax funds to increasing public beach access, and these funds will be used to repay this portion of the debt.
- B. Refunding certain debt obligations. The 2021 series refunded the Non-Ad Valorem Refunding Revenue Note, Series 2015A which was paying 2.71% and was scheduled to mature November 1, 2029 (\$3,489,000), and the Harbor CRA Second Replacement, Series 2009 Note, As Restructured September 19, 2015 which was paying 2.84% and was scheduled to mature July 31, 2029 (\$3,597,000).
- C. Pledging certain funds to secure payment. This note is secured by the City's covenant to budget and appropriate Non-Ad Valorem Revenues and is subject to an anti-dilution test. The anti-dilution test states that net available non-ad valorem revenues should be maintained at 1.25 or higher of maximum annual debt service. This ratio was 6.8 as of September 30, 2022.

A summary of annual debt service requirements as of September 30, 2022 is as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<u>Ending</u>			
2023	\$ 889,795	\$ 321,831	\$ 1,211,626
2024	913,081	301,606	1,214,687
2025	928,896	280,825	1,209,721
2026	957,258	259,443	1,216,701
2027	974,186	237,429	1,211,615
2028 - 2032	3,523,075	867,185	4,390,260
2033 - 2037	3,326,291	347,992	3,674,283
	<u>\$ 11,512,582</u>	<u>\$ 2,616,311</u>	<u>\$ 14,128,893</u>



**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

***Grants***

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the CRA expects such amount, if any, to be immaterial.

***Litigation and Other Matters***

The CRA is also the defendant in various claims, generally concerning development issues. In the opinion of management, any future costs associated with these claims will not have a significant adverse effect on the accompanying financial statements, and accordingly, no provision for losses has been recorded.

***Risk Management***

The Agency purchases insurance coverage through commercial insurance carriers to cover liability, workers' compensation, automobile, personal property, marine equipment and crime/fidelity risks. The CRA's liability and workers' compensation policies are retrospective policies that require adjusted premium calculations following the end of the policy period; however, the CRA does not retain any risk of loss through these coverages. All policies have been maintained for several years without reductions in coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

***Remedies for Default***

As part of notes payable there are terms in such agreements that state if the CRA were to default on such agreements that all payments are to become current.

**NOTE 7 – SUBSEQUENT EVENTS**

The CRA has evaluated all subsequent events through March 15, 2023 the date the financial statements were available to be issued.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA**  
**(A Component Unit of the City of Destin, Florida)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL-HARBOR FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget
<b>Revenues</b>				
Property taxes	\$ 712,618	\$ 712,618	\$ 711,831	\$ (787)
Interest	300	300	568	268
Total revenues	<u>712,918</u>	<u>712,918</u>	<u>712,399</u>	<u>(519)</u>
<b>Expenditures</b>				
Current				
Economic development	157,979	158,179	38,467	119,712
Debt service				
Principal	444,000	444,000	444,000	-
Interest	37,057	37,057	37,057	-
Total expenditures	<u>639,036</u>	<u>639,236</u>	<u>519,524</u>	<u>119,712</u>
Change in fund balances	73,882	73,682	192,875	119,193
<b>Fund balances, beginning</b>	<u>276,242</u>	<u>276,242</u>	<u>276,242</u>	<u>-</u>
<b>Fund balances, ending</b>	<u>\$ 350,124</u>	<u>\$ 349,924</u>	<u>\$ 469,117</u>	<u>\$ 119,193</u>

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA**  
**(A Component Unit of the City of Destin, Florida)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL-TOWN CENTER FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget
<b>Revenues</b>				
Property taxes	\$ 2,069,690	\$ 2,069,690	\$ 1,360,169	\$ (709,521)
Interest	1,601	1,601	868	(733)
Total revenues	<u>2,071,291</u>	<u>2,071,291</u>	<u>1,361,037</u>	<u>(710,254)</u>
<b>Expenditures</b>				
Current				
Economic development	151,257	153,257	76,862	76,395
Debt service				
Principal	427,021	427,021	427,021	-
Interest	304,397	304,397	304,468	(71)
Total expenditures	<u>882,675</u>	<u>884,675</u>	<u>808,351</u>	<u>76,324</u>
Change in fund balances	1,188,616	1,186,616	552,686	(633,930)
<b>Fund balances (deficit), beginning</b>	<u>(2,216,394)</u>	<u>(2,216,394)</u>	<u>(2,216,394)</u>	<u>-</u>
<b>Fund balances (deficit), ending</b>	<u>\$ (1,027,778)</u>	<u>\$ (1,029,778)</u>	<u>\$ (1,663,708)</u>	<u>\$ (633,930)</u>

## **OTHER REPORTS**

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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**

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Board of Directors and Executive Director  
Community Redevelopment Agency of the City of Destin, Florida  
Destin, 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 each major fund of the Community Redevelopment Agency of the City of Destin, Florida (the "CRA"), (a component unit of the City of Destin, Florida), as of and for the year ended September 30, 2022, 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 15, 2023.

### **Report on 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 or significant deficiencies may exist that were not identified.

### **Report on 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*.

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**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.

Bradenton, Florida  
March 15, 2023

*Mauldin & Jenkins, LLC*

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)

SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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SECTION I  
SUMMARY OF AUDIT RESULTS

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes  No

Significant deficiencies identified not considered to be material weaknesses?

Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards and State Financial Assistance Projects**

The CRA did not expend \$750,000 in federal or state funds during its fiscal year ended September 30, 2022.

SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DESTIN, FLORIDA  
(A Component Unit of the City of Destin, Florida)**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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None.



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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Board of Directors and Executive Director  
Community Redevelopment Agency of the City of Destin, Florida  
Destin, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Community Redevelopment Agency of the City of Destin, Florida (the "CRA"), (a component unit of the City of Destin, Florida) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 15, 2023.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standard* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 15, 2023, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **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 CRA has made these disclosures in the notes to the financial statements.

### **Financial Condition and Management**

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

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

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

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

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
March 15, 2023



## INDEPENDENT ACCOUNTANT'S REPORT

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Board of Directors and Executive Director  
Community Redevelopment Agency of the City of Destin, Florida  
Destin, Florida

We have examined the Community Redevelopment Agency of the City of Destin, Florida (the "CRA"), (a component unit of the City of Destin, Florida) compliance with Sections 218.415, 163.387(6), and 163.387(7), Florida Statutes, during the year ended September 30, 2022. Management of the CRA is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we 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 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, 2022.

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

Bradenton, Florida  
March 15, 2023

A handwritten signature in black ink that reads "Mauldin &amp; Jenkins, LLC". The signature is written in a cursive, flowing style.

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