

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY
FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY

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**Englewood Community Redevelopment Agency
September 30, 2023**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Englewood Community Redevelopment Agency (the CRA), a component unit of Sarasota County, Florida (the "County") as of and for the year ended in September 30, 2023 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 the major fund of the CRA as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 twelve 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 Standard*, 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.

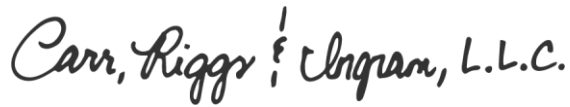
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2024, 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.



Carr, Riggs, & Ingram, LLC

Sarasota, Florida
March 8, 2024

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY

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Management's Discussion and Analysis

As management of the Englewood Community Redevelopment Agency (the CRA) of Sarasota County, Florida, we offer the readers of the CRA's basic financial statements this narrative overview and analysis of the financial activities for fiscal year ended September 30, 2023.

Financial Highlights

- The assets of the CRA exceeded its liabilities as of September 30, 2023 by \$3,692,750 (Net Position). Of this amount, \$360,818 was invested in capital assets and \$3,331,932 was restricted for redevelopment purposes.
- The CRA's total assets as of September 30, 2023 were \$3,867,695. The main contributor in the increase of total assets can be found on page 11.
- The CRA's total revenue was \$3,633,715, consisting primarily of Ad Valorem Taxes.
- The increase in net position was \$1,387,628 and is described on page 12.
- The CRA's total expenses were \$644,609. The key factor in the increase of total expenses can be found on page 12.

Overview of Agency

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

Overview of the Financial Statements

The discussion and analysis is intended to serve as introduction to the CRA's basic financial statements. The CRA's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains Required Supplementary Information in addition to the basic financial statements themselves.

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

The *statement of net position* presents the CRA's assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

The *statement of activities* presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items which will only result in cash flows in future fiscal periods.

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

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 - 24 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the CRA's budget. Required Supplementary Information can be found on page 27.

Government-Wide Financial Analysis

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

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

Statement of Net Position as of September 30, 2023

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Assets		
Current and other assets	\$ 3,506,877	\$ 2,082,434
Depreciable capital assets (net)	360,818	241,422
Total assets	<u>3,867,695</u>	<u>2,323,856</u>
Liabilities		
Current liabilities	174,945	18,734
Total liabilities	<u>174,945</u>	<u>18,734</u>
Net Position:		
Net investment in capital assets	360,818	241,422
Restricted	3,331,932	2,063,700
Total net position	<u>\$ 3,692,750</u>	<u>\$ 2,305,122</u>

Assets increased by \$1,543,839 from the prior year due to an increase in cash related to taxes collected. Liabilities increased by \$156,211 from the prior year related to the lease liability for office space. There was an increase in net position of \$1,387,628 in the current year. The CRA's largest portion of net position is reported as restricted and can only be used for community redevelopment in accordance with Chapter 163, Florida Statutes and the Community Redevelopment Plan.

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

Statement of Activities
For the year ended September 30, 2023

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues:		
<i>General revenues:</i>		
Taxes	\$ 3,506,594	\$ 2,845,115
Interest income	120,530	32,658
Net inc (dec) in fair value of investments	6,591	(266,142)
Total revenues	<u>3,633,715</u>	<u>2,611,631</u>
Expenses:		
<i>Governmental activities:</i>		
Economic Environment	644,067	490,466
<i>Debt service:</i>		
Interest and fiscal charges	542	
Total expenses	<u>644,609</u>	<u>490,466</u>
Transfers:		
Transfers in	-	2,142
Transfers out	(1,601,478)	(2,384,729)
Change in Net Position	1,387,628	(261,422)
Net position - Beginning	2,305,122	2,566,544
Net position - Ending	<u>\$ 3,692,750</u>	<u>\$ 2,305,122</u>

For fiscal year ending September 30, 2023, total revenues were \$3,633,715. Total expenses were \$644,609 which was an increase of \$154,143 due to an increase in reimbursements to local businesses for storefront improvements. Transfers out were \$1,601,478 which was a decrease of \$783,251 as a direct result of decreased spending on capital projects.

Governmental activities. For fiscal year ending September 30, 2023, governmental activities' net position increased by \$1,387,628 compared to a decrease of \$261,422 in the prior year. The main reason for current year changes are as follows:

- The transfers out decreased as a result of no spending on both the West Dearborn Street Plaza Improvement project and South McCall Improvement project requiring less funding for project improvements in fiscal year 2023 compared to fiscal year 2022. Both of these projects were completed in fiscal year 2023.

Financial analysis of the CRA's funds

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

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

As of the end of the fiscal year, the CRA's governmental fund reported an ending fund balance of \$3,462,107 which is restricted for community redevelopment expenditures. The fund balance had an increase of \$1,140,941 in comparison with the prior year due to changes in the market impacting investment income and a decrease in transfers to fund capital activity.

Budgetary Highlights

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

Actual expenditures in the governmental fund were \$1,299,711 less than final budgeted amounts. The main reason for this is due to the timing of one-time expenditures.

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

Capital Asset and Debt Administration

Capital Assets. The CRA's investment in capital assets for its governmental activities as of September 30, 2023 amounted to \$360,818. This investment in capital assets included improvements made to street lighting as shown in the table below.

Capital Assets, Net of Depreciation

	Governmental Activities	
	2023	2022
Easements	\$ 168,235	\$ 168,235
Infrastructure	69,231	73,187
Right-to-use lease assets	123,352	-
Total	<u>\$ 360,818</u>	<u>\$ 241,422</u>

Long Term Debt. The CRA reported no long-term obligations as of September 30, 2023.

Economic Factors and Next Year's Budgets and Rates

There have been many challenges facing local governments in recent years. However, property values and population numbers have continued to increase in Sarasota County, contributing to related growth in the revenues of the CRA. The CRA was established for a time frame of thirty years with the last tax allocation occurring in tax year 2028.

Requests for Information

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

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

**Englewood Community Redevelopment Agency
Balance Sheet / Statement of Net Position
For the Year Ended September 30, 2023**

	<u>Balance Sheet</u> <u>CRA</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Net Position</u> <u>Governmental</u> <u>Activities</u>
Assets			
Current and other assets	\$ 3,506,877	\$ -	\$ 3,506,877
Capital assets - depreciable, net	-	360,818	360,818
Total assets	<u>\$ 3,506,877</u>	<u>\$ 360,818</u>	<u>\$ 3,867,695</u>
Liabilities			
Accounts payable and other accrued liabilities	\$ 44,770	\$ 130,175	\$ 174,945
Total liabilities	<u>44,770</u>	<u>130,175</u>	<u>174,945</u>
Fund Balance / Net Position			
Fund Balance:			
Restricted for:			
Community redevelopment	3,462,107	(3,462,107)	-
Net Position:			
Net investment in capital assets	-	360,818	360,818
Restricted for:			
Community redevelopment	-	3,331,932	3,331,932
Total fund balance / net position	<u>3,462,107</u>	<u>230,643</u>	<u>3,692,750</u>
Total liabilities and fund balance / net position	<u>\$ 3,506,877</u>	<u>\$ 360,818</u>	<u>\$ 3,867,695</u>

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

Englewood Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balance /
Statement of Activities
For the Year Ended September 30, 2023

	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
	CRA Fund	Adjustments	Governmental Activities
Revenues			
Taxes	\$ 3,506,594	\$ -	\$ 3,506,594
Interest Income	120,530	-	120,530
Net inc (dec) in fair value of investments	6,591	-	6,591
Total revenues	<u>3,633,715</u>	<u>-</u>	<u>3,633,715</u>
Expenditures			
Current:			
Economic environment	600,356	43,711	644,067
Debt service:			
Principal	32,932	(32,932)	-
Interest and fiscal charges	542	-	542
Total expenditures	<u>633,830</u>	<u>10,779</u>	<u>644,609</u>
Other financing sources (uses)			
Transfers out	(1,601,478)	-	(1,601,478)
Total other financing sources (uses)	<u>(1,601,478)</u>	<u>-</u>	<u>(1,601,478)</u>
Net change in fund balance / net position	1,398,407	(10,779)	1,387,628
Fund balance / net position, beginning of year	2,063,700	241,422	2,305,122
Fund balance / net position, end of year	<u>\$ 3,462,107</u>	<u>\$ 230,643</u>	<u>\$ 3,692,750</u>

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

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY

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Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

B. BASIS OF PRESENTATION

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

D. CASH AND INVESTMENTS

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

The County is authorized by County Ordinance No. 89-75, adopted September 5, 1989, to invest surplus funds in accordance with Florida Statute 125.31. On September 19, 1995, the investment policy was revised to conform to the newly adopted Florida Statute 218.415. On January 10, 2006, the policy was further revised to conform to County Ordinance No. 06-04. On September 9, 2008, the policy was further revised to conform to County Ordinance No. 08-111. On December 11, 2013, the policy was further revised to conform to County Ordinance No. 18-045, the policy was further revised on October 23, 2018 to conform to County Ordinance No. 18-045 and most recently further revised on September 12, 2023 to conform to County Resolution No. 2023-167.

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

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

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

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

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

All funds of the County participate in the pooled cash and investment program. Investment income is allocated to individual funds based upon their average daily balance in the cash pool. Each fund's individual equity in the County's investment pool is considered to be a cash equivalent, since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

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

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

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

E. ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make various estimates. Actual results could differ from those estimates.

F. NET POSITION / FUND BALANCES

The government-wide statements utilize a net position presentation. Net position is categorized as net investment in capital assets or restricted net position.

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation, liabilities, and the outstanding balances of debt attributable the acquisition, construction or improvement of these assets reduce the balance in this category.

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

G. CAPITAL ASSETS

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

Assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are reported at their acquisition value. Betterments and major

improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Infrastructure: General Govt/Enterprise	10-50 years	\$1,000,000/\$50,000
Right-to-use lease assets	3-10 years	\$5,000

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

H. LEASES

Lease contracts that provide the CRA with control of a non-financial asset, such as land, buildings or equipment, for a period in excess of twelve months are recognized as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced by the lease payments made, less the interest portion of the lease payment.

I. TAX INCREMENT REVENUE

Tax increment revenues are collected from the County and are the primary source of revenue for the CRA. The tax increment revenue is calculated by applying the adopted millage rate of the County to the increase in current year taxable assessed valuations over the 1999 base year taxable assessed valuations for all properties located within the CRA's boundaries. The County is required to pay 95% of these incremental property taxes to the CRA. The increase in assessed valuations of property within the boundaries over the base year valuations is presumed to be the result of the redevelopment efforts of the CRA. The calculation of tax increment revenues for the year ended September 30, 2023 was as follows:

Assessed property value for FY 2023	\$ 1,581,180,514
Assessed property value for the 1999 base year	538,174,830
Increase in assessed property value	<u>\$ 1,043,005,684</u>
Assessed property value subject to incremental ad valorem property tax (95%)	\$ 990,855,400
Millage rate	3.0902
Tax increment revenue transferred to Agency	<u>\$ 3,061,941,356</u>

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

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

J. BUDGETARY INFORMATION

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

NOTE 2. INTERFUND TRANSFERS

The following is a schedule of interfund transfers for the year ended September 30, 2023.

Transfer from Englewood Community Redevelopment Agency fund to:

Sarasota County Nonmajor Governmental Funds	<u>\$ 1,601,478</u>
Total transfer out	<u><u>\$ 1,601,478</u></u>

All transfers were used to either (1) move receipts restricted to debt service from the funds collecting receipts to the debt service fund as debt service payments become due; or (2) use of revenues collected to fund capital projects.

NOTE 3. DEPOSITS AND INVESTMENTS

As of September 30, 2023 the book balance of deposits was \$3,487,489 which represents the cash and investments balance. Additional detail concerning deposits and investments can be found in Sarasota County’s Annual Comprehensive Financial Report.

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

The County’s investment policy limits credit risk by restricting the authorized investments to those illustrated in Note 1, Section D.

Interest Rate Risk

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

Credit Risk

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

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

Concentration of Credit Risk

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

NOTE 4. CAPITAL ASSETS

A. CAPITAL ASSET ACTIVITY

Capital assets activity for the year ended September 30, 2023 was as follows:

	Balance			Balance
	9/30/2022	Additions	Deletions	9/30/2023
Englewood CRA:				
Capital assets, being depreciated or amortized:				
Infrastructure	158,242	-	-	158,242
Easement	168,235	-	-	168,235
Right-to-use lease assets	-	163,108	-	163,108
Total capital assets, being depreciated or amortized	<u>326,477</u>	<u>163,108</u>	<u>-</u>	<u>489,585</u>
Less accumulated depreciation or amortization for:				
Infrastructure	85,055	3,956	-	89,011
Right-to-use lease assets	-	39,756	-	39,756
Total accumulated depreciation or amortization	<u>85,055</u>	<u>43,712</u>	<u>-</u>	<u>128,767</u>
Total capital assets, being depreciated or amortized, net	<u>241,422</u>	<u>119,396</u>	<u>-</u>	<u>360,818</u>
Englewood CRA capital assets, net	<u><u>\$241,422</u></u>	<u><u>\$119,396</u></u>	<u><u>\$ -</u></u>	<u><u>\$360,818</u></u>

B. DEPRECIATION

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

Governmental Activities

Economic environment	\$ 43,711
Total depreciation expense – governmental activities	<u><u>\$ 43,711</u></u>

C. LEASES

Leases as Lessee

On October 1, 2021, the CRA implemented a 98-month lease as lessee for use of office space. An initial lease liability was recorded in the amount of \$163,108. As of year-end, the value of the lease liability is \$130,176. The CRA is required to make monthly fixed payments of \$1,453 the lease has an interest rate of 0.1930%. The value of the right-to-use asset as of year-end was \$163,108 with accumulated amortization of \$39,756. The CRA has 1 extension option(s), each for 95 months.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Leased-Buildings	163,108	39,756
Total right-to-use lease assets	\$ 163,108	\$ 39,756

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	18,071	234	18,305
2025	19,022	199	19,221
2026	20,021	161	20,182
2027	21,069	122	21,191
2028	22,170	80	22,250
2029-2030	29,822	38	29,860

NOTE 5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 7, 2024 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

ENGLEWOOD COMMUNITY REDEVELOPMENT AGENCY

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REQUIRED SUPPLEMENTARY INFORMATION

Englewood Community Redevelopment Agency
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,517,138	\$ 3,517,138	\$ 3,506,594	\$ (10,544)
Interest income	17,881	17,881	120,530	102,649
Net inc (dec) in fair value of investments	-	-	6,591	6,591
Total revenues	3,535,019	3,535,019	3,633,715	98,696
EXPENDITURES				
Current:				
Economic environment	2,086,019	1,933,541	600,356	1,333,185
Debt service:				
Principal	-	-	32,932	(32,932)
Interest and fiscal charges	-	-	542	(542)
Total expenditures	2,086,019	1,933,541	633,830	1,299,711
Excess (deficiency) of revenues over (under) expenditures	1,449,000	1,601,478	2,999,885	1,398,407
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,449,000)	(1,601,478)	(1,601,478)	-
Total other financing sources and (uses)	(1,449,000)	(1,601,478)	(1,601,478)	-
Net change in fund balance	-	-	1,398,407	1,398,407
Fund balance - beginning	2,063,700	2,063,700	2,063,700	-
Fund balance - ending	\$ 2,063,700	\$ 2,063,700	\$ 3,462,107	\$ 1,398,407

INDEPENDENT AUDITOR’S, REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Englewood Community Redevelopment Agency (the CRA), a component unit of Sarasota County, Florida (the “County”), as of and for the year ended September 30, 2023, 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 8, 2024.

Report on Internal Control over Financial Reporting

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

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

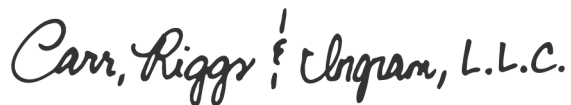
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

Carr, Riggs, & Ingram, LLC

Sarasota, Florida
March 8, 2024

INDEPENDENT AUDITOR’S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Englewood Community Redevelopment Agency (the “CRA”), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 8, 2024.

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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; 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 14, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. 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 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 Englewood Community Redevelopment Agency reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as three.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$142,695.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - Project 83193 YTD Expense \$26,538 PTD Expense \$35,832

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:

- Adopted Budget- \$3,535,019
- Budget Variance – \$1,299,710

Additional Matters

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

Purpose of this Letter

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

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

Carr, Riggs, & Ingram, LLC

Sarasota, Florida
March 8, 2024

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTIONS 163.387(6), 163.387(7), AND 218.415, FLORIDA STATUTES

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

We have examined the Englewood Community Redevelopment Agency’s (the “CRA”) compliance with the following Florida Statutes sections during the year ended September 30, 2023:

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

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

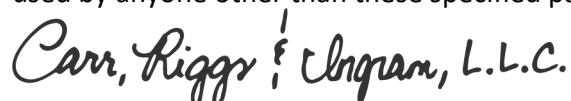
Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the specified requirements referenced above.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

We are required to be independent and to meet our other 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, 2023.

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



Carr, Riggs, & Ingram, LLC

Bradenton, Florida
March 8, 2024