



**Community Redevelopment Agency  
City of Chipley, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2024**



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## **INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners of the  
Community Redevelopment Agency  
City of Chipley, Florida

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Community Redevelopment Agency of the City of Chipley, Florida (the "CRA"), a component unit of the City of Chipley, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CRA, as of September 30, 2024, and the respective changes in financial position and, the budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

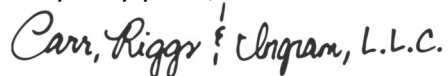
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 4 through 7, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial 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 December 4, 2025, 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.

Very truly yours,



CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

December 4, 2025

## **Community Redevelopment Agency of the City of Chipley, Florida Management's Discussion and Analysis**

The Community Redevelopment Agency of the City of Chipley, Florida's (the "CRA") Management's Discussion and Analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, provide an overview of the CRA's financial activity, identify changes in the CRA's financial position, its ability to address subsequent year challenges, identify any material deviations from the financial plan (the approved budget), and identify issues or concerns.

Since the MD&A is designed to present an overview of the CRA's current year's activities, resulting changes and currently known facts as well as the financial activities for the two fiscal years ended September 30, 2024 and September 30, 2023, please read in conjunction with the CRA's financial statements (beginning on page 8).

### **FINANCIAL HIGHLIGHTS**

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$330,813 (net position). Total net position is restricted for governmental activities.
- Total net position decreased by \$71,534.
- As of September 30, 2024, the general fund's restricted fund balance was \$330,813.
- Governmental activities' total revenues increased by \$27,706 or 12%, while governmental activities' total expenses increased by \$73,150 or 28%.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of the MD&A, basic financial statements, and notes to the financial statements. The basic financial statements include two kinds of statements that present different views of the CRA:

1. Government-Wide Financial Statements (Reporting the CRA as a whole)
2. Fund Financial Statements (Reporting the CRA's major and non-major funds)

#### **Government-Wide Financial Statements**

The government-wide financial statements focus on both long-term and short-term information about the CRA's overall financial status in a manner similar to those of a private-sector business. The statements include a Statement of Net Position and a Statement of Activities.

In the government-wide Statement of Net Position, the governmental activities are presented on a full accrual, economic resource basis, which recognizes all long-term assets and deferred outflows of resources as well as long-term obligations and deferred inflows of resources. Over time, increases or decreases in the CRA's net position are an indicator of whether its financial health is improving or deteriorating. The government-wide Statement of Activities reports both the gross and net cost of each of the CRA's functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants.

# Community Redevelopment Agency of the City of Chipley, Florida Management's Discussion and Analysis

## Fund Financial Statements

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

## Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of 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 the CRA's near-term requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, readers may better understand the long-term impact of the CRA's near-term financing decisions.

The CRA maintains one major governmental fund (general fund) and information on the general fund is presented in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance.

A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget and is presented as part of the fund financial statements on page 12. The governmental fund financial statements can be found beginning on page 10.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found beginning on page 13.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section is used to present condensed financial information from the government-wide statements that compares the current year to the prior year.

## Statement of Net Position

The following schedule provides a summary of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for the fiscal years ended September 30, 2024 and 2023. At the end of the fiscal year 2024, the CRA reported a net position of \$330,813 for its governmental activities. Net position may serve over time as a useful indicator of a government's financial position. Restricted net position represents resources that are subject to external restrictions.

**Community Redevelopment Agency of the City of Chipley, Florida  
Management's Discussion and Analysis**

<i>September 30,</i>	<b>Governmental Activities</b>		
	<b>2024</b>	2023	Change
<b>Assets</b>			
Current and other assets	\$ 364,235	\$ 440,946	\$ (76,711)
<b>Liabilities</b>			
Current liabilities	<b>33,422</b>	38,599	(5,177)
<b>Net Position</b>			
Restricted	<b>\$ 330,813</b>	\$ 402,347	\$ (71,534)

**Statement of Activities**

Increases and decreases in net position measure whether the CRA's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities decreased approximately \$71 thousand, or 18 percent. The following schedule summarizes revenues and expenses comparing the current year to the prior year, as derived from the government-wide Statement of Activities.

<i>For the years ended September 30,</i>	<b>Governmental Activities</b>		
	<b>2024</b>	2023	Change
<b>General Revenues</b>			
Taxes	\$ 132,072	\$ 118,051	\$ 14,021
Investment earnings	<b>21,061</b>	18,360	2,701
Appropriation from City of Chipley	<b>108,765</b>	97,781	10,984
Total general revenues	<b>261,898</b>	234,192	27,706
<b>Expenses</b>			
Governmental activities			
Economic Environment	<b>333,432</b>	260,282	73,150
Change in net position	<b>(71,534)</b>	(26,090)	(45,444)
Net Position - beginning of year	<b>402,347</b>	428,437	(26,090)
Net Position - end of year	<b>\$ 330,813</b>	\$ 402,347	\$ (71,534)

# **Community Redevelopment Agency of the City of Chipley, Florida Management's Discussion and Analysis**

## **FINANCIAL ANALYSIS OF THE CRA'S FUNDS**

This section provides analysis of the balances and transactions of the general fund. The CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The general fund is reported as a major governmental fund. The general fund is the general operating fund of the CRA. All general tax revenue and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the general fund. As of the end of the fiscal year 2024, the CRA's general fund reported a restricted fund balance of \$330,813.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the CRA adopted a budget to project their project expenditures. No budget amendments were made during fiscal year 2024.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The CRA's general fund is expected to continue as it has, with no additional revenue sources expected at this time.

### **Contacting the CRA's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the CRA's finances and to demonstrate the CRA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the CRA of Chipley, Post Office Box 1007, Chipley, Florida 32428.

**Community Redevelopment Agency of the City of Chipley, Florida**  
**Statement of Net Position**

<i>September 30, 2024</i>	Governmental Activities
<hr/>	
<b>Assets</b>	
Receivables, net	\$ 66,037
Restricted cash	82,125
Restricted investments	216,073
<hr/>	
Total assets	364,235
<b>Liabilities</b>	
Accounts payable	33,422
<hr/>	
<b>Net Position</b>	
Restricted	\$ 330,813
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*The accompanying notes are an integral part of these financial statements.*

**Community Redevelopment Agency of the City of Chipley, Florida**  
**Statement of Activities**

<i>For the year ended September 30, 2024</i>		Net (Expense) Revenue and Changes in Net Position	
		Primary Government	
Functions/Programs	Expenses	Governmental Activities	
Primary Government			
Governmental activities			
Economic environment	\$ 333,432	\$	(333,432)
<hr/>			
General revenues			
Ad valorem tax			132,072
Interest income			21,061
Appropriation from City of Chipley			108,765
<hr/>			
Total general revenues			261,898
Change in net position			(71,534)
Net position, beginning of year			402,347
Net position, end of year			\$ 330,813
<hr/> <hr/>			

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

**Community Redevelopment Agency of the City of Chipley, Florida**  
**Balance Sheet – General Fund**

<i>September 30, 2024</i>	General Fund
<b>Assets</b>	
Receivables, net	\$ 66,037
Restricted cash	82,125
Restricted investments	216,073
<hr/>	
Total assets	\$ 364,235
<hr/>	
<b>Liabilities and Fund Balance</b>	
Liabilities	
Accounts payable	\$ 33,422
Fund balance	
Restricted	330,813
<hr/>	
Total liabilities and fund balance	\$ 364,235
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*The accompanying notes are an integral part of these financial statements.*

**Community Redevelopment Agency of the City of Chipley, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance –**  
**General Fund**

<i>For the year ended September 30, 2024</i>	General Fund
<b>Revenues</b>	
Intergovernmental	\$ 132,072
Interest	21,061
<hr/>	
Total revenues	153,133
<b>Expenditures</b>	
Economic environment	333,432
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(180,299)
<b>Other Financing Sources (Uses)</b>	
Appropriation from City of Chipley	108,765
<hr/>	
Net change in fund balance	(71,534)
Fund balance, beginning of year	402,347
<hr/>	
Fund balance, end of year	\$ 330,813
<hr/> <hr/>	

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

**Community Redevelopment Agency of the City of Chipley, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual – General Fund**

<i>For the year ended September 30, 2024</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 132,072	\$ 132,072	\$ 132,072	\$ -
Interest	24,000	24,000	21,061	(2,939)
<b>Total revenues</b>	<b>156,072</b>	<b>156,072</b>	<b>153,133</b>	<b>(2,939)</b>
<b>Expenditures</b>				
Economic environment	666,633	666,633	333,432	333,201
Excess (deficiency) of revenues over (under) expenditures	(510,561)	(510,561)	(180,299)	330,262
<b>Other Financing Sources (Uses)</b>				
Appropriation from City of Chipley	108,765	108,765	108,765	-
Net change in fund balance	(401,796)	(401,796)	(71,534)	330,262
Fund balance, beginning of year	402,347	402,347	402,347	-
<b>Fund balance, end of year</b>	<b>\$ 551</b>	<b>\$ 551</b>	<b>\$ 330,813</b>	<b>\$ 330,262</b>

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

## **Community Redevelopment Agency of the City of Chipley, Florida**

### **Notes to Financial Statements**

#### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Community Redevelopment Agency of the City of Chipley, Florida (the "CRA"), a component unit of the City of Chipley, Florida, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in accordance with the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the CRA's basic financial statements.

#### ***Reporting Entity***

The CRA was formed in 1985 by the City of Chipley, Florida (the "City") pursuant to Florida Statute Chapter 163.356 to continue an ongoing process of revitalization in downtown Chipley. The CRA district encompasses approximately 430 acres and includes the historic downtown area and surrounding residential neighborhoods. Several landmarks are also located in the CRA district, such as Washington County Historical Museum, formerly an intercity railroad station, the Washington County Courthouse, Gilmore Park, and the Spanish Trail Playhouse. The CRA is governed by a seven member Board of Commissioners appointed by the City Council to four year terms.

The City gave authorization to the CRA to have power in its corporate capacity, in its discretion, to issue negotiable redevelopment revenue bonds to finance the undertaking of community redevelopment projects. The security of such bonds may be based upon the anticipated assessed valuation of the completed community redevelopment project. A Trust Fund was established pursuant to Florida Statute Chapter 163.387 for funds used by the CRA to finance or refinance each community redevelopment project it undertakes.

#### ***Presentation***

The CRA's financial statements have been prepared solely for the purpose of complying with Chapter 2019-163, Laws of Florida, amended Section 163.387(8), Florida Statutes, that requires each community redevelopment agency meeting the specified \$100,000 threshold to provide for a separate audit and resultant audit report. In addition, Chapter 2021-116, Laws of Florida, amended Section 218.39(a)(h), Florida Statutes, requires a separate audit to be filed with the Auditor General.

#### ***Government-Wide and Fund Financial Statements***

The basic financial statements consist of the government-wide financial statements and fund financial statements. Government-wide financial statements are comprised of the statement of net position and the statement of activities which reports information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements.

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

## Community Redevelopment Agency of the City of Chipley, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the CRA.

#### ***Government-Wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

#### ***Fund Financial Statements***

The fund financial statements provide information about the CRA's funds. The emphasis of fund financial statements is on major governmental, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The CRA reports the following major governmental fund:

The *General Fund* of the CRA is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

## Community Redevelopment Agency of the City of Chipley, Florida Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Budgetary Information***

##### *Budgetary Basis of Accounting*

Each year formal budgets are legally adopted and amended as required by Section 163.387, Florida Statutes. Management can approve transfers within government function categories only. Transfers of appropriations or revisions between government function categories require the approval of the board. The level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the government function category level. The budget for each fund is adopted on the modified accrual basis of accounting consistent with GAAP.

Encumbrances outstanding at year-end represent the estimated amounts of expenditures ultimately to be paid on goods on order or unperformed contracts in process at year-end. Because appropriations lapse at year-end, it is the CRA's policy to close encumbrances at year-end and to re-encumber those amounts, as needed, at the beginning of the next budget cycle.

#### ***Assets, Liabilities, and Fund Balances***

##### *Cash and Cash Equivalents*

Cash and cash equivalents represent cash on hand as well as demand deposits and certificates of deposit with original maturities of three months or less. This policy applies to the primary government and its component unit.

##### *Investments*

The CRA's investment policies are designed with the intent of ensuring the CRA's funds are invested in a manner that complies with Florida Statutes. Pursuant to Florida Statute 218.415 and the CRA's investment policy, the CRA may invest surplus funds in:

- The Local Government Surplus Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Savings accounts in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes.
- Certificates of deposit in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes.
- Direct obligations of the U.S. Treasury.
- Federal agencies and instrumentalities.

*Local Government Surplus Trust Fund - Florida PRIME* - The CRA invests throughout the year in the Florida PRIME account, an investment pool administered by the Florida State Board of Administration (SBA), under the regulatory oversight of the State of Florida. Florida PRIME participants invest in a pool of investments whereby participants own a share of the respective pool, not the underlying securities.

**Community Redevelopment Agency of the City of Chipley, Florida**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, and Fund Balances (continued)***

*Receivables*

The CRA considers all revolving loan receivables collectible and as such, no allowance for uncollectibles is reported.

*Restricted Assets*

Certain assets of the CRA are required by resolution to be set aside and used for specific purposes; thus, they are not available for general operating purposes. It is the CRA's policy to use restricted assets before unrestricted assets when both are available to fund specific expenditures.

*Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost with the exception of buildings, sidewalks, lighting, and infrastructure. Buildings with an original cost of \$50,000 or more, sidewalks and lighting with an original cost of \$25,000 or more, and infrastructure with an original cost of \$500,000 or more, are reported at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value as of the date of donation. The CRA has not reported infrastructure acquired prior to October 1, 2003. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are expensed as incurred. Interest incurred during the construction phase on loans obtained for long-term construction projects are capitalized into the cost of the asset.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives in years:

<u>Capital asset classes</u>	<u>Lives</u>
Buildings	20 – 50
Water and sewer system	15 – 50
Improvements	10 – 20
Machinery and equipment	5 – 10
Other infrastructure	10 – 50

*Categories and Classification of Fund Balance*

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

## Community Redevelopment Agency of the City of Chipley, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Assets, Liabilities, and Fund Balances (continued)***

##### *Categories and Classification of Fund Balance (continued)*

Net position is reported on the government-wide financial statements into the following net position categories:

*Net Investment in Capital Assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Any significant unspent proceeds at year-end related to capital assets are reported as restricted funds.

*Restricted* – Constraints imposed on net position by external creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provision or enabling legislation.

*Unrestricted* – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Board of Commissioners.

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

Fund balances are reported in the fund financial statements in two major categories: nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Spendable fund balances are reported based on a hierarchy of spending constraints in the following classifications:

*Restricted* – Fund balances that are constrained by external parties, constitutional provisions or enabling legislation. The CRA's restricted fund balance is restricted for use in accordance with the Chipley Redevelopment Plan.

#### ***Revenues and Expenditures/Expenses***

*Property Taxes* - The CRA's ad valorem taxes are assessed by the Washington County Property Appraiser and collected by the Washington County Tax Collector in accordance with Florida Statutes. Property taxes are not recorded as receivables at September 30 because, though legally assessed as of January 1, they are not due and payable until after the close of the fiscal year ended the following September 30.

The current property tax calendar is as follows:

Lien date:	January 1, 2023
Levy date:	November 1, 2023
Due date:	March 31, 2024
Delinquent date:	April 1, 2024

## Community Redevelopment Agency of the City of Chipley, Florida Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Revenues and Expenditures/Expenses (continued)***

Discounts of 1% for each month taxes are paid prior to March are granted.

Revenue recognition criteria for property taxes recognizes and accrues property taxes expected to be collected within 60 days of the current period. There were no outstanding property taxes accrued and recognized as revenue at year-end.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from estimates used.

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 4, 2025, 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 consolidated financial statements.

#### ***Recently Issued Accounting Pronouncements***

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

The GASB has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 101, *Compensated Absences* (GASB 101). 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

## Community Redevelopment Agency of the City of Chipley, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Recently Issued Accounting Pronouncements (continued)*

required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public- Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this

## Community Redevelopment Agency of the City of Chipley, Florida Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Recently Issued Accounting Pronouncements (continued)***

Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The CRA is evaluating the requirements of the above statements and the impact on reporting.

### **Note 2: DETAILED NOTES ON ALL FUNDS**

#### ***Deposits and Investments***

The CRA maintains its deposits with “Qualified Public Depositories” as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida, securities which have a market value equal to 50% of all public funds on deposit at the end of each month in excess of any applicable deposit insurance. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories. The CRA’s Demand and time deposits are fully insured by the Federal Deposit Insurance Corporation (FDIC) and the multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

The CRA invests in the Florida State Board of Administration Local Government Surplus Funds Trust Fund (Florida PRIME). The Local Government Surplus Funds Trust Fund is a “2a-7 like” pool and, therefore, the CRA’s pool account balance (amortized cost) is used as the fair value for financial reporting. At September 30, 2024, the fair value and the carrying value of these funds was \$216,073.

The funds are reported as restricted investments of \$216,073.

Florida PRIME is administered by the SBA, under the regulatory oversight of the State of Florida. Florida PRIME is rated by Standard and Poor’s as AAAM. At September 30, 2024, Florida PRIME’s investments dollar weighted average days to maturity (WAM) was 39 days. Next interest rate reset dates for floating rate securities are used in the calculation of WAM and weighted average life (WAL) is 74 days. Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2023 through September 30, 2024. As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the CRA’s daily access to 100 percent of their account value.

Florida PRIME is governed by Chapters 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration, (the “SBA”). These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at [www.sbafla.com/prime](http://www.sbafla.com/prime). The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (the “SEC”); however, the State has adopted operating procedures consistent with the requirements for a “2a-7 like” pool.

*Custodial credit risk* - Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the CRA will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The CRA’s current investments are limited to deposits in the Florida PRIME account.

**Community Redevelopment Agency of the City of Chipley, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (continued)***

*Concentration risk* - Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single issuer. Investments in single issuers that equal or exceed 5% have reportable credit risk. The certificates of deposit are with one financial institution. All certificate of deposit balances in excess of FDIC coverage, when applicable, are covered by the multiple financial institutions' collateral pool in accordance with Florida Statutes Chapter 280.

*Investment rate risk* - Investment rate risk is the risk that changes in the interest rate will adversely affect the fair value of an investment. The CRA recognizes that the longer a maturity of an investment, the greater its price volatility. The CRA has limited its risk by requiring all investments to have a maturity of two years or less from the date of purchase.

Investments are comprised of the following, at amortized cost.

Investment Type	Fair Value	Purchase Date to Maturity			
		0 – 1 Year	1 – 2 Years	2 – 3 Years	3 – 5 Years
Florida PRIME	\$ 216,073	\$ 216,073	\$ -	\$ -	-

***Receivables***

Receivables as of year-end in the aggregate:

Revolving loans receivable	\$ 66,037
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Outstanding loans are deemed 100% collectible.

**Note 3: COMMITMENTS AND CONTINGENCIES**

*Grants* - Grant funds received and disbursed by the CRA are for specific purposes and are subject to review by grantor agencies. Such reviews may result in requests for reimbursements due to disallowed expenditures. Based upon experience, the CRA does not believe that such disallowance, if any, would have a material effect on the financial position of the CRA. As of September 30, 2024, there were no questioned or disallowed costs as a result of reviews by grantor agencies in process or completed.

*Construction Commitments* - The CRA had no open contract commitments for improvements as of September 30, 2024.

**Note 4: RISK MANAGEMENT**

The CRA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, worker's compensation claims, errors and omissions, and natural disasters for which the CRA carries commercial insurance. The CRA purchases commercial insurance for the risks of losses to which it is exposed. Policy limits and deductibles are reviewed annually by management and established at amounts to provide reasonable protection from significant financial loss. Settlements have not exceeded insurance coverage for any of the prior three fiscal years.

**Community Redevelopment Agency of the City of Chipley, Florida**  
**Notes to Financial Statements**

**Note 5: LITIGATION**

The CRA was not involved in any litigations and claims arising in the ordinary course of operations. In the opinion of management, the range of potential recoveries or liabilities from litigation would not materially affect the financial position of the CRA at September 30, 2024. Accordingly, no accruals for loss contingency have been made in the accompanying financial statements.



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

Honorable Board of Commissioners of the  
Community Redevelopment Agency  
City of Chipley, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Community Redevelopment Agency of the City of Chipley, Florida (the "CRA"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated December 4, 2025.

**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) 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 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. We identified a certain deficiency in internal control, described below as item 2024-001 that we consider to be a significant deficiency.

## 2024-001 Timeliness of Audited Financial Statements

**Criteria** - 2 CFR 200.512 and Florida Statutes Sections 218.32 requires the CRA to submit a completed audit, the data collection form, and the annual financial report “within the earlier of 30 calendar days after receipt of the auditor’s report, or nine months after the end of the audit period.”

**Condition** – The September 30, 2024 audit was due to the Federal Audit Clearinghouse (“FAC”) and the State of Florida June 30, 2025. The reports were not filed by the due date.

**Cause** – Audit was not able to be completed by the due dates required by Federal and State law.

**Effect** – A complete audit and data collection form were not submitted within nine months of the end of the audit period to the Federal Audit Clearinghouse and the State of Florida.

**Recommendation** – The CRA should strengthen controls to ensure the required reporting requirements are met.

**Management Response:** The CRA had significant turnover during the current year that led to delays in the issuance of audited financial statements. The CRA has put procedures in place to monitor the timely filing of future audit reporting.

## 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.

Very truly yours,

  
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
December 4, 2025



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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SPECIFIED  
FLORIDA STATUTE SECTIONS**

Honorable Board of Commissioners of the  
Community Redevelopment Agency  
City of Chipley, Florida

We have examined Community Redevelopment Agency of the City of Chipley, Florida (the “CRA”) compliance with the following Florida Statute sections during the fiscal year ended September 30, 2024:

Section 218.415	Investment Guidelines
Section 163.387 (6) and (7)	Redevelopment Trust Fund

Management is responsible for the CRA’s compliance with the specified 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 American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our 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. 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 for the year ended September 30, 2024.

This report is intended solely for the information and use of 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.

Very truly yours,

*Carr, Riggs & Ingram, L.L.C.*  
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
December 4, 2025



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## **INDEPENDENT AUDITOR’S MANAGEMENT LETTER**

Honorable Board of Commissioners of the  
Community Redevelopment Agency  
City of Chipley, Florida

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

We have audited the financial statements of the Community Redevelopment Agency of the City of Chipley, Florida (the “CRA”) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated December 4, 2025.

### **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 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 December 4, 2025, 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 audit report. There were no findings noted in the preceding annual financial 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 Community Redevelopment Agency (“CRA”) was created by the City pursuant to State Statutes with commissioners of the Agency being City Council Members. During 1997, the City passed an ordinance establishing a board of directors (the “Board”) for the CRA. The City appoints the Board to four year terms. Operations are administered by the Council appointed Board and are financed with City and county funds.

### **Financial Condition and Management**

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

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

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

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

**Purpose of this Letter**

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

Very truly yours,

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

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

December 4, 2025