

**PLANT CITY
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)**

FINANCIAL STATEMENTS

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

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)
FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Transmittal Letter	i-iv
--------------------------	------

FINANCIAL SECTION

Independent Auditor's Report.....	1-3
Management's Discussion and Analysis	5-9

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position	11
Statement of Activities.....	12

Fund Financial Statements—Governmental Funds

Balance Sheet—General Fund.....	13
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balance— General Fund.....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance—General Fund to the Statement of Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balance— Budget (GAAP Basis) and Actual—General Fund.....	17

Notes to Financial Statements	19-25
-------------------------------------	-------

OTHER REPORTS

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 <i>Government Auditing Standards</i>	27 and 28
---	-----------

Schedule of Findings and Responses	29
--	----

Summary Schedule of Prior Year Findings	30
---	----

Independent Auditor's Management Letter	31-33
---	-------

Independent Accountant's Report – Investment Compliance.....	35
--	----

INTRODUCTORY SECTION



Preserving the Past • Embracing the Future

March 13, 2023

Chairman and Board of Directors
Plant City Community Redevelopment Agency

We are pleased to present the Financial Statements for the fiscal year ended September 30, 2022.

Florida Statutes, Chapter 163.387, requires that each Community Redevelopment Agency (CRA) that exceeds \$100,000 provide a separate audit to accompany the City's annual financial report. This requirement has been met for the fiscal year ended September 30, 2022, and the report of the independent auditing firm has been included in the financial section of this report.

The City of Plant City's Finance Department prepared this report in accordance with generally accepted accounting principles (GAAP) and the Auditor General Rule 10.557(3). We believe the data is accurately presented to set forth the financial position of the CRA including disclosures that provide a comprehensive understanding of the CRA's financial activity.

The Finance Department is committed to advancing fiscal accountability, efficiency and integrity in the CRA's financial operations, which includes establishing and maintaining adequate internal controls to safeguard assets against loss. The comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. We believe that the internal accounting controls adequately safeguard assets and the financial transactions have been properly recorded.

The CRA's financial statements have been audited by Mauldin & Jenkins, LLC. The scope of the independent audit is to express an opinion as to whether the basic financial statements are fairly presented. The independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the CRA's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

The City of Plant City, a municipal corporation of the State of Florida located in Hillsborough County, was initially incorporated on January 10, 1885. Plant City is strategically located in Central Florida, along the I-4 corridor, nestled between three large metropolitan cities: 25 miles east of Tampa, and 50 miles west of Orlando, and adjacent to Lakeland. Plant City prides itself as the "Winter Strawberry Capital of the World," and offers the hometown feel of a warm, thriving community.

Plant City Community Redevelopment Agency is a dependent district of the City of Plant City. The district has a sense of community that offers safe walkable neighborhoods, unique retail, and dining experiences.

CRA Structure

The City Commission of the City of Plant City, Florida, established a Community Redevelopment Agency in 1981, in accordance with the Community Redevelopment Act of 1969 (Act). This Act allows municipalities to use increases in property tax revenue to finance public investments in the area. In accordance with provisions of this Act, the CRA developed and implemented a Community Redevelopment Plan to remove the conditions of slum and blight that existed within a large portion of the City's core, including the Central Business District (CBD) and the adjacent residential areas.

The CRA is a separate entity from the local government. However, the City Commission of the City of Plant City serves as the CRA Board and performs the legislative functions, governing duties and corporate responsibilities of the agency. Pursuant to Section 163.356(3)(c), Florida Statutes, the City Commission also designates a Chair and Vice-Chair of the Community Redevelopment Agency from among the Commissioners.

The City Manager serves as the Executive Director, performs the administrative duties, and oversees the day-to-day operations of the agency. Several City departments, including Community Services, Development Services, Finance, and Utilities, provide assistance in planning and implementing project activities that are designed to revitalize and restore the identified blighted areas.

Local Economy

Plant City has a population of approximately 40,365 residents and is a seasonal destination for visitors and part-time residents during the winter months from November through April. The annual seasonal influx of visitors and part-time residents does not create challenges for retail and commercial businesses, it only enhances the year-round client base.

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 recorded in the Community Redevelopment Trust Fund to be utilized only for projects identified in the plan.

More detail regarding the local economy can be found in the City of Plant City's annual audit report.

Redevelopment

Plant City's primary redevelopment area called "Midtown" is comprised of 15 acres near the City's downtown. The City purchased property and completed street, water, sewer, parks, stormwater and clean-up activities, making the area prime for development. The mixed-use development should be consistent with the *CRA Redevelopment Plan and Midtown Redevelopment Vision Plan* and is expected to include retail, restaurant, office, and residential components coupled with strong pedestrian-friendly design characteristics to promote safe pedestrian traffic and activity. Long-range plans for this area in the CRA district include road and parking improvements and using a mixed-use developer to improve Midtown. The CRA district continues to invest in downtown and midtown through incentives that create jobs and retain existing businesses, as well as improve the tax base.

Long-Term Financial Planning

The City is committed to long- and short-term financial planning to facilitate decision making and handle day-to-day financial business. All long-term financial plans help achieve the City's core strategies:

- Facilitate economic development.
- Foster community engagement.
- Empower outstanding customer service.
- Engage in effective communication with internal and external stakeholders.
- Maximize organizational effectiveness.

The CRA Comprehensive Plan is the policy that drives all decisions regarding what can be accomplished in the district. The Plan is reviewed annually in preparing the budget with the goal to spend the revenues collected in the current year within three fiscal years.

Long-range plans for this area in the CRA district include road and parking improvements. The City will issue an RFP to secure development of this area. The City is negotiating with a developer for a smaller parcel in the district to complete a three-story facility with commercial and residential spaces. The City is under contract with Plant City Development Group, LLC to construct a five-story building with residential and commercial components that is expected to begin construction within nine months. The CRA district continues to invest in downtown and midtown through incentives that create jobs and retain existing businesses, as well as improve the tax base.

Budget Process

The annual budget and capital improvement plan serve as a foundation for the CRA's financial planning and management control devices to prioritize operating expenditures and capital improvements. During the annual budget process, the CRA Board reviews and approves a five-year capital improvement plan that identifies projects to comply with the elements outlined in the CRA Plan. The plan addresses projects that provide for public betterments and ensure a stable community. Consideration for new projects includes the impact on future operating costs.

In conjunction with the City budget, the CRA budget is part of the budget adoption process. The CRA holds one meeting to approve the budget, which is also included in the budget process for the entire City budget. They also hold other meetings as necessary to discuss future of the CRA district.

The City Commission holds two public hearings on the proposed budget, which includes the CRA budget, to obtain public comment to adopt the final budget and set the millage rate for the ensuing year. The legal level of budgetary control is maintained at the Board level. All transfers within operating line items are approved by the CRA Executive Director. All other budget transfers require CRA Board approval. Budget to actual comparisons are presented in this report based on the adopted annual budget. The CRA follows the laws of Florida regarding the control, adoption, and amendment of the budget.

The CRA's budget is a detailed operating plan, which identifies estimated costs and revenues to fund program initiatives identified in the CRA Plan. The budget includes: (1) the programs, projects, and activities for the next fiscal year; (2) the estimated revenue available to finance the plan; and (3) the estimated spending requirements of the operating plan.

Major Capital Improvements

Management's goals and objectives flow from the responsibility to maintain CRA assets and provide a level of infrastructure to complement the residents' lifestyle in downtown and midtown. Some of the projects for the for Fiscal Year 2022-2023 are listed below under the related City-established core strategy.

Economic Development

- Invest \$237 thousand to resurface arterial roads and neighborhood streets from the revenue generated by the 1.0 mil property tax.
- Redevelop a portion of Evers Street in downtown with an additional \$125,000.
- Restore some of the brick roads in the CRA area with \$100,000.
- Allocate \$300,000 toward Collins Street improvements from Baker Street to Laura Street.
- Sewer infrastructure improvements of \$200,000 to upgrade, repair, or replace sanitary sewer lines in midtown area to improve water quality and provide a more efficient system.

Community Engagement

- Provide incentives through a local match for interior or exterior improvements as outlined in the incentive plan.
- Utilize a Code Enforcement Officer to oversee code compliance and demolition to provide safety and improve aesthetics.
- Provide a Police Officer to maintain security.

Customer Service

- Maintain downtown area for various events.
- Provide trash collection and other support to create an attractive setting for events.

Effective Communication

- Communicate with Hillsborough County and Tampa Port Authority regarding completed projects.
- Prepare annual status report related to community improvements.

Organizational Effectiveness

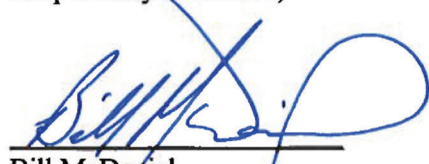
- Maintain several park areas and parking lots as part of the Asset Management Program.

Acknowledgment

Our appreciation is extended to Finance and other departments, in conjunction with the professional service rendered by Mauldin & Jenkins, LLC to conduct an independent audit.

Thank you to the CRA Board for their leadership and support in planning and guiding the financial affairs of the CRA in a responsible and progressive manner.

Respectfully submitted,



Bill McDaniel
Executive Director



Diane Reichard
Chief Financial Officer

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund (the "General Fund") of the Plant City Community Redevelopment Agency (the "CRA"), a component unit of the City of Plant City, 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 major fund (the "General Fund") of the CRA, as of September 30, 2022, and the respective changes in financial position and budgetary comparison for the General Fund 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.

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.
- Conclude whether, in our judgment, 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 a reasonable period of time.

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 5 through 9 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.

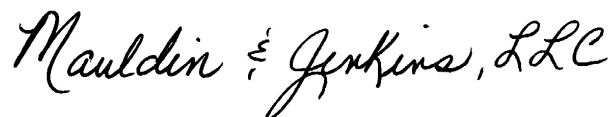
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 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.

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

Bradenton, Florida
March 7, 2023

This page intentionally left blank.

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2022
MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the report presents our discussion and analysis of the performance of the Plant City Community Redevelopment Agency (the “CRA”) during the year ended September 30, 2022. Please read it in conjunction with the CRA’s financial statements, which follow this section.

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$12,870,117 (net position). Of this amount, \$3,116,461 was included in the restricted category.
- The CRA’s total net position increased by \$902,920 over the course of this year’s operations primarily caused by less than anticipated spending in redevelopment programs.
- The CRA’s general fund reported an ending fund balance of \$3,116,461, an increase of \$688,162 from the prior period which resulted from excess revenues over expenditures.

Overview of the Financial Statements

The financial section of this annual report consists of two parts: (1) Management’s Discussion and Analysis (this section), and (2) the basic financial statements.

Basic Financial Statements

Government-wide financial statements. The focus of the *government-wide financial statements* is on the overall financial position and activities of the CRA. Reporting is similar to that of a private-sector business. The government-wide financial statements report information about the CRA as a whole and about its activities in a way that helps answer questions about the financial health of the CRA and whether the activities of the year contributed positively or negatively to that health.

The government-wide financial statements include the Statement of Net Position and Statement of Activities.

- The *Statement of Net Position* presents information on the assets held and liabilities owed by the CRA, both long- and short-term. Assets are reported when acquired and liabilities are reported when they are incurred, regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities. For example, the CRA reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the CRA. On the other hand, the CRA reports liabilities, even though these liabilities might not be paid until several years into the future.

The difference between the CRA’s total assets and total liabilities is *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating. Although the purpose of the CRA is not to accumulate net position in general, as this amount increases, it indicates that the financial position of the CRA is improving over time.

- The *Statement of Activities* presents the revenues and expenses of the CRA. The items presented on the Statement of Activities are measured in a manner like the approach used in the private sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

Both of the government-wide financial statements distinguish functions of the CRA that are principally supported by taxes and intergovernmental revenue (governmental activities). The governmental activities of the CRA are mainly economic environment activities.

Fund financial statements. The focus of fund financial statements is directed to specific activities of the CRA. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund. The CRA has only one governmental fund, a General Fund. Financial statements consist of a balance sheet and a statement of revenue, expenditures, and change in fund balance. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

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 difference between a fund's total assets and total liabilities is the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. 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.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because different accounting bases are used to prepare governmental fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the governmental fund balance sheet that reconciles the total fund balance for the governmental fund to the amount of net position presented in the governmental activities column on the Statement of Net Position. Also, there is an analysis after the Statement of Revenue, Expenditures, and Changes in Fund Balance that reconciles the total change in fund balance for the General Fund to the change in net position as reported in the governmental activities column in the Statement of Activities.

Notes to the basic 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.

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Analysis

The table below presents a summary of net position as of September 30, 2022 and 2021 derived from the government-wide Statement of Net Position:

Statement of Net Position

	2022	2021	Change
Current and other assets	\$ 3,220,664	\$ 2,495,975	\$ 724,689
Capital assets	9,753,656	9,729,388	24,268
Total assets	<u>\$ 12,974,320</u>	<u>\$ 12,225,363</u>	<u>\$ 748,957</u>
Long-term liabilities	\$ -	\$ 190,490	\$ (190,490)
Other liabilities	104,203	67,676	36,527
Total liabilities	<u>\$ 104,203</u>	<u>\$ 258,166</u>	<u>\$ (153,963)</u>
Net investment in capital assets	\$ 9,753,656	\$ 9,538,898	\$ 214,758
Restricted	3,116,461	2,428,299	688,162
Total net position	<u>\$ 12,870,117</u>	<u>\$ 11,967,197</u>	<u>\$ 902,920</u>

As noted earlier, net position may serve, over time, as a useful indication of the CRA's financial position. At the close of the most recent fiscal year, the CRA's assets exceeded its liabilities by \$12,870,117.

The CRA's total net position is divided between restricted, at 24.2%, representing resources that are available for spending and net investment in capital assets at 75.8%. Net investment in capital assets reflects the CRA's investment in capital assets reduced by the amount of outstanding related liabilities used to acquire or construct these assets. Although the capital assets are shown net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

The table below presents a summary of changes in net position for the years ended September 30, 2022 and 2021 as derived from the government-wide Statement of Activities:

	Statement of Activities		
	2022	2021	Change
Revenues			
Property tax assessments	\$ 1,085,358	\$ 939,991	\$ 145,367
Intergovernmental	1,065,102	921,578	143,524
Interest revenue	799	1,145	(346)
Total revenues	<u>2,151,259</u>	<u>1,862,714</u>	<u>288,545</u>
Expenses			
Economic environment	1,248,339	850,749	397,590
Total expenses	<u>1,248,339</u>	<u>850,749</u>	<u>397,590</u>
Change in net position	902,920	1,011,965	(109,045)
Beginning net position, restated	<u>11,967,197</u>	<u>10,955,232</u>	<u>1,011,965</u>
Ending net position	<u><u>\$ 12,870,117</u></u>	<u><u>\$ 11,967,197</u></u>	<u><u>\$ 902,920</u></u>

Governmental Activities

Governmental activities increased the CRA's net position by \$902,920 caused by the increased tax base revenue and lower expenditures. These resources will be used to complete projects listed on page 24.

Financial Analysis of the CRA General Fund

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the CRA's *General 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, the *fund balance* at year-end provides the resources available for spending.

Budgetary Highlights

The difference between the CRA's original budget and the final amended budget is solely due to reappropriated fund balance for projects that were not completed by September 30, 2021.

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Long-Term Liabilities

Capital assets. As of September 30, 2022 and 2021, the CRA had \$9,753,656 and \$9,729,388, respectively, invested in a variety of capital assets, as reflected in the following schedule:

Capital Assets (Net of Accumulated Depreciation)

	2022	2021	Change
Land	\$ 8,594,313	\$ 8,491,875	\$ 102,438
Construction in progress	56,635	720,495	(663,860)
Equipment	222,827	273,602	(50,775)
Infrastructure	879,881	243,416	636,465
	<u>\$ 9,753,656</u>	<u>\$ 9,729,388</u>	<u>\$ 24,268</u>

Capital assets in the infrastructure category increased due to the following projects:

- North Municipal parking lot - \$373,554
- Mahoney Street parking lot - \$226,032

Long-term liabilities. As of year-end, the CRA had \$0 in long-term debt, as the notes payable were paid-off on January 12, 2022.

The debt position of the CRA is summarized below. Additional information can be found in Note 5 Long-Term Liabilities:

	2022	2021	Change
Notes payable	\$ -	\$ 190,490	\$ (190,490)

Request for Information

This financial report is designed to provide residents, taxpayers, customers and creditors with a general overview of the CRA's finances and to demonstrate the CRA's accountability. For questions concerning the information in this report or requests for additional financial information, contact the City's Chief Financial Officer at P.O. Box C, Plant City, Florida, 33564.

This page intentionally left blank.

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Governmental Activities
ASSETS	
Cash	\$ 3,220,664
Capital assets, nondepreciable	8,650,948
Capital assets, depreciable, net of accumulated depreciation	1,102,708
Total assets	<u>12,974,320</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	<u>104,203</u>
Total liabilities	<u>104,203</u>
NET POSITION	
Investment in capital assets	9,753,656
Restricted	3,116,461
Total net position	<u><u>\$ 12,870,117</u></u>

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

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

Functions/programs	Expenses	Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
				Governmental
				Activities
Governmental activities				
Economic environment	\$ 1,248,339	\$ -	\$ -	\$ (1,248,339)
Total governmental activities	<u>\$ 1,248,339</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,248,339)</u>
General revenues				
Property taxes				1,085,358
Intergovernmental revenue (not restricted to specific programs)				1,065,102
Unrestricted investment earnings				<u>799</u>
Total general revenues				<u>2,151,259</u>
Change in net position				902,920
Net position, beginning (restated)				<u>11,967,197</u>
Net position, ending				<u>\$ 12,870,117</u>

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

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022

ASSETS

Cash	\$ 3,220,664
Total assets	<u>\$ 3,220,664</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable and accrued liabilities	\$ 104,203
Total liabilities	<u>104,203</u>

FUND BALANCE

Restricted for:

Community redevelopment	<u>3,116,461</u>
Total fund balance	<u>3,116,461</u>
Total liabilities and fund balance	<u>\$ 3,220,664</u>

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

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

Total fund balance, General Fund	\$	3,116,461
----------------------------------	----	-----------

Amounts reported for the governmental activities in the Statement of Net
Position are different because:

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

Capital assets	\$	10,337,972	
Less accumulated depreciation		<u>(584,316)</u>	
			<u>9,753,656</u>

Total net position, governmental activities	\$	<u><u>12,870,117</u></u>
---	----	--------------------------

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

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

REVENUES

Property taxes	\$ 1,085,358
Intergovernmental - tax increment financing	1,065,102
Investment earnings	799
Total revenues	<u>2,151,259</u>

EXPENDITURES

Current	
Economic environment	630,393
Debt service	
Principal	190,490
Capital outlay	642,214
Total expenditures	<u>1,463,097</u>

Net change in fund balance	688,162
----------------------------	---------

Fund balance, beginning	<u>2,428,299</u>
--------------------------------	------------------

Fund balance, ending	<u><u>\$ 3,116,461</u></u>
-----------------------------	----------------------------

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

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE—GENERAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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

Net change in fund balance, General Fund	\$	688,162
--	----	---------

The General Fund reports capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay	\$	422,571	
Depreciation expense		<u>(122,497)</u>	
			300,074

Various miscellaneous transactions relating to capital assets reported in the Statement of Activities are not reported in the funds because they have no effect on current financial resources.

Disposal of capital assets		(275,806)
----------------------------	--	-----------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

		<u>190,490</u>
Change in net position of governmental activities	\$	<u><u>902,920</u></u>

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

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL—GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 1,086,382	\$ 1,085,358	\$ 1,085,358	\$ -
Intergovernmental	1,065,102	1,065,102	1,065,102	-
Investment earnings	-	-	799	799
Total revenues	<u>2,151,484</u>	<u>2,150,460</u>	<u>2,151,259</u>	<u>799</u>
Expenditures				
Current				
Economic environment	685,040	818,971	630,393	188,578
Debt service				
Principal	190,490	190,490	190,490	-
Capital outlay	1,036,347	1,460,330	642,214	818,116
Total expenditures	<u>1,911,877</u>	<u>2,469,791</u>	<u>1,463,097</u>	<u>1,006,694</u>
Change in fund balances	239,607	(319,331)	688,162	1,007,493
Fund balances, beginning	<u>2,428,299</u>	<u>2,428,299</u>	<u>2,428,299</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,667,906</u>	<u>\$ 2,108,968</u>	<u>\$ 3,116,461</u>	<u>\$ 1,007,493</u>

This page intentionally left blank.

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Community Redevelopment Agency (the “CRA”) was created in 1969 under Local Ordinance 12-1981 and under Section 163.356, Florida Statutes. Its sole purpose is to finance and redevelop the City of Plant City’s (the “City”) designated redevelopment areas. The CRA is governed by a Board, all of whom are members of the City Commission.

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 remove the conditions of slum and blight that existed within a large portion of the City's core and the adjacent residential areas.

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 Trust Fund and can be utilized only for projects identified in the plan.

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

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.

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (the “General Fund”) 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 other funds.” All other outstanding balances between the CRA and City (if any) are reported as “due to/from other funds.”

F. Capital Assets

Capital assets, including land, buildings and improvements, infrastructure, intangibles, and vehicles and equipment, are reported in the government-wide financial statements. Capital assets are those that have a useful life of greater than one year and a value of greater than \$1,000. Capital assets are stated at cost in the government-wide financial statements. Donated capital assets are stated at acquisition cost on the date contributed. Depreciation is recorded in the government-wide statements as an operating expense for all assets meeting the CRA’s capitalization threshold. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but are expensed as incurred. Depreciation is provided over estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Equipment	3-20 years
Infrastructure	20-50 years

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)

NOTES TO FINANCIAL STATEMENTS

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 General Fund reports 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.

Nonspendable 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 General Fund. 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. 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.

J. Risk Management

The CRA is insured, through the City's self-insurance program, for general liability, health, directors and officers, and property damage. There are no outstanding general liability claims related to the CRA.

NOTE 2 – TAX INCREMENT REVENUE

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

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – DEPOSITS AND INVESTMENTS

At September 30, 2022, the bank balances of the CRA's deposits was \$3,220,664. 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.

NOTE 4 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 8,491,875	\$ 378,244	(275,806)	\$ 8,594,313
Construction in progress	720,495	27,026	(690,886)	56,635
Total capital assets not being depreciated	<u>9,212,370</u>	<u>405,270</u>	<u>(966,692)</u>	<u>8,650,948</u>
Capital assets, being depreciated				
Infrastructure	657,622	690,886	-	1,348,508
Equipment	321,215	17,301	-	338,516
Total capital assets being depreciated	<u>978,837</u>	<u>708,187</u>	<u>-</u>	<u>1,687,024</u>
Less accumulated depreciation for				
Infrastructure	(414,206)	(54,421)	-	(468,627)
Equipment	(47,613)	(68,076)	-	(115,689)
Total accumulated depreciation	<u>(461,819)</u>	<u>(122,497)</u>	<u>-</u>	<u>(584,316)</u>
Total capital assets being depreciated, net	<u>517,018</u>	<u>585,690</u>	<u>-</u>	<u>1,102,708</u>
Capital assets, net	<u>\$ 9,729,388</u>	<u>\$ 990,960</u>	<u>\$ (966,692)</u>	<u>\$ 9,753,656</u>

Depreciation expense in the amount of \$122,497 was charged to the economic environment function for the year ended September 30, 2022. The beginning balance of construction in progress was increased by \$720,495 as described in Note 10.

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM LIABILITIES

\$400,000 Loans Payable to Hillsborough County – Funds borrowed by the CRA under the Florida Brownfields Act for the redevelopment of two City properties. The loans are non-interest bearing to be repaid upon sale of the properties or at maturity in ten years from the original agreement date of January 19, 2012. The total outstanding balance is \$0 at September 30, 2022.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities</u>					
Notes payable from direct borrowings:					
Brownfields loan, stock lumber	\$ 61,647	\$ -	\$ (61,647)	\$ -	\$ -
Brownfields loan, groomer	128,843	-	(128,843)	-	-
Total governmental activities					
long-term liabilities	<u>\$ 190,490</u>	<u>\$ -</u>	<u>\$ (190,490)</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 – BUDGETARY DATA

On or before September 1 each year, the Executive Director submits to the CRA Board a proposed operating budget for the fiscal year commencing October 1. A public meeting is conducted at City Hall to obtain taxpayer comments. Prior to October 1, the budget is approved by the CRA Board, and subsequently legally enacted by the City Commission through passage of an ordinance.

Annual budgets are adopted for the General Fund on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at the end of each fiscal year for these funds.

Budgetary control is maintained at the department level. The Executive Director is permitted to transfer appropriations between line items within departments. All other types of budget transfers or amendments must be approved by the CRA Board. Expenditures may not legally exceed budgeted appropriations at the department level.

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – DEPOSITS AND WITHDRAWALS

In accordance with the provisions of Florida Statutes, the City established the CRA Trust Fund to account for funds held by the City for and on behalf of the CRA. These funds, which arise from incremental increases in ad valorem taxes levied each year, are disbursed to the agency as provided by appropriation ordinance. The funds are to be used for community redevelopment activities as approved by the CRA and pursuant to the City's community redevelopment plan. A summary of the activity and available funding for future projects of the CRA Fund at year-end are as follows:

Funds Available for Projects at September 30, 2021			\$ 2,428,299
Inflow			
County Property Tax Increment	\$ 1,067,934		
City Property Tax Increment	1,065,103		
Tampa Port Authority	17,423		
Interest Income	799	<u>2,151,259</u>	
Outflow			
Professional Services	32,982		
Litigation and Outside Services	33,868		
Annual Audit	5,500		
State Filing Fee	175		
Contractual Services	165,894		
Office Supplies	2,548		
Utilities	878		
Demolition and Lot Clearing	15,095		
Street Resurfacing	347,583		
Building and Property Maintenance	81,229		
Subscription and Membership	1,220		
Capital Equipment	2,328		
Capital Improvements	453,538		
Property Acquisition	\$ 385,444		
Infrastructure Improvements	41,069		
Parking Lot Improvements	27,025		
Debt Service	190,490		
Incentive	129,769	<u>1,463,097</u>	
Funds Available For Future Projects at Year-End			<u>\$ 3,116,461</u>
Future Projects			
Property Acquisition	\$ 29,555		
Railroad Quiet Zones	30,803		
Parking Lot Improvements	88,857		
Laura Street Neighborhood	35,450		
McCall Park Redesign	50,000		
String Lights - McCall Park	50,000		
Evers Street Improvements	650,000		
Downtown Landscaping Plan	50,000		
Brewer Parking	75,000		
Collins Street	150,000		
Collins Street - Phase 1A	400,000		
Downtown Boardwalk	250,000		
Brick Road Restoration	190,000		
Marie B Ellis Dog Park	45,000		
Midtown Wastewater Collection System	600,000		
Incentive Program	100,000		
Contingency	<u>321,796</u>		
Total Future Projects			<u>\$ 3,116,461</u>

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – CONTINGENT LIABILITIES

The CRA receives revenues from various federal grants. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in disallowed expenditures under the terms of the grants. Based upon prior experience, CRA management believes such disallowances, if any, would be immaterial.

NOTE 9 – RISK MANAGEMENT

The CRA is exposed to various risks of loss, including general liability, personal injury, workers compensation, and errors and omissions. To manage its risks, the CRA has purchased commercial insurance.

NOTE 10 – RESTATEMENT

The CRA has determined that a restatement to the beginning net position as noted below was required to reflect the correction of errors in the September 30, 2021 financial report. The restatements were required to properly reflect capital assets not previously reported.

Net position, governmental activities	\$ 11,246,702
Restatement to include construction in progress in capital assets as of September 30, 2021	<u>720,495</u>
Net position, governmental activities as restated	<u><u>\$ 11,967,197</u></u>

NOTE 11 – SUBSEQUENT EVENTS

The CRA has evaluated all subsequent events through March 7, 2023 the date the financial statements were available to be issued.

This page intentionally left blank.

OTHER REPORTS



**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**

Board of Directors and Executive Director
Plant City Community Redevelopment Agency
Plant City, 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 major fund of the Plant City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Plant City, 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 7, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

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*.

Plant City Community Redevelopment Agency's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the CRA's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The CRA's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 7, 2023

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)

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

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?

 X Yes No

Significant deficiencies identified not considered
to be material weaknesses?

 Yes X None reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards and State Financial Assistance Projects

The Plant City Community Redevelopment Agency 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

2022-001 Construction Work in Progress

Criteria: To ensure that financial statements properly present the financial position and results of operations of the CRA in accordance with generally accepted accounting principles (GAAP), in addition to providing meaningful financial reports to the CRA Board of Directors and management, the City should ensure that all capital assets, including construction work in progress, are properly reflected at year-end.

Condition: During testing of the CRA's Capital Assets, we noted that projects were in progress at the end of the prior fiscal year, but not recorded in Construction Work in Progress as of September 30, 2021, causing CRA Government-wide journal entries to be posted to reflect these amounts. A restatement to the CRA Government-wide beginning net position was required to ensure the financial statements were free from material misstatement.

Context/Cause: Finance Department did not separately identify construction in progress projects, specific to the CRA, from the city-wide construction in progress projects which are inclusive of CRA projects.

Effect: Audit adjustments to increase the construction work in progress by \$720,495 were required to be posted within the CRA Governmental Activities for the fair presentation of the financial statements.

Recommendation: We recommend that the City implement a review process to ensure all fixed assets, including construction work in progress project amounts, are properly posted to the CRA's records.

Management's Response: We concur with the finding and will implement a review process to ensure all fixed assets, including construction work in progress project amounts, are properly posted to the CRA's records.

PLANT CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Plant City, Florida)

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

None.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Plant City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Plant City, Florida) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 7, 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 7, 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. There are no component units.

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.

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.

Specific Information

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year was two.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year was three.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$137,491.
- d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$924,908.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects in fiscal year 2022: CR001 – Property Acquisition – \$385,444, CR009 – Parking Lots – \$27,026; ST026 – Streets – \$186,347.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as seen on page 17.

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.

Bradenton, Florida
March 7, 2023

Mauldin & Jenkins, LLC

This page intentionally left blank.



INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Plant City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Plant City, Florida) compliance with Section 218.415, 163.387(6), and 163.387(7), Florida Statutes, regarding the investment of public funds 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 7, 2023

This page intentionally left blank.