

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)**

**FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**



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**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
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INDEPENDENT AUDITORS' REPORT

Board Members
City of Brooksville Community Redevelopment Agency
Brooksville, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the City of Brooksville Community Redevelopment Agency (CRA), a component unit of the City of Brooksville, 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 the general fund of the CRA, as of September 30, 2024, and the respective changes in financial position and budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' 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.

Auditors' 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 auditors' 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

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

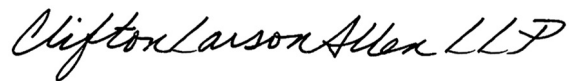
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 GAAS, 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 November 8, 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.



CliftonLarsonAllen LLP

Lakeland, Florida
November 8, 2025

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

As management of the City of Brooksville Community Redevelopment Agency (CRA), we offer the readers of the CRA's basic financial statements this narrative overview and analysis of the financial activities of the CRA for the year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

Financial Highlights

- The assets of the CRA exceeds its liabilities as of September 30, 2024 by \$195,907 (Net Position).
- The CRA's total assets as of September 30, 2024 were \$195,907.
- The CRA's total revenue was \$171,906, consisting primarily of CRA Incremental Tax Revenue.
- The CRA's total expenses came to \$239,516.
- The decrease in net position was \$67,610.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The CRA's basic financial statements comprise three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other 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 using the accrual basis of accounting. The CRA's government-wide financial statements include the following:

- Statement of Net Position – reports the CRA's assets, deferred outflow of resources, liabilities, deferred inflows of resources and net position at the end of the fiscal year and provides information about the nature and amounts of investment of resources and obligations to creditors.
- Statement of Activities – reports the results of activity over the course of the fiscal year. It details the costs associated with operating the CRA and how those costs were funded. It also provides an explanation of the change in net position from the previous fiscal year-end to the current fiscal year-end.
- The basic financial statements also include notes that provide required disclosures and other information necessary to gather the full meaning of the material presented in the statements.

The analysis of net position, revenue, and expenses are detailed and provide a comprehensive portrayal of financial conditions and related trends. The analysis includes all assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned or incurred regardless of when cash is received or paid.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Overview of Financial Statements (Continued)

Our analysis presents the CRA's net position, which can be thought of as the difference between what the CRA owns (assets) and what the CRA owes (liabilities). The net position analysis will allow the reader to measure the health or financial position of the CRA. The CRA's net position consists of restricted net position that can only be spent for specific purposes because of constraints imposed by external sources (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Over time, significant changes to the CRA's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any CRA, the reader must also consider other nonfinancial factors such as fluctuations in the local economy and fluctuations in fuel prices.

The government-wide financial statements can be found in this report as listed in the table of contents.

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 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.

The CRA adopts an annual appropriated budget. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found in this report as listed in the table of contents.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Government-Wide Financial Analysis

Summary of Net Position:

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets	\$ 195,907	\$ 276,259
LIABILITIES		
Current Liabilities	-	12,742
NET POSITION		
Restricted for Community Redevelopment	140,907	208,517
Unrestricted	55,000	55,000
Total Net Position	<u>\$ 195,907</u>	<u>\$ 263,517</u>

Assets decreased \$80,352 from the prior year, and liabilities decreased \$12,742 from the prior year. There was a decrease in net position of \$67,610 in the current year.

Summary of Revenues, Expenses, and Changes in Net Position:

	<u>2024</u>	<u>2023</u>
REVENUES		
Taxes	\$ 171,853	\$ 140,840
Miscellaneous Revenues	35	-
Investment Earnings	18	43
Total Revenues	<u>171,906</u>	<u>140,883</u>
EXPENSES		
Economic Development	239,516	378,122
Total Expenses	<u>239,516</u>	<u>378,122</u>
CHANGE IN NET POSITION	(67,610)	(237,239)
Net Position - Beginning of Year	<u>263,517</u>	<u>500,756</u>
NET POSITION - END OF YEAR	<u>\$ 195,907</u>	<u>\$ 263,517</u>

In fiscal year 2024, total revenue was \$171,906 while total expenses were \$239,516. This resulted in a negative change in net position of \$67,610.

The taxable value of property located within the CRA District increased from \$24,485,187 to \$25,097,317, resulting in an approximately 2.5% increase in fiscal year 2024 resulting in Ad Valorem taxes increase by \$31,013 from the previous year.

Expenses decreased \$138,606 in fiscal year 2024 due largely to a reduction in other contractual services, such as CRA plan updates, appraisal services and façade/exterior grant and beautification programs.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Governmental Fund Financial Analysis

General Fund

The General Fund reported ending fund balance of \$195,907, a decrease of \$67,610 over the prior year. The fund balance consists of restricted for community redevelopment of \$140,907 and assigned for community redevelopment of \$55,000. The changes in general fund activity are discussed in the government-wide analysis above.

General Fund Budgetary Highlights

The General Fund budget to actual statement is presented in the basic financial statements. The schedule shows the original adopted budget, the final budget, actual results, and the positive or negative variance between the final budget and actual results. After the original budget is approved, it may be amended for various reasons such as unanticipated revenues, unforeseen expenditures, or new grant awards.

- Revenues were \$23,856 more than the final budgeted amount due to ad valorem collections at greater than expected levels.
- Expenditures were \$110,384 less than the final budget. Significant variances are due to other projects that were budgeted but did not occur in the current year.

Economic Factors and Next Year's Budget and Rates

The City of Brooksville formally instituted a Community Redevelopment Agency in its downtown core in 1999. The CRA is approximately 104 acres. Located within the CRA is the Hernando County Court House, Law Offices, Insurance Firms, Auditing Firms, Restaurants, and many other locally owned businesses.

The tax increment values applicable to fiscal year 2024 is \$25,097,317 and the fiscal year 2023 is \$24,485,187. That is an increase of \$612,130 from the previous fiscal year.

In accordance with Chapter 163, F.S., the City adopted Ordinance No. 590 and Resolution No. 98-18, which delineate and establish the Community Redevelopment Area, the Tax Increment Financing (TIF) District, the Community Redevelopment Agency (CRA) and the related Agency Trust Fund. The City also adopted a Community Redevelopment Plan (CRP) for this area as well as a Revitalization Plan that addresses the entire City. Florida Statutes and the City's Ordinance No. 590 provide for all applicable taxing authorities that assess taxes within the Project Area to pay into the Trust Fund each year, the incremental increase of tax revenues produced by the taxing authority's millage rate that is applied to the increase in total assessed value over the assessed value amount originally set by the established base year. Ordinance No. 590 established the base tax year as 1998.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Economic Factors and Next Year's Budget and Rates (Continued)

The City of Brooksville Community Redevelopment Agency (CRA) is reported as a blended component unit of the City of Brooksville. Its annual budget was approved by Resolution 2024-01 on September 24, 2024. The detailed budget is available for review upon request.

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 should be addressed to the Finance Director, City of Brooksville, 201 Howell Avenue, Brooksville, Florida 34601.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

ASSETS

Cash	\$ 195,907
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NET POSITION

Restricted for Community Redevelopment	140,907
Unrestricted	<u>55,000</u>
Total Net Position	<u><u>\$ 195,907</u></u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024**

EXPENSES	
Economic Development	\$ 239,516
 GENERAL REVENUES	
Taxes	171,853
Miscellaneous Revenues	35
Investment Earnings	18
Total General Revenues	<u>171,906</u>
 CHANGE IN NET POSITION	 (67,610)
Net Position - Beginning of Year	<u>263,517</u>
 NET POSITION - END OF YEAR	 <u><u>\$ 195,907</u></u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2024**

ASSETS

Cash	<u>\$ 195,907</u>
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LIABILITIES AND FUND BALANCE

Fund Balance:

Restricted for Community Redevelopment	140,907
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Assigned for Grant Match	<u>55,000</u>
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Total Fund Balance	<u>195,907</u>
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Total Liabilities and Fund Balance	<u>\$ 195,907</u>
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See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 148,050	\$ 148,050	\$ 171,853	\$ 23,803
Miscellaneous Revenues	-	-	35	35
Net Investment Earnings	-	-	18	18
Total Revenues	<u>148,050</u>	<u>148,050</u>	<u>171,906</u>	<u>23,856</u>
EXPENDITURES				
Current:				
Economic Development:				
Operating Expenditures	353,900	349,900	239,516	110,384
Contributions to the City of Brooksville	<u>189,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>543,300</u>	<u>349,900</u>	<u>239,516</u>	<u>110,384</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(395,250)	(201,850)	(67,610)	134,240
Fund Balance - Beginning of Year	<u>395,250</u>	<u>201,850</u>	<u>263,517</u>	<u>61,667</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 195,907</u></u>	<u><u>\$ 195,907</u></u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Brooksville Community Redevelopment Agency (CRA), a component unit of the City of Brooksville, was established by City Ordinance No. 590 and Resolution No. 98-18 in 1999, as authorized by Section 163.356, Florida Statutes, to oversee and implement the City's redevelopment plan and to supervise and control the expenditures of tax increment financing funds placed in the Community Redevelopment Area Trust Fund. The members of the City Council serve as the members of the CRA Board and approve the annual budget. Management of the City has operational responsibility for the CRA. The CRA is considered to be a blended component unit in the City's financial statements.

As required by accounting principles generally accepted in the United States of America, these financial statements present the CRA and component units for which the CRA is financially accountable. The application of these criteria provides for identification of any entities for which the CRA is financially accountable and other organizations that the nature and significance of their relationship with the CRA are such that exclusion would cause the CRA's basic financial statements to be misleading or incomplete. Based on the application of these criteria, the CRA has determined that there are no component units.

Basis of Presentation

The accounts of the CRA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Currently, the CRA has only one fund, the General Fund. The General Fund is a major fund and is the operating fund of the CRA. It is used to account for all financial resources and expenditures.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on activities of the CRA. The CRA reports only governmental activities; it does not have any business-type activities.

Government-Wide and Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues consist of charges for services, grants and contributions that are restricted to meeting an operational or capital requirement of a particular function. Payments received from taxes and other items not properly included as program revenues are reported as general revenues.

Separate financial information is provided for the governmental fund.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized 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 CRA 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.

Budgets and Budgetary Data

The following are the procedures in establishing the budget:

CRA management prepares the annual fiscal operating budget. The proposed budget is then presented to the CRA Board for changes and final approval. Once adopted, the budget serves as legal authorization for expenditures.

Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures of funds are recorded to reserve that portion of the applicable appropriation, is employed in the general fund. Encumbrances are not the equivalent of expenditures; but rather represent a future commitment to purchase goods or services. Although encumbrances lapse at fiscal year-end, it is the CRA's intention to honor these encumbrances under authority provided in the subsequent year's budget. There were no encumbrances outstanding as of September 30, 2024.

Incremental Property Tax Revenue

The CRA's primary source of revenue is tax-increment funding. This revenue is computed by applying the respective tax rates for the City and Hernando County (County) multiplied by the increased value of property tax located within the boundaries of the redevelopment areas of the CRA in excess of the base property value.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Incremental Property Tax Revenue (Continued)

All property taxes are levied and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4%, 3%, 2%, and 1% in November through February, respectively. Delinquent taxes on real property may be paid after the date of delinquency but prior to the sale of a tax certificate by paying all taxes, costs, advertising charges, and interest of 18% per annum. For all real property with delinquent taxes, the Tax Collector advertises as required by Statute and sells tax certificates. All unsold certificates are issued to the County.

Any persons owning real property upon which a tax certificate has been sold may redeem the property by paying the Tax Collector the face amount of the tax certificate plus interest and costs associated with the sale of the certificate. After taxes have been delinquent (April 1) for two years, the owner of a tax certificate may file an application for tax deed sale. The County is able to do the same two years after taxes were due (November 1). All taxes imposed on any property become a first lien, superior to all other liens, as of January 1 of the year the taxes are levied.

Fund Balances

Governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints:

Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – amounts that can be used only for specific purposes determined by a formal action of the CRA Board, the CRA's highest level of decision making authority. Commitments may be removed or changed only by the CRA Board taking the same formal action (ordinance) that imposed the constraint. The commitment action should occur by the end of the fiscal year.

Assigned – amounts intended to be used by the CRA for specific purposes but do not meet the criteria to be classified as restricted or committed. The CRA board delegated the CRA management the authority to assign amounts to be used for specific purposes.

Unassigned – the residual classification for the CRA's General Fund and includes all spendable amounts not contained in the other classifications.

When a fund expenditure is incurred which restricted, committed, assigned, or unassigned amounts are available to be used, the CRA will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

**CITY OF BROOKSVILLE
COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE
CITY OF BROOKSVILLE, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the CRA or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 CASH

As of September 30, 2024, the CRA's cash deposits were entirely covered by federal depository insurance or by the banking network provided by Chapter 280 of the Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans, and limit local government deposits to "authorized depositories." Therefore, all cash deposits held by banks can be classified as fully insured. At September 30, 2024, the carrying amount of the CRA's deposits were \$195,907 and the bank balances were \$215,543.

Custodial Risk

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the CRA will not be able to recover the value of its deposits and securities that are in the possession of an outside party. Demand deposits are fully insured by the Federal Depository Insurance Corporation and the multiple financial institution collateral pool, required by Sections 280.07 and 280.08, Florida Statutes.

NOTE 3 RISK MANAGEMENT

The CRA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against this risk the CRA has purchased commercial insurance policies. The CRA is liable for deductibles on certain coverage. Insurance settlements have not exceeded insurance coverage in any of the three prior fiscal years.



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

Board Members
City of Brooksville Community Redevelopment Agency
Brooksville, 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 general fund of City of Brooksville Community Redevelopment Agency (CRA), a component unit of the City of Brooksville, 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, and have issued our report thereon dated November 8, 2025.

Report on Internal Control Over Financial Reporting

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

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

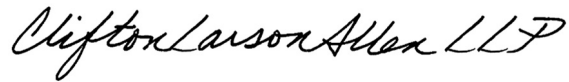
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Lakeland, Florida
November 8, 2025



MANAGEMENT LETTER

Board Members
City of Brooksville Community Redevelopment Agency
Brooksville, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Brooksville Community Redevelopment Agency (CRA), a component unit of the City of Brooksville, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated November 8, 2025.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' 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 November 8, 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 financial audit report. There were no findings or recommendations made in the preceding 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. Information regarding the specific legal authority for the entity is contained in Note 1 to the financial statements.

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 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 conditions(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.

Property Assessed Clean Energy (PACE) Programs

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated in the CRA's geographical boundaries. A PACE program did not operate within the City of Brooksville Community Redevelopment Agency's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), *Florida Statutes*. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported: (We do not express an opinion or provide any assurance on the following information.)

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as: zero.
- 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: zero.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as: zero.


- 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: zero
- 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: See the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but 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 CRA's Board of Directors and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Lakeland, Florida
November 8, 2025



INDEPENDENT ACCOUNTANTS' REPORT

Board Members
City of Brooksville Community Redevelopment Agency
and Florida Auditor General
Brooksville, Florida

We have examined the City of Brooksville Community Redevelopment Agency's (CRA), a component unit of the City of Brooksville, Florida, compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies, during the year ended September 30, 2024. Management of the CRA 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the 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 Section 218.415, Florida Statutes, regarding the investment of public funds; and Sections 163.387(6) and (7), Florida Statutes, regarding community development agencies during the year ended September 30, 2024.

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Lakeland, Florida
November 8, 2025



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