



City of Stuart Community Redevelopment Agency

Financial Statements

September 30, 2024



City of Stuart Community Redevelopment Agency
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September 30, 2024

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Independent Auditor's Report

Board of Commissioners
City of Stuart Community Redevelopment Agency
Stuart, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and General Fund of the City of Stuart Community Redevelopment Agency (the "CRA"), a component unit of the City of Stuart, Florida, as of and for the fiscal 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 accompanying 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 for the year then ended in conformity 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the CRA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 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 that audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule 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 June 30, 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 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 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.

Forvis Mazars, LLP

**Fort Lauderdale, Florida
June 30, 2025**

**City of Stuart Community Redevelopment Agency
Management's Discussion and Analysis
September 30, 2024**

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the City of Stuart Community Redevelopment Agency (the "CRA"), we offer readers of the CRA's financial statements this narrative overview and analysis of the CRA's financial activities for the fiscal year ended September 30, 2024.

Overview of the 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: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the CRA's finances, in a manner similar to a private-sector business. The CRA's government-wide financial statements include the statement of net position and statement of activities.

The statement of net position presents information on the CRA's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Also, capital assets are capitalized and depreciated on the statement of net position whereas related purchases are expended on government fund financial statements.

General Fund

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

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

Other Information

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

**City of Stuart Community Redevelopment Agency
Management's Discussion and Analysis
September 30, 2024**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the CRA, assets exceeded liabilities by \$14,682,538 at the close of the most recent fiscal year. This compares with \$12,342,797 at the close of the 2023, an increase of \$2,339,741. Cash and investments increased due to additional tax incremental revenue. Capital assets had an increase due to the purchase of 710 MLK Blvd.

	Net Position	
	2024	2023
Assets		
Current and other assets	\$ 10,019,775	\$ 9,354,520
Capital assets	<u>4,706,201</u>	<u>3,024,744</u>
Total assets	14,725,976	12,379,264
Liabilities		
Current liabilities	<u>43,438</u>	<u>36,467</u>
Total liabilities	43,438	36,467
Net position		
Net investment in capital assets	4,706,201	3,024,744
Restricted	<u>9,976,337</u>	<u>9,318,053</u>
Total net position	<u>\$ 14,682,538</u>	<u>\$ 12,342,797</u>

Governmental Activities

The CRA's net position increased by \$2,339,741 in fiscal year 2024. Both the City of Stuart (the "City") and Martin County (the "County") contributed to the CRA based on property values within the CRA. General government expenses remained in line with 2023. The majority continuing to be utilized for professional services, leasing, and design.

	Changes in Net Position	
	2024	2023
Revenues		
Tax increment revenue	\$ 6,846,220	\$ 4,246,989
Other	<u>115,986</u>	<u>33,046</u>
Total revenues	6,962,206	4,280,035
Expenses		
Community redevelopment	<u>4,622,465</u>	<u>822,166</u>
Total expenses	4,622,465	822,166
Increase/(decrease) in net position	2,339,741	3,457,869
Net position - beginning	<u>12,342,797</u>	<u>8,892,413</u>
Net position - ending	<u>\$ 14,682,538</u>	<u>\$ 12,350,282</u>

**City of Stuart Community Redevelopment Agency
Management’s Discussion and Analysis
September 30, 2024**

Financial Analysis of the General Fund

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The purpose of the CRA’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. The only difference between General Fund operations and governmental activities is the accounting presentation for capital outlay. Capital outlay is accounted for as an expenditure in the General Fund and, to the extent it relates to capital asset additions, is replaced by depreciation expense on the statement of activities.

General Fund Budgetary Highlights

Primary variances between the final budget and actual operating expenditure categories related to delays in projects due to unforeseen circumstances. Continued planning and execution of projects is expected in the coming fiscal year.

Capital Asset Administration

The CRA’s net investment in capital assets as of September 30, 2024 amounts to \$4,706,201, an increase of \$1,681,457 from prior year.

	<u>Capital Assets, net</u>	
	<u>2024</u>	<u>2023</u>
Land	\$ 1,420,754	\$ 1,007,399
Buildings and improvements	1,350,372	145,919
Improvements other than buildings	2,782,859	2,782,859
Equipment	210,509	210,509
Construction in progress	780,784	577,287
Accumulated depreciation	<u>(1,839,077)</u>	<u>(1,699,229)</u>
Total assets	<u>\$ 4,706,201</u>	<u>\$ 3,024,744</u>

Economic Factors and Conditions

An increase in area property values resulted in an increase in City and County contributions to the CRA Fund. Taxable values rose 24.3% in fiscal year 2024. Taxable values within the CRA are expected to see continued growth greater than taxable value growth in the remainder of the City.

Requests for Information

The 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. Additional information is also available on the City’s website at www.cityofstuart.us. If you have any questions about this report or would like additional information, please contact:

Financial Services Director
City of Stuart
121 S.W. Flagler Avenue
Stuart, FL 34994

City of Stuart Community Redevelopment Agency
Statement of Net Position and Governmental Fund Balance Sheet
September 30, 2024

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
ASSETS			
Cash and cash equivalents	\$ 1,290,582	\$ -	\$ 1,290,582
Pooled investments	8,726,907	-	8,726,907
Accounts receivable	2,286	-	2,286
Capital assets			
Nondepreciable	-	2,201,538	2,201,538
Depreciable, net	-	2,504,663	2,504,663
Total Assets	<u>\$ 10,019,775</u>	<u>\$ 4,706,201</u>	<u>\$ 14,725,976</u>
LIABILITIES			
Accounts payable	\$ 29,635	\$ -	\$ 29,635
Due to other governments	27	-	27
Unearned revenue	3,335	-	3,335
Accrued wages	10,441	-	10,441
Total Liabilities	<u>43,438</u>	<u>-</u>	<u>43,438</u>
FUND BALANCES/NET POSITION			
Fund balances			
Nonspendable	-	-	-
Restricted	9,976,337	(9,976,337)	-
Total Fund Balances	<u>9,976,337</u>	<u>(9,976,337)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 10,019,775</u>		
Net position			
Net investment in capital assets		4,706,201	4,706,201
Restricted		9,976,337	9,976,337
Total Net Position		<u>\$ 14,682,538</u>	<u>\$ 14,682,538</u>

**City of Stuart Community Redevelopment Agency
Statement of Activities and Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances
Year Ended September 30, 2024**

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Activities</u>
Revenues			
Intergovernmental	\$ 6,846,220	\$ -	\$ 6,846,220
Investment income	100,675	-	100,675
Licenses and permits	2,911	-	2,911
Miscellaneous revenues	12,400	-	12,400
Total Revenues	<u>6,962,206</u>	<u>-</u>	<u>6,962,206</u>
Expenditures/Expenses			
Current			
Economic environment	4,482,617	-	4,482,617
Capital improvements			
Capital outlay	1,821,305	(1,821,305)	-
Depreciation	-	139,848	139,848
Total Expenditures	<u>6,303,922</u>	<u>(1,681,457)</u>	<u>4,622,465</u>
Net Change in Fund Balances/Net Position	<u>658,284</u>	<u>1,681,457</u>	<u>2,339,741</u>
Fund Balances/Net Position			
Beginning of the year	<u>9,318,053</u>	<u>3,024,744</u>	<u>12,342,797</u>
End of the year	<u>\$ 9,976,337</u>	<u>\$ 4,706,201</u>	<u>\$ 14,682,538</u>

Note 1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Community Redevelopment Agency (the "CRA") is a blended component unit of the City of Stuart, Florida (the "City"). The City Council appoints an advisory board to administer the activities. The seven-member governing board of the CRA consists of five members of the City Council and two additional at-large commissioners appointed by the City Council in accordance with Section 52.002, City of Stuart Code of Ordinances and Section 163.357(1) (c), Florida Statutes.

The CRA was created pursuant to Section 163.356, Florida Statutes, through ordinances passed by the City and Martin County. It was created by City Resolution 84-98, dated June 8, 1998. Its primary activities include the rehabilitation, conservation, or redevelopment of slum or blighted areas within the City. The City provides accounting and administrative support to the CRA without charge; the CRA does not have personnel or administrative facilities.

Pursuant to Florida Statute 163.387, the CRA is funded primarily by incremental ad valorem tax revenues levied and remitted in amounts proportionate to property tax values for each participating entity. The CRA is economically dependent on such revenue.

The accounting policies of the CRA conform to accounting principles generally accepted in the United States of America.

These financial statements present the financial position and results of operations controlled by or dependent upon the CRA. In evaluating the CRA as a reporting entity, management has addressed all potential component units for which the CRA may or may not be financially accountable and, as such, be includable in the CRA's financial statements. No component units exist which would require inclusion in the CRA's financial statements.

Government-wide and Fund Financial Statements

The CRA has only governmental activities and only one function, and, as such, it is eligible for special-purpose financial statement presentation; accordingly, the government-wide financial statements are presented together with the governmental fund financial statements, described below, with an adjustment column presented to reconcile the two sets of statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental Fund Financial Statements - The CRA has one governmental fund type, which is the General Fund. The General Fund is the primary operating fund used to account for all resources and operations. Governmental funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position.

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.

Governmental fund financial statements are reported using the *current financial resources measurement focus and the modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon

City of Stuart Community Redevelopment Agency
Notes to Financial Statements
September 30, 2024

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 period. Expenditures are generally recorded when a liability is incurred.

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 and are recognized as revenue when the amount is received with the availability period which is limited to 60 days after the end of the fiscal year.

When both restricted and unrestricted resources are available for use, it is the CRA's policy to use restricted resources first, then unrestricted resources, as they are needed. When both assigned and unassigned resources are available for use, it is the CRA's policy to use assigned resources first, then unassigned resources, as they are needed.

Budgets and the Budgetary Process

The CRA's Board adopts an annual operating budget, which can be amended by the Board throughout the year.

At the fund level, actual expenditures cannot exceed the budgeted amounts; however, with proper approval by the Board, budgetary transfers between line items can be made.

The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the General Fund reflects the original and final budget authorization amounts, which includes all amendments. Appropriations lapse at the close of the fiscal year.

The CRA's management cannot amend or transfer appropriations.

For the fiscal year ended September 30, 2024, the CRA's budget was prepared on a modified accrual basis.

Pooled Cash and Equivalents and Investments

Cash reported in the financial statements includes interest-bearing, demand accounts and certificates of deposits stated at fair value.

Capital Assets

Capital assets purchased in the General Fund are recorded as expenditures at the time of purchase. It is the policy of the CRA to capitalize property and equipment over \$1,000 with an estimated useful life in excess of one year. Lesser amounts are expensed. The CRA does not have donated fixed assets.

Depreciation has been recorded over the following estimated useful lives using the straight-line method.

Building and improvements	10-30 years
Infrastructure	10-100 years
Machine and equipment	3-10 years

Fund Balance

The CRA has classified governmental fund balances as follows:

- Restricted Fund Balance – includes items that are restricted by external creditors, grantors or restricted by legal constitutional provisions.

City of Stuart Community Redevelopment Agency
Notes to Financial Statements
September 30, 2024

Estimates and Assumptions

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Adjustments were made to include capital assets (net of accumulated depreciation) and long-term liabilities on the statement of net position. This resulted in a net difference between the ending General Fund balances and the total net position of \$4,706,201.

Total fund balance	\$ 9,976,337
Capital assets, net	<u>4,706,201</u>
Total net position	<u>\$ 14,682,538</u>

Adjustments were made to include depreciation expense and eliminate capital outlay expenditures on the statement of activities. This resulted in a net difference between “excess revenues over expenditures” and “change in net position” of \$1,681,457.

Excess of revenues over expenditures	\$ 658,284
Capital outlay	1,821,305
Depreciation expense	<u>(139,848)</u>
Change in net position	<u>\$ 2,339,741</u>

Note 3. Pooled Cash and Equivalents and Investments

Cash and Cash Equivalents

The CRA’s cash and equivalents account is combined with the pooled cash of the City. The City’s cash accounts consist of interest-bearing, demand accounts and certificates of deposit, all of which were entirely covered by federal depository insurance or by a multiple financial institution collateral pool pursuant to the Public Depository Security Act of the State of Florida (the “Act”). The Act requires that the City maintain deposits only in “qualified public depositories.” All qualified public depositories must deposit eligible collateral with the State Treasurer in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City.

Pooled Investments

The CRA pools its investments with the City. The CRA does not manage its own investments. The CRA’s portion of the pooled investments is \$8,726,907. The CRA follows the City’s Investment Policy, which is in accordance with Florida Statutes. Refer to Note 2 - Deposits and Investments in the City’s Annual Comprehensive Financial Report for further information on the City’s and the CRA’s required disclosures for investments. This information is available on the City’s website, www.cityofstuart.us.

City of Stuart Community Redevelopment Agency
Notes to Financial Statements
September 30, 2024

Note 4. Capital Assets

The following is a summary of changes in the CRA's capital assets during the fiscal year ended September 30, 2024:

	<u>Balance October 1, 2023</u>	<u>Additions and Transfers</u>	<u>Deletions and Transfers</u>	<u>Balance September 30, 2024</u>
Governmental Activities				
Land	\$ 1,007,399	\$ 413,355	\$ -	\$ 1,420,754
Construction in progress	<u>577,287</u>	<u>203,497</u>	<u>-</u>	<u>780,784</u>
Total capital assets, not being depreciated	<u>1,584,686</u>	<u>616,852</u>	<u>-</u>	<u>2,201,538</u>
Capital assets being depreciated:				
Building and improvements	145,919	1,204,453	-	1,350,372
Infrastructure	2,782,859	-	-	2,782,859
Equipment	<u>210,509</u>	<u>-</u>	<u>-</u>	<u>210,509</u>
Total capital assets being depreciated	3,139,287	1,204,453	-	4,343,740
Accumulated depreciation	<u>(1,699,229)</u>	<u>(139,848)</u>	<u>-</u>	<u>(1,839,077)</u>
Total capital assets being depreciated, net	<u>1,440,058</u>	<u>1,064,605</u>	<u>-</u>	<u>2,504,663</u>
Total capital assets, net	<u>\$ 3,024,744</u>	<u>\$ 1,681,457</u>	<u>\$ -</u>	<u>\$ 4,706,201</u>

Depreciation expense amounted to \$139,848 during fiscal year 2024, which is included on the statement of activities.

Required Supplementary Information

City of Stuart Community Redevelopment Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Fund				
Revenues:				
Intergovernmental	\$ 10,053,292	\$ 10,053,292	\$ 6,846,220	\$ (3,207,072)
Investment income	-	-	100,675	100,675
Licenses and permits	-	-	2,911	2,911
Miscellaneous revenues	2,700	2,700	12,400	9,700
Total Revenues	10,055,992	10,055,992	6,962,206	(3,093,786)
Expenditures				
Current:				
Economic environment	1,765,680	7,198,477	4,482,617	2,715,860
Capital improvements	11,346,000	10,183,035	1,821,305	8,361,730
Capital outlay				
Total Expenditures	13,111,680	17,381,512	6,303,922	11,077,590
Excess (Deficiency) of Revenues (Under) Expenditures	(3,055,688)	(7,325,520)	658,284	7,983,804
Net Change in Fund Balance	(3,055,688)	(7,325,520)	658,284	7,983,804
Fund Balance, Beginning	-	-	9,318,053	9,318,053
Fund Balance, Ending	\$ (3,055,688)	\$ (7,325,520)	\$ 9,976,337	\$ 17,301,857

Note: This schedule is prepared on the basis of generally accepted accounting principles.

Compliance Section

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Commissioners
City of Stuart Community Redevelopment Agency
Stuart, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and General Fund of the City of Stuart Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 30, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the CRA'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, 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*.

We noted certain matters that we reported to management of the CRA in a separate letter dated June 30, 2025.

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.

Forvis Mazars, LLP

**Fort Lauderdale, Florida
June 30, 2025**

Independent Accountant's Report

Board of Commissioners
City of Stuart Community Redevelopment Agency
Stuart, Florida

We have examined the City of Stuart Community Redevelopment Agency's (the "CRA") compliance with the requirements of Sections 163.387(6) and (7) and 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2024.

Forvis Mazars, LLP

**Fort Lauderdale, Florida
June 30, 2025**

Independent Auditor's Management Letter

Board of Commissioners
City of Stuart Community Redevelopment Agency
Stuart, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Stuart Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 30, 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *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 June 30, 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 recommendations made in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and 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 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

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the CRA'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 218.38(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 of the CRA, a dependent district of the City of Stuart, Florida, that is required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, is reported in the City of Stuart, Florida's management letter for the fiscal year ended September 30, 2024.

Additional Matters

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

Purpose of this Letter

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

Forvis Mazars, LLP

**Fort Lauderdale, Florida
June 30, 2025**