



**ST. AUGUSTINE**  
COMMUNITY REDEVELOPMENT AGENCY  
CITY OF ST. AUGUSTINE, FLORIDA

**City of St. Augustine**  
**Community Redevelopment Agency**

**Financial Statements**  
**&**  
**Independent Auditor's Report**

75 King Street St. Augustine, FL 32084 | [www.CityStAugCRA.com](http://www.CityStAugCRA.com)



## Table of Contents

|  | <u>Page</u>  |
|--|--------------|
| <b>Independent Auditor's Report</b>  | <b>3-5</b>   |
| <b>Management's Discussion and Analysis</b>  | <b>9-13</b>  |
| <b>Financial Statements</b>  |              |
| Government-wide Financial Statements:  |              |
| Statement of Net Position  | <b>17</b>    |
| Statement of Activities:   | <b>18</b>    |
| Fund Financial Statements  |              |
| Balance Sheet  | <b>19</b>    |
| Statement of Revenues, Expenditures and Changes in Fund Balances   | <b>20</b>    |
| Notes to the Basic Financial Statements  | <b>23-26</b> |
| <b>Required Supplementary Information:</b>   |              |
| Budgetary Comparison Schedule (Unaudited)  | <b>29-30</b> |
| <b>Compliance Section:</b>   |              |
| 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 | <b>33-34</b> |
| Independent Accountants Examination Report   | <b>35</b>    |
| Management Letter in accordance with the Rules of the Auditor General of the State of Florida  | <b>36-38</b> |



**Independent Auditor's Report**





## INDEPENDENT AUDITOR'S REPORT

To the Governing Members  
City of St. Augustine Community Redevelopment Agency  
St. Augustine, Florida

### **Opinion**

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of St. Augustine Community Redevelopment Agency (CRA), a component unit of the City of St. Augustine, 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

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 its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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 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 opinion.

### **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 within one year after the date that the financial statements are available to be issued.

## **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 opinion. 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 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.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents (collectively, the required supplementary information) 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 May 31, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

*Masters, Smith & Wisely, P.A.*  
Certified Public Accountants  
Jacksonville, Florida

May 31, 2023

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## **Management's Discussion and Analysis**



City of St. Augustine Community Redevelopment Agency  
Management's Discussion and Analysis - Unaudited  
September 30, 2022

The Management's Discussion and Analysis (MD&A) of the City of St. Augustine Community Redevelopment Agency ("Agency") is designed to provide a synopsis and simplistic disclosure of financial activities based on current known facts, decisions, and circumstances. The MD&A provides a broad overview of information presented in the financial statements. The MD&A is designed to allow the reader to focus on significant financial activity, identify any changes, and provide insight as well as address the opportunities and/or challenges that may come in the upcoming Fiscal Year ("FY"). This analysis will identify if there were any deviations from the approved budget and provide an objective overall evaluation. The information encompassed in this MD&A is only a component of the complete financial report.

**Financial Overview**

The City of St. Augustine Community Redevelopment Agency has established two separate Community Redevelopment Areas. Those two areas include the Historic Transportation and Parking Area (HACRA) and the Lincolnville Community Redevelopment Area (LCRA). Utilizing the Community Redevelopment Plan and the Plan Amendment as its guiding tool, the Agency structures projects, and programs to align with the findings and recommendations found in the Community Redevelopment Plan. The budget for both areas is determined and allocated using this same information.

The Downtown Parking Garage and Visitors Information Center was completed in July of 2006 and has since been the main expenditure of the HACRA with the exception of this Fiscal Year yielding expenses relates to the amendment of the Community Redevelopment Plan. The Lincolnville Community Redevelopment Area, established in 2013 has three main components: retention of long-term residents, preservation of historic character, and beautification and mobility. The financial impacts recognized in this report are related to those components.

City of St. Augustine Community Redevelopment Agency  
Management's Discussion and Analysis - Unaudited  
September 30, 2022

The MD&A will highlight expenditures, revenues, and future allocation of funds related to project and program opportunities. This MD&A will disclose financial activity related to both, the Historic Parking and Transportation Area and the Lincolnville Community Redevelopment Area.

**Financial Highlights**

Fiscal Year 2022 combined revenue or available budget for the Community Redevelopment Agency (CRA) was \$2,568,422. This figure encompasses \$1,380,136 for the Historic Transportation and Parking Area (HACRA) and \$1,188,286 for the Lincolnville Community Redevelopment Area (LCRA). These amounts represent the incoming revenue for Fiscal Year 2022 and do not include carryforward funds from the prior fiscal year(s). The total revenue is inclusive of Ad Valorem Taxes, earned interest, and investment revenues.

The assets of the CRA exceeded its liabilities and responsibilities. The Agency ended the Fiscal Year with a \$1,786,253 available budget (net position), not inclusive of prior fiscal year(s) carryforward funds. The Historic Transportation and Parking Area utilized 100 percent of its available budget, while the LCRA expended 30.6 percent. The aforementioned expenditures are not inclusive of funds encumbered and available to be spent on ongoing projects or programs.

During the Fiscal Year, the Lincolnville Community Redevelopment Area saw an increase in revenue by 13.05 percent or \$155,055. The total revenue, encompassing Ad Valorem Taxes and investment revenue, was \$467,650. The increase was primarily from the surge in property values within the Community Redevelopment Area and an increase in the Tax Increment Funds (TIF).

The Historic Area budget encompasses incremental taxes totaling \$528,460 and a general fund transfer of \$851,678.

City of St. Augustine Community Redevelopment Agency  
Management's Discussion and Analysis - Unaudited  
September 30, 2022

**HACRA Program Financial Disclosures**

The Historic Area was established in 2000 to address blight related to transportation and parking in the downtown area. Since its formation, the main efforts of this redevelopment area have been realized with the construction of the Visitors Information Center and the Downtown Parking Facility.

The majority of the budgeted revenue is allocated toward costs related to decreasing the debt service for the Downtown Parking Facility. 96 percent or \$1,327,740 was utilized to cover expenses related to the cost of the parking facility. This underutilization left an available budget of \$74,000. Of that remaining budget, \$56,180 was spent to cover professional service costs related to the amendment of the HACRA Redevelopment Plan. The Community Redevelopment Plan is being amended to address the extension of the operational timeframe and expound upon language related to parking and mobility efforts within the CRA boundaries. The remaining \$17,820 is encumbered to be used for future project and program opportunities within the CRA boundaries.

**LCRA Program Financial Disclosures**

The Community Redevelopment Plan Amendment adopted in June of 2017 is the guiding principle for determining budget allocations and financial expenditures. The Plan Amendment defines three main components of the Lincolnville Community Redevelopment Area. The plan thoroughly captures the importance of prioritizing the integrity of Lincolnville's history and heritage, as well as maintaining the community's character through the redevelopment process.

The preservation of African American Heritage and the retention of long-term residents is accomplished with funding allocations for the Fix-It-Up Grant Program. This program awards qualified residents with a maximum grant of \$20,000. Grant funds are used to provide health and safety repairs to residential property. The initial program guidelines awarded \$7,000 grants to qualifying residents. Residents who initially matriculated through the program and received the \$7,000 grant could qualify to receive additional funding of \$13,000, which would equate to the full \$20,000 grant. During Fiscal Year 2022, the program budget was \$215,000. This program budget is inclusive of newly

City of St. Augustine Community Redevelopment Agency  
Management's Discussion and Analysis - Unaudited  
September 30, 2022

allocated funds and carryforward from the prior fiscal year. Program spending was at 15 percent. Because of the decline in program spending from prior years, the City Commission tasked the CRA Manager with determining the future direction of the program and developing a program model that would increase interest.

To preserve the historic character of Lincolnville the Institutional Rehabilitation Grant Program was established. This program is designed to provide extensive structural rehabilitation to historic institutions in Lincolnville. The rehabilitation program focuses on revitalizing blighted, historic structures. Phase II of the First Baptist Church restoration project was initiated during FY 2022. Funds allocated for this second and final phase of the project were \$462,177. An additional \$250,000 was earmarked for future Institutional Rehabilitation Grant Program projects. About 8 percent of the funds allocated were used during FY 2022. Funds were used to finalize the design and architectural elements of the project.

Neighborhood improvements and beautification is the third component outlined in the Lincolnville Community Redevelopment Plan Amendment. This component focuses on the overall presentation of the community. Funds are allocated to developing concepts, redesigning streets, reimagining main corridors, resurfacing, and installing sidewalks, developing, and enhancing pocket parks, as well as the development of an urban forestry program. Not inclusive of the prior year's surplus, the Agency budgeted \$421,832 for overall neighborhood infrastructure and beautification. Including the carryforward from prior fiscal years, the line item totaled \$622,000. Inclusive of carryforward and newly allocated funds, \$300,00 was earmarked to absorb the cost related to the development of a landscape masterplan. The plan includes developing a specific masterplan for the improvement of over 25 acres of recreational space in the LCRA. The additional monies were allocated to fund pocket park projects throughout the CRA and continued design of the Dr. Martin Luther King, Jr. Ave. Streetscape Project, tree planting, neighborhood sidewalks, and general beautification efforts.

The Agency anticipates increased spending in the upcoming fiscal year to cover the cost of construction related to all future projects in the 2022-2023 Fiscal Year. Funds will be allocated to ensure that all projects are funded accordingly.



City of St. Augustine Community Redevelopment Agency  
Management's Discussion and Analysis - Unaudited  
September 30, 2022

The Community Redevelopment Agency continues to work diligently to utilize funds to ensure that both Community Redevelopment Area's needs and concerns are addressed relative to identified challenges outlined in the Community Redevelopment Plan. The Agency uses an abundance of community engagement initiatives,

including, but not limited to public meetings, charrettes, workshops, questionnaires, and surveys to ensure that community stakeholders are included in the processes that further the meaningful (re)development of the CRA.

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# **Basic Financial Statements**



**City of St. Augustine Community Redevelopment Agency**  
**Statement of Net Position**  
**September 30, 2022**

|  |                    |
|--|--------------------|
| <b>Assets</b>                            |                    |
| Cash and cash equivalents                | <u>\$1,820,137</u> |
| <b>Liabilities</b>                       |                    |
| Accounts payable and accrued liabilities | <u>\$33,884</u>    |
| <b>Net Position</b>                      |                    |
| Restricted for Redevelopment Projects    | <u>\$1,786,253</u> |

See accompanying notes to the basic financial statements

**City of St. Augustine Community Redevelopment Agency**  
**Statement of Activities**  
**For Year Ended September 30, 2022**

|   | <b>Expenses</b> | <b>Net Revenue<br/>(Expense) and<br/>Changes in Net<br/>Position</b> |
|---|-----------------|--|
|   |                 | <b>Total<br/>Governmental<br/>Activites</b>                          |
| <b>Governmental Activities</b>  |                 |  |
| Community Redevelopment   | \$ 734,282      | \$ (734,282)   |
| <b>General Revenues:</b>  |                 |  |
| Tax Increment Financing   |                 | 983,267  |
| Investment Income   |                 | 16,625   |
| <b>Transfers</b>  |                 | 210,867  |
| <b>Total General Revenues and Transfers</b>   |                 | 1,210,759  |
| Change in Net Position  |                 | 476,477  |
| <b>Net Position</b> - Beginning of Year   |                 | 1,309,776  |
| <b>Net position</b> - End of Year   |                 | \$ 1,786,253   |
| <b>Reconciliation of the Governmental Fund Balance<br/>Sheet to the Statement of Net Position</b> |                 |  |
| <b>Total Fund Balance - Governmental Funds</b>  |                 | \$ 1,786,253   |
| <b>Net Position of Governmental Activites</b>   |                 | \$ 1,786,253   |

See accompanying notes to the basic financial statements

**City of St. Augustine Community Redevelopment Agency**  
**Balance Sheet - Governmental Funds**  
**September 30, 2022**

|  | <b>Historic Area<br/>Community<br/>Redevelopment<br/>Area</b> | <b>Lincolnvile<br/>Community<br/>Redevelopment<br/>Area</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|---|---|---|
|  | <u>                    </u>                                   | <u>                    </u>                                 | <u>                    </u>             |
| <b>ASSETS</b>  |   |   |   |
| Cash and cash equivalents                            | \$ -  | \$ 1,820,137  | \$ 1,820,137                            |
|  | <u>                    </u>                                   | <u>                    </u>                                 | <u>                    </u>             |
| <b>LIABILITIES</b>                                   |   |   |   |
| Accounts payable and<br>accrued liabilities          | \$ -  | \$ 33,884   | \$ 33,884                               |
|  | <u>                    </u>                                   | <u>                    </u>                                 | <u>                    </u>             |
| <b>FUND BALANCE</b>                                  |   |   |   |
| Fund Balance:  |   |   |   |
| Restricted for<br>Redevelopment Projects             | -   | 1,786,253   | 1,786,253                               |
|  | <u>                    </u>                                   | <u>                    </u>                                 | <u>                    </u>             |
| Total liabilities and fund<br>balance / net position | \$ -  | \$ 1,820,137  | \$ 1,820,137                            |
|  | <u>                    </u>                                   | <u>                    </u>                                 | <u>                    </u>             |

See accompanying notes to the basic financial statements

**City of St. Augustine Community Redevelopment Agency**  
**Statement of Revenues, Expenditures and Fund Balance - Governmental Funds**  
**For Year Ended September 30, 2022**

|   | <b>Historic Area<br/>Community<br/>Redevelopment<br/>Area</b> | <b>Lincolnvile<br/>Community<br/>Redevelopment<br/>Area</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|---|---|---|
| <b>Revenues</b>   |   |   |   |
| Taxes   | \$ 528,458  | \$ 454,809  | \$ 983,267                              |
| Investment Income   | 3,784   | 12,841  | 16,625                                  |
| <b>Total Revenues</b>   | <u>532,242</u>  | <u>467,650</u>  | <u>999,892</u>                          |
| <b>Expenditures/ expenses</b>   |   |   |   |
| Current:  |   |   |   |
| Community Redevelopment   | 56,180  | 638,002   | 694,182                                 |
| Capital outlay  | -   | 40,100  | 40,100                                  |
| <b>Total Expenditures/expenses</b>  | <u>56,180</u>   | <u>678,102</u>  | <u>734,282</u>                          |
| Excess (deficiency) of revenues over<br>expenditures / operating/ income (loss) | <u>476,062</u>  | <u>(210,452)</u>  | <u>265,610</u>                          |
| Other financing sources (uses)  |   |   |   |
| Transfers in from primary government  | 851,678   | 733,477   | 1,585,155                               |
| Transfers out to primary government   | (1,327,740)   | (46,548)  | (1,374,288)                             |
| <b>Total other financing sources (uses)</b>                                     | <u>(476,062)</u>  | <u>686,929</u>  | <u>210,867</u>                          |
| <b>Net Change in fund balance/ net position</b>                                 | <u>-</u>  | <u>476,477</u>  | <u>476,477</u>                          |
| <b>Fund balance/ net position, beginning of year</b>                            | <u>-</u>  | <u>1,309,776</u>  | <u>1,309,776</u>                        |
| <b>Fund balance/ net position, end of year</b>                                  | <u>\$ -</u>   | <u>\$ 1,786,253</u>   | <u>\$ 1,786,253</u>                     |

Reconciliation of the Statement of Revenues, Expenditures and changes in Fund Balance to the Statement of Activities is not required as there were no reconciling items.

See accompanying notes to the basic financial statements

See accompanying notes to the basic financial statements



## **Notes to the Basic Financial Statements**



City of St. Augustine Community Redevelopment Agency  
Lincolnville Community Redevelopment Area &  
Historic Area Redevelopment Area  
Notes to Financial Statements  
September 30, 2022

(1) **Summary of Significant Accounting Policies:**

The financial statements of the St. Augustine Community Redevelopment Agency (the CRA) have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the CRA has adopted the GASB Codification. The following is a summary of the CRA's significant accounting policies:

(a) **Reporting entity** - The Historic Area Transportation and Parking Community Redevelopment Agency was created on December 28<sup>th</sup>, 2000, by City Ordinance 2000-45 of the City of St. Augustine, Florida (the City), pursuant to Florida Statute 163.387, to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the designated community redevelopment area. The CRA's initial purpose was to address a parking blight and that was its sole purpose until 2013. Since the City is financially accountable for the activities of the CRA, its governing board is the same, and its relationship to the CRA is significant. The CRA is considered to be a blended component unit in the City's financial statements, where the areas are also reported as a major special revenue funds.

On February 11<sup>th</sup>, 2013 the City Commission found the existence of a blighted area and adopted Resolution No. 2013-01 designating said blighted area as the Lincolnville Community Redevelopment Area. On April 8<sup>th</sup>, 2013 Ordinance 2000-45 was amended to change the name of the CRA to the St. Augustine Community Redevelopment Agency. The agency is to govern the Historic Area Transportation and Parking Community Redevelopment Area and the Lincolnville Community Redevelopment Area.

The CRA has determined there are no component units that meet criteria for inclusion in the CRA's financial statements.

(b) **Government-wide and fund financial statements** - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the CRA. The CRA only has governmental activities and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include increment ad valorem taxes that exceed the base year and interest income. Fund financial statements are presented for the CRA's General Fund which are combined by area.

(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 are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers property revenues to be available if they are collected within 60 days of the end of the current period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, expenditures related to long-term agreements are recorded only when payment is due.

City of St. Augustine Community Redevelopment Agency  
Lincolnville Community Redevelopment Area &  
Historic Area Redevelopment Area  
Notes to Financial Statements  
September 30, 2022

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Budgets and budgetary accounting** - The governing board of the CRA adopts an annual operating budget, which is prepared on a modified accrual basis and can be amended by the board throughout the year. At the fund level, actual expenditures cannot exceed the budgeted amounts. The accompanying budgeted financial statements for the CRA reflect the final budget authorization amounts, including all amendments.

(e) **Deposits and investments** - The CRA's cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Receivables and payables** - Activity between the CRA and the City was classified as amount due to/ from the primary government on the balance sheet and statement of net position, when applicable. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is, based upon management's analysis of outstanding balances and historical trends. On September 30, 2022, the CRA had no outstanding receivables.

(g) **Prepaid items** - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The CRA had no prepaid items as of September 30, 2022.

(h) **Capital assets** - The CRA does not own any capital assets. Any capital outlay expenditures made by the CRA are deemed to be on behalf of the City who takes ownership of the assets along with the perpetual maintenance obligation for those assets

(i) **Long-term obligations** - The CRA does not have any legal indebtedness. Any use of funds for debt service represents payments toward long-term debt issued in the name of the City for which CRA revenues have been pledged.

(j) **Fund equity** - In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

*Non-spendable* – Amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

*Restricted* – Amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

*Committed* – Amounts constrained to specific purposes based on actions taken by the CRA governing board through ordinance.

City of St. Augustine Community Redevelopment Agency  
Lincolnvile Community Redevelopment Area &  
Historic Area Redevelopment Area  
Notes to Financial Statements  
September 30, 2022

(1) **Summary of Significant Accounting Policies:** (Continued)

*Assigned* – Amounts the CRA intends to use for a specific purpose. Intent can be expressed by the CRA governing board or by an official or body which the Board delegates authority.

*Unassigned* – Amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the CRA considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(k) **Deferred outflows/inflows of resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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. The CRA has no items that meet this reporting criteria.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The CRA has no items that meet this reporting criteria.

(l) **Net position flow assumption** - Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the CRA's policy to consider restricted net position to have been used before unrestricted net position is applied.

(m) **Use of estimates** - Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Deposits and Investments:**

The CRA is subject to the investment policy of the primary government and has no cash or investment held outside of the CRA's interest in the City's pooled cash and investments. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the CRA to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2022, all CRA deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the CRA's deposits are held with public depositories and as of September 30, 2022, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

City of St. Augustine Community Redevelopment Agency  
Lincolntonville Community Redevelopment Area &  
Historic Area Redevelopment Area  
Notes to Financial Statements  
September 30, 2022

**(3) Commitments and Contingencies:**

The CRA is engaged in various liability claims incidental to the conduct of its general government operations on September 30, 2022. The outcomes of established claims are included in these financial statements. In the opinion of the CRA and the primary government's legal counsel, no legal proceedings are pending or threatened against the CRA which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**(4) Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, as adjusted based on the impacts of GASB Statement No. 95, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the CRA's financial statements:

- (a) Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement will take effect for reporting periods starting after December 15, 2021.
- (b) Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2022.
- (c) Statement No. 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2022.
- (d) Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2022.
- (e) Statement No. 99, "Omnibus 2022." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2023.
- (f) Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62." The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2023.
- (g) Statement No. 101 "Compensated Absences." The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

## **Required Supplementary Information**





**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Special Revenue Fund - Historic Area Community Redevelopment Agency**  
**For the Year Ended September 30, 2022**

|   | Original<br>Budget | Final<br>Budget  | Actual<br>Amount | Variance<br>with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|------------------|------------------|--|
| <b>REVENUES</b>                                 |                    |                  |                  |  |
| Intergovernmental                               | 528,460            | 528,460          | \$ 528,458       | \$ (2)   |
| Investment Income                               | -                  | -                | 3,784            | 3,784  |
| <b>Total Revenues</b>                           | <b>528,460</b>     | <b>528,460</b>   | <b>532,242</b>   | <b>3,782</b>   |
| <b>EXPENDITURES</b>                             |                    |                  |                  |  |
| Current Operating:                              |                    |                  |                  |  |
| General Government                              | -                  | 74,000           | 56,180           | 17,821   |
| Capital Outlay                                  | -                  | -                | -                | -  |
| <b>Total Expenditures</b>                       | <b>-</b>           | <b>74,000</b>    | <b>56,180</b>    | <b>17,821</b>  |
| <b>Excess of Revenues<br/>Over Expenditures</b> | <b>528,460</b>     | <b>454,460</b>   | <b>476,062</b>   | <b>21,602</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>           |                    |                  |                  |  |
| Transfers In                                    | \$ 851,678         | \$ 851,678       | \$ 851,678       | \$ -   |
| Transfers (Out)                                 | (1,380,138)        | (1,306,138)      | (1,327,740)      | (21,602)   |
| <b>Total Other Financing Sources (Uses)</b>     | <b>(528,460)</b>   | <b>(454,460)</b> | <b>(476,062)</b> | <b>(21,602)</b>  |
| <b>Net Change in Fund Balances</b>              | <b>-</b>           | <b>-</b>         | <b>-</b>         | <b>-</b>   |
| <b>Fund Balances - Beginning</b>                | <b>-</b>           | <b>-</b>         | <b>-</b>         | <b>-</b>   |
| <b>FUND BALANCES - ENDING</b>                   | <b>\$ -</b>        | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>  |

*See accompanying notes to basic financial statements*

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Special Revenue Fund - Lincolnville Community Redevelopment Agency**  
**For the Year Ended September 30, 2022**

|   | Original<br>Budget  | Final<br>Budget    | Actual<br>Amount    | Variance<br>with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|--------------------|---------------------|--|
| <b>REVENUES</b>                                 |                     |                    |                     |  |
| Intergovernmental                               | \$ 455,118          | \$ 455,118         | \$ 454,809          | \$ (309)   |
| Investment Income                               | -                   | -                  | 12,841              | 12,841   |
| <b>Total Revenues</b>                           | <b>455,118</b>      | <b>455,118</b>     | <b>467,650</b>      | <b>12,532</b>  |
| <b>EXPENDITURES</b>                             |                     |                    |                     |  |
| Current Operating:                              |                     |                    |                     |  |
| General Government                              | 723,600             | 1,863,749          | 638,002             | 1,225,747  |
| Capital Outlay                                  | 421,832             | 456,591            | 40,100              | 416,491  |
| <b>Total Expenditures</b>                       | <b>1,145,432</b>    | <b>2,320,340</b>   | <b>678,102</b>      | <b>1,642,238</b>   |
| <b>Excess of Revenues<br/>Over Expenditures</b> | <b>(690,314)</b>    | <b>(1,865,222)</b> | <b>(210,452)</b>    | <b>1,654,770</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>           |                     |                    |                     |  |
| Transfers In                                    | 736,862             | 1,450,699          | 733,477             | (717,222)  |
| Transfers (Out)                                 | (46,548)            | (46,548)           | (46,548)            | -  |
| <b>Total Other Financing Sources (Uses)</b>     | <b>690,314</b>      | <b>1,404,151</b>   | <b>686,929</b>      | <b>(717,222)</b>   |
| <b>Net Change in Fund Balances</b>              | <b>-</b>            | <b>(461,071)</b>   | <b>476,477</b>      | <b>937,548</b>   |
| <b>Fund Balances - Beginning</b>                | <b>1,309,776</b>    | <b>1,309,776</b>   | <b>1,309,776</b>    | <b>-</b>   |
| <b>FUND BALANCES - ENDING</b>                   | <b>\$ 1,309,776</b> | <b>\$ 848,705</b>  | <b>\$ 1,786,253</b> | <b>\$ 937,548</b>  |

*See accompanying notes to basic financial statements*

# **Compliance Section**

This Section Contains the Following:

**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***

**Independent Accountant's Examination Report**

**Management Letter**



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 GOVERNMENTAL AUDITING STANDARDS

To the Governing Members  
City of St. Augustine Community Redevelopment Agency  
St. Augustine, 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 City of St. Augustine Community Redevelopment Agency (the CRA), a component unit of the City of St. Augustine, 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 May 31, 2023.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered the CRA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or 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 and deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Compliance and Other Matters:**

As part of obtaining reasonable assurance about whether the CRA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report:**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Masters, Smith & Wiley, P.A.*  
Certified Public Accountants  
Jacksonville, Florida

May 31, 2023



STEVEN D. RAWLINS, CPA  
GARY M. HUGGETT, CPA  
DAVID W. HOWIE, CPA

INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT

To the Governing Members  
City of St. Augustine Community Redevelopment Agency  
St. Augustine, Florida

We have examined the City of St. Augustine Community Redevelopment Agency's (the CRA) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, Redevelopment Trust Fund (collectively, the "Statutes") as required by Section 10.556(10)(a), *Rules of the Auditor General* for the year ended September 30, 2022. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the CRA's compliance with specific requirements.

In our opinion, the CRA compiled, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

This report is intended solely for the information and use of the Florida Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, and the Board of Directors and applicable management of the CRA, and is not intended to be and should not be used by anyone other than these specified parties.

*Masters, Smith & Wisby, P.A.*  
Certified Public Accountants  
Jacksonville, Florida

May 31, 2023

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**INDEPENDENT AUDITOR'S MANAGEMENT LETTER  
REQUIRED BY CHAPTER 10.550, RULES OF THE STATE  
OF FLORIDA OFFICE OF THE AUDITOR GENERAL**

To the Governing Members  
City of St. Augustine Community Redevelopment Agency  
St. Augustine, Florida

**Report on the Financial Statements**

We have audited the financial statements of the City of St. Augustine Community Redevelopment Agency (the CRA), a component unit of the City of St. Augustine, Florida, as of and for the fiscal year ended September 30, 2022 and have issued our report thereon dated May 31, 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 Florida 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 Standards*, and Independent Accountant's Report on an examination conducted in accordance with the *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 31, 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 annual financial report. No prior separate audit has been performed for the CRA, therefore there are no prior findings and recommendations.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General* requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed



in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note (1) of the basic financial statements.

### **Financial Condition**

Pursuant to Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report 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 identification of the specific conditions met. In connection with our audit, we determined the CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the CRA. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by 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 had no 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 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.

Sections 218.39(3)(c) and 218.32(1)(e)2-3 Florida Statutes and Section 10.558(4) Rules of the Auditor General requires us to communicate the following:

- (1) the total number of district employees compensated in the last pay period of the fiscal year - 1
- (2) the total number of independent contractors compensated in the last month of the fiscal year-8
- (3) all compensation paid or accrued to employees -\$85,330.18 for the fiscal year
- (4) all compensation paid or accrued to independent contractors - \$592,771.52 for the fiscal year
- (5) each construction project with cost of at least \$65,000 approved by the district and scheduled to begin after October 1 of the reporting year and total expenditures of such projects – First Baptist Phase II, \$370,259.3
- (6) a budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, and the amended budget under Section 189.016(6), Florida Statutes – See the financial statements for variances in General Government and Capital Outlay Expenditures and Transfers In.

**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 CRA's governing board and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Mastes, Smith & Wolf, P.A.*  
Certified Public Accountants  
Jacksonville, Florida

May 31, 2023