



**Community Redevelopment Agency
of the City of Daytona Beach**
FINANCIAL STATEMENTS
For the Fiscal Year
Ended September 30, 2024

Daytona Beach Community Redevelopment Agency
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Year Ended September 30, 2024



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**Daytona Beach Community Redevelopment Agency
Agency Officials
Year Ended September 30, 2024**

CRA Board Members

Derrick Henry
Monica Paris
Dannette Henry
Quanita May
Stacy Cantu
Paula R. Reed
Ken Strickland

CRA Staff

Ken Thomas, Redevelopment Director
Michele Tolliver, Redevelopment Project Manager
Phebe Fuqua, Redevelopment Project Manager
Angela Armstrong, Redevelopment Project Manager



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the Board
Daytona Beach Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the City of Daytona Beach Community Redevelopment Agency, as of September 30, 2024, and the respective changes in financial position, thereof 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 Agency 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 Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing 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 Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Daytona Beach Community Redevelopment Agency's basic financial statements. The accompanying combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2025, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

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

Melbourne, Florida
June 20, 2025



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Daytona Beach Community Redevelopment Agency Management's Discussion and Analysis

As management of the Daytona Beach Community Redevelopment Agency (the "Agency"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended September 30, 2024.

Financial Highlights

- The assets and deferred inflows of resources of the Agency exceed of its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1.1 million. This increase is primarily attributed to a \$5.5 million increase in current and other assets.
- The Agency's total net position increased \$5.6 million over the course of this year's operations primarily due to less spending on capital expenditures when compared to last fiscal year and increased tax increment revenue derived from increased property values.
- The Agency's operating fund reported an ending fund balance of \$20.5 million, an increase of \$5.3 million over last fiscal year. This increased fund balance is a good indicator that the Agency is in a financial position to sustain its operations.

Overview of the Financial Statements

The financial section of this annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Daytona Beach Community Redevelopment Agency's finances, in a manner similar to a private-sector business. All the Agency's activities are reported as governmental activities in the government-wide financial statements.

The statement of net position presents information on all of the Daytona Beach Community Redevelopment Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the elements 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 Daytona Beach Community Redevelopment Agency is improving or deteriorating.

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

The government-wide financial statements can be found on pages 16-17 of this report.

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

Daytona Beach Community Redevelopment Agency Management's Discussion and Analysis

Governmental fund. The governmental 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 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 the governmental 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 governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The Daytona Beach Community Redevelopment Agency only has one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the Daytona Beach Community Redevelopment Agency.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables but do not include capital assets such as land and buildings. The operating statement for the governmental fund reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures are generally recorded when incurred.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

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 can be found on pages 23-37 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) which is a comparison between the Daytona Beach Community Redevelopment Agency's adopted and final budget and actual financial results for its general fund. The Daytona Beach Community Redevelopment Agency adopts an annual budget for its general fund, and a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

Required supplementary information can be found on pages 40-41 of this report.

Daytona Beach Community Redevelopment Agency Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an Agency's financial position. In the case of the Daytona Beach Community Redevelopment Agency's assets exceeded liabilities by \$1.1 million at the close of the most recent fiscal year.

The following table reflects the condensed statement of net position:

Daytona Beach Community Redevelopment Agency's Net Position

	2024	2023
Current and other assets	\$ 20,788,853	\$ 15,294,065
Total assets	20,788,853	15,294,065
Deferred outflows of resources	2,915	3,633
Long-term liabilities outstanding	19,421,151	19,791,149
Other liabilities	272,020	72,193
Total liabilities	19,693,171	19,863,342
Deferred inflows of resources	46,501	-
Net position:		
Net investment in capital asset	(16,926,350)	17,676,131
Unrestricted (deficit)	17,978,446	(22,241,775)
Total net position	\$ 1,052,096	\$ (4,565,644)

The Daytona Beach Community Redevelopment Agency is reporting a net position of \$1.1 million, which is primarily due to increases in current and other assets resulting from tax increment revenues as derived from increased property values.

Daytona Beach Community Redevelopment Agency Management's Discussion and Analysis

The following table shows condensed revenue and expense data:

Daytona Beach Community Redevelopment Agency's Changes in Net Position

	2024	2023
Program revenues:		
Charges for services	\$ 243,104	\$ 216,926
General revenues:		
Intergovernmental revenues	5,187,170	4,688,799
Income on investments	629,320	445,392
Miscellaneous	9,302	433,098
Net transfers in (out)	3,840,514	3,369,153
Total revenues	9,909,410	9,153,368
Expenses:		
Transportation	-	156
Economic environment	4,265,952	6,720,600
Cultural and recreation	-	-
Interest and fiscal charges	25,718	21,077
Total expenses	4,291,670	6,741,833
Change in net position	5,617,740	2,411,535
Net position		
Net position - beginning	(4,565,644)	(6,977,179)
Net position - ending	\$ 1,052,096	\$ (4,565,644)

The Agency's net position increased by \$5.6 million over last fiscal year and is primarily attributable to the net effect of reduced capital expenditures, and increases in tax increment revenues due to increased property values and increases in income on investments given the positive change in market conditions.

Financial Analysis of the Daytona Beach Community Redevelopment Agency

As noted earlier, the Daytona Beach Community Redevelopment Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund. The focus of the Agency's governmental fund is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financings requirements. Notably, unassigned fund balance may serve as a useful measure of the Agency's net resources available at the end of the fiscal year. The Agency's operating fund reported an ending fund balance of \$20.5 million, an increase of \$5.3 million when compared to the prior fiscal year and is due to reduced capital expenditures coupled with increases in tax increment revenues, because of increased property values, and increases in investment income.

Budgetary highlights. During the fiscal year, the total budget was amended after adoption by the Agency Board and accordance with Florida State Statute 163.87 section (7)(d), in which any money

Daytona Beach Community Redevelopment Agency Management's Discussion and Analysis

remaining in the trust fund after the payment of expenses must be re-appropriated (carried forward) to specific projects pursuant to an approved plan in the subsequent year's budget.

The portion which increased the current year budget for unspent funds remaining at the end of fiscal year 2024 of \$21.6 million was brought forward as part of the carry forward process as future projects. Other budget amendments contained adjustments received by the Volusia County Value Adjustment Board for changes to taxable property values after the beginning of the fiscal year coupled with adjustments to estimated revenues and expenses totaling \$6.5 million, which decrease both revenues and related expenses and is due to the acquisition of a taxable revenue note for the Midtown CRA to alleviate blight and slum and redevelop the area to attract businesses and residents alike.

Capital Asset and Debt Administration

Capital assets. The Agency had no capital assets for fiscal year ended September 30, 2024.

Long-term debt. At the end of the current fiscal year, the Agency had revenue bonds and notes payable outstanding of \$19.4 million. The Agency's revenue bonds and notes payable balances decreased by a net amount of \$0.4 million during the current fiscal year. Additionally, current year debt service payments totaled \$2.5 million. Additional information on the Agency's long-term debt can be found in Note 2 on pages 33-36 of this report.

Economic Factors and Next Year's Budget and Rates

The Agency Board approved the amendment to the FY 2024/25 budget in the amount of \$1.9 million which included an increase of gross budgeted final year-end carryover of \$2.0 million and netted by adjustments made to taxable property values by the Value Adjustment Board (VAB) of \$99 thousand. Tax increment revenue adjustments were based upon actual values from the Volusia County Property Appraiser's Office. The Agency anticipates further TIF revenue growth in the coming years as property values continue to increase and as future redevelopment projects break ground.

Requests for Information

This financial report is designed to provide a general overview of the Daytona Beach Community Redevelopment Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, City of Daytona Beach, 301 S. Ridgewood Avenue, Daytona Beach, Florida, 32114.



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BASIC FINANCIAL STATEMENTS



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Daytona Beach Community Redevelopment Agency
Statement of Net Position - Government-wide

<i>September 30, 2024</i>	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 17,685,792
Receivables, net	
Notes	70,396
Leases	37,703
Accrued interest	161
Restricted assets:	
Cash and cash equivalents	2,494,801
Deposits	500,000
Total assets	20,788,853
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	2,915
Total deferred outflows of resources	2,915
LIABILITIES	
Accounts payable and other liabilities	254,811
Intergovernmental payable	1,430
Deposits	10,000
Pollution remediation	5,779
Noncurrent liabilities:	
Due within one year	2,534,608
Due in more than one year	16,886,543
Total liabilities	19,693,171
DEFERRED INFLOWS OF RESOURCES	
Deferred amount for leases	46,501
Total deferred inflows of resources	46,501
NET POSITION	
Net investment in capital assets	(16,926,350)
Unrestricted (deficit)	17,978,446
Total net position	\$ 1,052,096

The accompanying notes are an integral part of this financial statement.

Daytona Beach Community Redevelopment Agency Statement of Activities - Government-wide

For the year ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Economic environment	\$ 4,265,952	\$ 243,104	\$ -	\$ -	\$ (4,022,848)
Interest and fiscal charges	25,718	-	-	-	(25,718)
Total governmental activities	\$ 4,291,670	\$ 243,104	\$ -	\$ -	\$ (4,048,566)
General revenues:					
Intergovernmental revenues					\$ 5,187,170
Income on investments					629,320
Miscellaneous					9,302
Transfers, net					3,840,514
Total general revenues					9,666,306
Change in net position					5,617,740
Net position, beginning of year					(4,565,644)
Net position, end of year					\$ 1,052,096

The accompanying notes are an integral part of this financial statement.

**Daytona Beach Community Redevelopment Agency
Balance Sheet – Governmental Fund**

<i>September 30, 2024</i>	Redevelopment Trust
ASSETS	
Cash and cash equivalents	\$ 17,685,792
Restricted cash and cash equivalents	2,494,801
Notes receivable, net	70,396
Lease receivables, net	37,703
Accrued interest	161
Deposits	500,000
Total assets	\$ 20,788,853
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 254,811
Intergovernmental payable	1,430
Deposits	10,000
Pollution remediation	5,779
Total liabilities	272,020
Deferred inflows of resources:	
Deferred inflows - leases	46,501
Total deferred inflows of resources	46,501
Fund balance:	
Restricted	20,470,332
Total fund balance	20,470,332
Total liabilities, deferred inflows of resources, and fund balance	\$ 20,788,853

The accompanying notes are an integral part of this financial statement.

**Daytona Beach Community Redevelopment Agency
Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position**

As of September 30, 2024

Total fund balance for the governmental fund		\$ 20,470,332
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Deferred amount on refunding (to be amortized as interest revenue)	\$ 2,915	
Bonds, loans, and notes payable	<u>(19,421,151)</u>	
		(19,418,236)
<hr/>		
Net position of governmental activities		<u>\$ 1,052,096</u>

The accompanying notes are an integral part of this financial statement.

Daytona Beach Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balance –
Governmental Fund

	Redevelopment Trust
<i>For the year ended September 30, 2024</i>	
<hr/>	
REVENUES	
Intergovernmental	\$ 5,187,170
Charges for services	243,104
Income on investments	629,320
Miscellaneous	9,302
<hr/> Total revenues	<hr/> 6,068,896
EXPENDITURES	
Current operating:	
Economic environment	2,741,408
Capital outlay	1,524,544
Debt service:	
Interest and fiscal charges	25,000
<hr/> Total expenditures	<hr/> 4,290,952
<hr/> Excess (deficit) of revenues over expenditures	<hr/> 1,777,944
OTHER FINANCING SOURCES (USES)	
Issuance of debt	2,107,543
Transfers in	4,379,394
Transfers (out) for debt service payments	(3,016,421)
<hr/> Total other financing sources (uses)	<hr/> 3,470,516
 Net change in fund balances	 5,248,460
FUND BALANCES	
Beginning of year	15,221,872
<hr/> End of year	<hr/> \$ 20,470,332

The accompanying notes are an integral part of this financial statement.

Daytona Beach Community Redevelopment Agency
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance of the Governmental Fund to the Statement of Activities

For the year ended September 30, 2024

Net change in fund balance - total governmental fund \$ 5,248,460

Amounts reported for governmental activities in the statement of activities
are different because:

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal paid	\$ 2,477,541	
Issuance of debt	<u>(2,107,543)</u>	
		369,998

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Amortization of deferred amount on refunding	<u>(718)</u>	(718)
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Change in net position of governmental activities	\$ 5,617,740
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The accompanying notes are an integral part of this financial statement.

Daytona Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Daytona Beach Community Redevelopment Agency (the “Agency”) was created pursuant to Chapter 163, Part III, Florida Statutes, and Ordinance 82-255 in August 1982. Although legally separate, the CRA is a blended component unit of the City of Daytona Beach, Florida (the “City” and “Primary Government”) and is reported as if it were part of the City, as a special revenue fund. The CRA is governed by a board of directors (the “Board”) which is comprised of the City Commission; the CRA’s Chairman is the City’s Mayor. The purpose of the CRA is to eliminate and prevent blight within the designated Community Redevelopment Areas of the City – the Downtown Redevelopment Area, the Main Street Redevelopment Area, the Ballough Road Redevelopment Area, the Midtown Redevelopment Area and the South Atlantic Avenue Redevelopment Area. These services provided by the CRA entirely benefit the City. Bond issuance authorization is approved by the City Commission. The CRA’s resources are pledged to repay its associated debt; and, if those resources are insufficient, then the City has obligated its non-ad valorem revenues in any amount necessary to make such debt repayment.

Revenue sources for the Agency consist primarily of tax increment property taxes paid as intergovernmental revenues and transfers in of financing sources. Revenue collected from growth in property values within the redevelopment area is used to reinvest in programs and projects within the same boundaries. Any bond issue authorizations are approved by the City Commission and the legal liability for the general obligation portion of the Agency’s debt remains with the Primary Government.

The accompanying financial statements present only the operations of the Agency and are not intended to present the financial position and results of the City of Daytona Beach, Florida. Complete financial statements for the City of Daytona Beach, Florida may be obtained at the City’s finance department located at 301 S. Ridgewood Avenue, Daytona Beach, Florida 32114.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the Agency. *Governmental activities* are those which normally are supported by taxes and intergovernmental revenues.

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 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.

Daytona Beach Community Redevelopment Agency 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.

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 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 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 of leases are reported as other financing sources.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 twelve months of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Government-Wide Financial Statements

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

Daytona Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The fund financial statements provide information about the Agency's fund. The emphasis of fund financial statements is on the major governmental fund.

The Agency reports the following major governmental fund:

The *Community Redevelopment Agency Fund* is the Agency's operating fund. It accounts for all financial resources of the Agency.

Budgetary Information

The Agency has elected, as permitted by Section 2400: *Budgetary Reporting* of the GASB Codification, to disclose all budgetary information in the notes to the required supplementary information.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and cash equivalents

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

All note and lease receivables are considered to be fully collectible.

The Agency has a commercial lease agreement for a rooftop sign on one of its buildings. The Agency's commercial lease receivable is measured at the present value of lease payments expected to be received during the lease term at a discount rate of 1.7%, which is the Agency's incremental borrowing rate. Subsequently, the lease receivable is reduced by the principal portion of lease payments received over the life of the lease term.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and are recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

Daytona Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to future periods. The Agency has one item that qualifies for reporting as deferred outflows; the *deferred amount on refunding*.

The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Agency has one item that qualifies for reporting as deferred inflows of resources, which is the *deferred amount for leases*.

The deferred amounts related to leases are associated with amounts owed to the Agency, as lessor, by entities leasing the Agency's resources as calculated in accordance with GASB Codification L20: *Leases*. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is recognized as revenue on a straight-line basis over the term of the lease.

Categories and Classification of Fund Equity

Net position flow assumption – Sometimes the Agency 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 statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Daytona Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Categories and Classification of Fund Equity (Continued)

Fund balance flow assumptions – Sometimes the Agency 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 Agency'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 balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Agency itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are 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 fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Agency's highest level of decision-making authority. The governing commission is the highest level of decision-making authority for the Agency that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Daytona Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Categories and Classification of Fund Equity (Continued)

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Agency for specific purposes but do not meet the criteria to be classified as committed. The governing commission (the “Commission”) has by resolution authorized the Chief Financial Officer and Budget Officer to assign fund balance. The Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for fund balance not meeting criteria to be reported as nonspendable, restricted, committed, or assigned.

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues. The Agency has program revenues of \$243,104 in the fiscal year ended September 30, 2024.

Tax increment revenues – The primary source of revenues is tax increment funds (“TIF”) received from the City of Daytona Beach, Volusia County, Halifax Hospital District and Daytona Beach Downtown Development Authority (“DB DDA”). Volusia County includes Volusia General Fund, ECHO, Volusia Forever, Mosquito Control and Ponce Inlet Port Authority. The revenue is computed by multiplying the various operating tax millage rates of each taxing district by the increased value of the properties within the area’s boundaries over the base property value. An administrative fee of five percent is deducted. The calculated amounts are due by December 31st each year without regard to actual tax collections or other obligations of the taxing districts.

In accordance to multiple inter-local agreements, the Agency is required to provide funding in an amount equal to the annual debt service payments to the City of Daytona Beach and to refund an amount equal to the annual tax increment revenue received from the DB DDA back to the DB DDA. The TIF funds received from the City are reported as transfers. The TIF funds received from all other taxing districts are reported as intergovernmental revenues.

Daytona Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 20, 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 financial statements.

Recently Issued and Implemented Accounting Pronouncements

The Agency implemented the following standard during the current year.

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 the 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 the accounting principle or error corrections should be presented in the required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this statement.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Daytona Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement was issued in December 2023 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 defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

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. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Statement 102 will be effective for the fiscal year ending September 30, 2025.

GASB Statement 103, *Financial Reporting Model Improvements*. This Statement was issued April 2024 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. This Statement also addresses certain application issues.

This establishes new accounting and financial reporting requirements—or modifies existing requirements—related to Management's discussion and analysis (MD&A); unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This Statement will supersede and amend portions of GASB Statements 34 and 37. This Statement further amends portions of GASB Statements 14, 41, 42, 44, 49, 56, 58, 61, 62 and 69. Related guidance will also be superseded or amended upon implementation. Statement 103 will be effective for the fiscal year ending September 30, 2026.

GASB Statement 104, *Disclosure of Certain Capital Assets*. This Statement was issued September 2024 to provide users of government financial statements with essential information about certain types of capital assets.

Daytona Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

This 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 assets 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. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires 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. Statement 104 will be effective for the fiscal year ending September 30, 2026.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits

The Agency pools its deposits with the Primary Government. At September 30, 2024, the Agency's carrying amount of deposits was \$20,180,593. All deposits are placed with banks that qualify as a public depository pursuant to the provisions of the Florida Statutes for Public Depositories Act. The qualified public depositories pledge securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Agency pursuant to Section 280.08, Florida Statutes.

**Daytona Beach Community Redevelopment Agency
Notes to Financial Statements**

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Intergovernmental Receivables, Payables, and Transfers

Transfers for the year ended September 30, 2024:

	Transfers in:			Total
	Primary Government	Community Redevelopment Agency		
Transfers out:				
Primary Government	\$ -	\$ 4,379,394	\$	4,379,394
Community Redevelopment Agency	(3,016,421)	-	\$	(3,016,421)
Total	\$ (3,016,421)	\$ 4,379,394	\$	1,362,973

Transfers are used to (1) move revenues from the fund that is required (per statute or budget) to collect them to the fund that is required (per statute or budget) to expend them and (2) transfer annual debt service required payments of principal and interest to the debt service fund within the Primary Government.

Notes Receivable

On November 19, 2009, the Daytona Beach Community Redevelopment Agency (CRA) entered into an agreement to lend Central Florida Community and Economic Development Corporation, LLC, up to \$551,000 for retail development of property located at 456 South Martin Luther King Boulevard, Daytona Beach, Florida, which is within the Midtown Redevelopment area of the City. The note is secured by a mortgage on the property. The CRA agreed to forgive a repayment of up to \$250,000 for authorized CRA expenditures under Chapter 163, Florida Statutes, and the Midtown Redevelopment Area Plan pursuant to the terms of the loan agreement. During FY 2012-13, the loan agreement was modified and as of September 30, 2013, combined payments on the indebtedness totaled \$20,846, leaving a principal balance owed to the CRA of \$280,153. This remaining principal balance was to be amortized over 57 months and repaid in equal monthly installments of \$2,083 through December 2018, at which time a balloon payment was due in the amount of \$161,396. The remaining principal balance owed at September 30, 2024 was \$70,396, for which a monthly payment of \$2,000 has been made consistently since January 2021.

Lease Receivables

On September 7, 2023 the City purchased the building at 562 W. International Speedway, Daytona Beach, Florida. The property included a prior tenant that leases a sign on the rooftop of the building which expires on June 30, 2027. The lessee pays a fixed annual rate during the duration of the lease. For the fiscal year September 30, 2024, the Community Redevelopment Trust Fund recognized \$4,202 of lease revenue and \$ 0 of lease interest.

**Daytona Beach Community Redevelopment Agency
Notes to Financial Statements**

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Lease Receivables (Continued)

The following is a schedule by years of minimum future revenues from noncancellable agreements:

<i>Year ending September 30,</i>	Principal		Interest		Total Future Minimum Lease Payments
2025	\$	12,355	\$	645	\$ 13,000
2026		12,566		434	13,000
2027		12,782		218	13,000
Total	\$	37,703	\$	1,297	\$ 39,000

Long-Term Debt and Liabilities

Capital Improvement Refunding Revenue Note, Series 2010

On June 10, 2010, the Agency entered into a loan agreement with SunTrust Bank for \$2,411,613 at a fixed interest rate of 3.38% for the purpose of street and sidewalk enhancements located within the Midtown Redevelopment area. On October 20, 2016, an allonge to the loan agreement between the Agency and SunTrust Bank was executed which amended the interest rate of the series 2010 note from 3.38 percent to 2.40 percent for the remaining term. An economic gain (difference between the present values of the debt service payments on the old and new debt) of \$69,973 was realized on the transaction. The Tax Cuts and Jobs Act that took effect on January 1, 2018 reduced the corporate tax rate to 21 percent from a maximum rate of 35 percent. As a result, the interest rate on the loan has changed from 2.40 percent to 2.92 percent for the remaining term. Principal and interest are payable from the Midtown Redevelopment Trust Fund tax increment revenues. The Agency has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required.

The note's final maturity is November 1, 2024. A liability is recorded in the government-wide statement of net position. The remaining principal balance attributed to the Agency at September 30, 2024 was \$212,608.

Capital Improvement Revenue Note, Series 2017

On December 28, 2017, the Agency issued Capital Improvement Revenue Note, Series 2017 in the amount of \$1,568,000 for the purpose of refunding Capital Improvement Revenue Note, Series 2009 of \$1,555,899.

Daytona Beach Community Redevelopment Agency Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

The Agency refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company. The reacquisition price exceeded the net carrying amount of the old debt by \$12,268. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The Agency reduced its total debt payments over 11 years by \$159,385 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$135,129. The original proceeds were used for the Magnolia Street streetscape. Principal and interest are payable from the Downtown Redevelopment Trust Fund tax increment revenues. The Agency has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2028. A liability is recorded in the government-wide statement of net position. The remaining principal balance at September 30, 2024 was \$786,000.

Capital Improvement Refunding and Revenue Note, Series 2020

On November 4, 2020, the Agency issued Capital Improvement Refunding and Revenue Note, Series 2020 in the amount of \$24,385,000, for the purpose of refunding the Capital Improvement Revenues Bonds, Series 2011A. The Series A portion of the refunded debt was issued for the purpose of refinancing FIFC Capital Revenue Bonds, Series 2001 C-1 of \$33,285,000, which was originally issued to finance certain public improvements benefitting the HBE and Ocean Walk prime areas. \$19,190,000 of the new Series 2020 was used to pay off Series 2011A, and the remaining \$5,195,000 is new debt to be spent on new projects. Certain tax increment revenues are pledged as security, with the Agency further obligating itself to budget and appropriate from non-ad valorem revenues any additional amounts necessary to make such repayment. The new note has an interest rate of 2.2%, a term of 11 years, and the refunding will provide an estimated savings of \$2,478,699. The remaining principal balance at September 30, 2024 was \$16,265,000.

Community Redevelopment Agency Taxable Revenue Note, Series 2023

On September 27, 2023, the Agency issued the Community Redevelopment Agency Taxable Revenue Note, Series 2023 which was for the total available amount of \$6,500,000 at a fixed rate of 5.48% with the purpose to revitalizing abandoned and dilapidated property within the Midtown Redevelopment area. As of September 30, 2024 the Agency has drawdown \$2,157,543 of the total funds available. Principal and interest are payable from the Midtown Redevelopment Trust Fund tax increment revenue. The Agency has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required.

The Note's final maturity is September 1, 2036. A liability is recorded in the government-wide statement of net position. The principal balance at September 30, 2024 was \$2,157,543.

Daytona Beach Community Redevelopment Agency Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Pledged Revenues

Pledged revenues and principal and interest payments are as follows:

Pledged Revenue	Amount of issue	Future Principal and Interest	Current Pledged Revenue	Current Principal & Interest	Current Percentage of Revenue
Community Redevelopment					
Capital Improvement Revenue Note, Series 2010	\$ 2,411,613	\$ 215,709	\$ 858,923	\$ 214,741	25%
Capital Improvement Revenue Note, Series 2017	\$ 1,568,000	\$ 857,402	\$ 786,847	\$ 172,338	22%
Capital Improvement Refunding and Revenue Note, Series 2020	\$ 24,385,000	\$ 17,548,335	\$ 5,109,195	\$ 2,511,260	49%
Community Redevelopment Agency Taxable Revenue Note, Series 2023	\$ 2,157,543	\$ 3,047,895	\$ 792,626	\$ 54,235	7%

Debt Service

Annual debt service requirements to maturity for the Agency's note payable are as follows:

<u>September 30,</u>	Principal	Interest	Total
2025	\$ 2,534,608	\$ 480,462	\$ 3,015,070
2026	2,525,099	423,469	2,948,568
2027	2,583,215	360,639	2,943,854
2028	2,646,776	295,941	2,942,717
2029	2,711,806	229,482	2,941,288
Thereafter	6,419,647	458,197	6,877,844
Total	\$ 19,421,151	\$ 2,248,190	\$ 21,669,341

Discount, Premium, Prepaid Bond Insurance Costs and Deferred Amount on Refunding

At September 30, 2024, the balance of deferred amount on refunding consisted of the following:

Description	Original Amount	Accumulated Amortization	Unamortized Amount
Governmental activities:			
Deferred amount on refunding	\$ 7,779	\$ (4,864)	\$ 2,915
Total governmental activities	\$ 7,779	\$ (4,864)	\$ 2,915

**Daytona Beach Community Redevelopment Agency
Notes to Financial Statements**

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Long-term Liability Activity

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital Improvement Revenue					
Note, Series 2010	\$ 418,149	\$ -	\$ (205,541)	\$ 212,608	\$ 212,608
Capital Improvement Revenue					
Note, Series 2017	928,000	-	(142,000)	786,000	147,000
Capital Improvement Revenue					
and Refunding Note, Series 2020	18,395,000	-	(2,130,000)	16,265,000	2,175,000
Community Redevelopment Agency					
Taxable Revenue Note, Series 2023	50,000	2,107,543	-	2,157,543	-
Total long-term liabilities	\$ 19,791,149	\$ 2,107,543	\$ (2,477,541)	\$ 19,421,151	\$ 2,534,608

Governmental Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Agency is bound to observe constraints imposed upon the use of the resources in the governmental funds. The Agency has \$20,470,332 in restricted fund balance at September 30, 2024.

Note 3: RISK MANAGEMENT

Self-Insurance Program

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Primary Government is self-insured for most liability exposures to reduce insurance costs and provide a means of controlling workers' compensation and liability claims. The Agency is charged premiums by the Consolidated Insurance Fund which is accounted for as an internal service fund in the Primary Government.

Daytona Beach Community Redevelopment Agency Notes to Financial Statements

Note 3: RISK MANAGEMENT (Continued)

Litigation

Various suits in the ordinary course of operations are pending against the Agency. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Agency, the liabilities that may arise from such action would not result in losses that would exceed the claims liability of the Primary Government at the time the claim arose or otherwise materially affect the financial position of the Agency or results of operations.

Note 4: POLLUTION REMEDIATION

In accordance with State law, the Agency is currently responsible for site assessments of various properties to determine if contamination exists, including property at Riverfront Park. A current liability has been recorded in the amount of \$5,779.

The estimated liability is based on the costs of the contractual services to be performed for remediation and assumes no unexpected change orders. Re-measurement of the liability is required when new information indicates changes in estimated outlays.



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**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**



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**Daytona Beach Community Redevelopment Agency
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual – Community Redevelopment Agency Fund**

<i>For the year ended September 30, 2024</i>	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Licenses and permits	\$ 13,300	\$ 13,300	\$ -	\$ (13,300)
Intergovernmental	5,203,704	5,203,879	5,187,170	(16,709)
Charges for services	10,324	10,324	243,104	232,780
Income on investments	-	-	629,320	629,320
Miscellaneous	-	-	9,302	9,302
Total revenues	5,227,328	5,227,503	6,068,896	841,393
EXPENDITURES:				
Current operating:				
Economic environment	2,998,264	3,923,883	2,741,408	1,182,475
Culture and recreation	-	52,540	-	52,540
Capital outlay	3,709,908	23,133,708	1,524,544	21,609,164
Debt Service:				
Interest and fiscal charges	-	27,140	25,000	2,140
Total expenditures	6,708,172	27,137,271	4,290,952	22,846,319
Excess (deficiency) of revenues over (under) expenditures	(1,480,844)	(21,909,768)	1,777,944	23,687,712
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	6,450,000	2,107,543	(4,342,457)
Budgetary reserves, net	-	14,033,028	-	(14,033,028)
Transfers in	4,379,184	4,379,315	4,379,394	79
Transfers (out)	(2,898,340)	(2,952,575)	(3,016,421)	(63,846)
Total other financing sources (uses)	1,480,844	21,909,768	3,470,516	(18,439,252)
Net change in fund balance	-	-	5,248,460	5,248,460
FUND BALANCE:				
Beginning	15,221,872	15,221,872	15,221,872	-
Ending	\$ 15,221,872	\$ 15,221,872	\$ 20,470,332	\$ 5,248,460

Daytona Beach Community Redevelopment Agency Budgetary Notes to Required Supplementary Information

Note 1. BUDGETARY INFORMATION

An annual budget is adopted by the Agency's Board on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at fiscal year-end; however, valid outstanding encumbrances for contractual performance expected in the next fiscal year are re-appropriated by budget amendment and become a part of the subsequent year's budget pursuant to state regulations.

The Primary Government's City Manager is authorized to transfer all or part of an unencumbered balance between departments within the fund. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Agency's Board made several supplemental budgetary appropriations during the year.

The Agency uses encumbrance accounting. Open commitments are recognized as expenditures in the period in which the actual goods or services are received and a liability is incurred. Encumbrances (e.g., contracts) outstanding at year end for unfulfilled obligations are cancelled and re-appropriated in the succeeding year's budget. Accordingly, there were no encumbrances outstanding at year end.

SUPPLEMENTARY INFORMATION



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Daytona Beach Community Redevelopment Agency Combining Balance Sheet – Community Redevelopment Areas

<i>September 30, 2024</i>	Downtown	Main Street	Ballough Road	Midtown	South Atlantic Avenue	Total
ASSETS						
Cash and cash equivalents	\$ 1,941,615	\$ 9,331,374	\$ 1,986,625	\$ 2,801,209	\$ 1,624,969	\$ 17,685,792
Restricted cash and cash equivalents	-	2,118,296	-	376,505	-	2,494,801
Accounts receivables, net	-	-	-	-	-	-
Notes receivable, net	-	-	-	70,396	-	70,396
Lease receivable, net	-	-	-	37,703	-	37,703
Accrued interest	-	-	-	161	-	161
Deposits	-	500,000	-	-	-	500,000
Total assets	\$ 1,941,615	\$ 11,949,670	\$ 1,986,625	\$ 3,285,974	\$ 1,624,969	\$ 20,788,853
LIABILITIES DEFERRED INFLOWS AND FUND BALANCE						
LIABILITIES:						
Accounts payable	\$ 64,051	\$ 115,668	\$ 1,920	\$ 70,042	\$ 3,130	\$ 254,811
Intergovernmental payable	169	681	138	436	6	1,430
Deposits	-	10,000	-	-	-	10,000
Pollution remediation	-	-	-	5,779	-	5,779
Total liabilities	64,220	126,349	2,058	76,257	3,136	272,020
Deferred Inflows of Resources:						
Deferred inflows - leases	-	-	-	46,501	-	46,501
Total deferred inflows of resources	-	-	-	46,501	-	46,501
Fund balance:						
Restricted	1,877,395	11,823,321	1,984,567	3,163,216	1,621,833	20,470,332
Total fund balance	1,877,395	11,823,321	1,984,567	3,163,216	1,621,833	20,470,332
Total liabilities, deferred inflow of resources, and fund balance	\$ 1,941,615	\$ 11,949,670	\$ 1,986,625	\$ 3,285,974	\$ 1,624,969	\$ 20,788,853

**Daytona Beach Community Redevelopment Agency
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance – Community Redevelopment Areas**

<i>For the year ended September 30, 2024</i>	Downtown	Main Street	Ballough Road	Midtown	South Atlantic Avenue	Total
REVENUES						
Intergovernmental	\$ 1,258,555	\$ 3,007,047	\$ 138,577	\$ 554,238	\$ 228,753	\$ 5,187,170
Charges for services	-	174,370	-	68,734	-	243,104
Income on investments	66,296	362,829	62,258	89,257	48,680	629,320
Miscellaneous	-	7,470	-	1,832	-	9,302
Total revenues	1,324,851	3,551,716	200,835	714,061	277,433	6,068,896
EXPENDITURES						
Current operating:						
Economic environment	1,451,151	677,666	158,612	419,454	34,525	2,741,408
Capital outlay	227,507	156,737	-	1,140,300	-	1,524,544
Debt service:						
Interest and fiscal charges	-	-	-	25,000	-	25,000
Total expenditures	1,678,658	834,403	158,612	1,584,754	34,525	4,290,952
Excess (deficiency) of revenues over (under) expenditures	(353,807)	2,717,313	42,223	(870,693)	242,908	1,777,944
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	2,107,543	-	2,107,543
Transfers in	985,222	2,597,973	119,725	478,840	197,634	4,379,394
Transfers (out) for debt service	(236,186)	(2,511,260)	-	(268,975)	-	(3,016,421)
Total other financing sources (uses)	749,036	86,713	119,725	2,317,408	197,634	3,470,516
Net change in fund balances	395,229	2,804,026	161,948	1,446,715	440,542	5,248,460
FUND BALANCES						
Beginning of year	1,482,166	9,019,295	1,822,619	1,716,501	1,181,291	15,221,872
Ending	\$ 1,877,395	\$ 11,823,321	\$ 1,984,567	\$ 3,163,216	\$ 1,621,833	\$ 20,470,332



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

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

7506 Lynx Way

Suite 201

Melbourne, FL 32940

321.255.0088

386.336.4189 (fax)

CRIadv.com

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 Mayor and Members of the Board
Daytona Beach Community Redevelopment Agency

We have audited, 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, the financial statements of the Daytona Beach Community Redevelopment Agency, a component unit of the City of Daytona Beach, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Daytona Beach Community Redevelopment Agency’s basic financial statements, and have issued our report thereon dated June 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Daytona Beach Community Redevelopment Agency’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 Daytona Beach Community Redevelopment Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Daytona Beach Community Redevelopment Agency’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Daytona Beach Community Redevelopment Agency'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.

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

Melbourne, Florida

June 20, 2025



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

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

7506 Lynx Way

Suite 201

Melbourne, FL 32940

321.255.0088

386.336.4189 (fax)

CRIadv.com

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Members of the Board
Daytona Beach Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Daytona Beach Community Redevelopment Agency (the "Agency"), a component unit of the City of Daytona Beach, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 20, 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 the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 20, 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. No such recommendations were identified 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. The legal authority of the Daytona Beach Community Redevelopment Agency is disclosed in the footnotes. The Daytona Beach Community Redevelopment Agency has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Daytona Beach Community Redevelopment Agency met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Daytona Beach Community Redevelopment Agency 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 Daytona Beach Community Redevelopment Agency. It is management's responsibility to monitor the Daytona Beach Community Redevelopment Agency'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, the Agency did not operate a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the Agency's geographical boundaries during the fiscal year under audit.

Specific Information (Unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Agency reported the information below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Pursuant to the aforementioned statutes, the Agency reported:

- | | |
|--|-------------------|
| a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as: | 7 |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as: | 9 |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: | \$ 490,333 |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: | \$ 88,100 |

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Agency reported:

- e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:

Project Name	Budget
Main St Coquina Arch Repair	\$ 104,980

- 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 Agency amends a final adopted budget under Section 189.016(6), Florida Statutes, as:

See Page 41

- g. The millage rate or rates imposed by the Agency as:

5.497 mills

- h. The total amount of ad valorem taxes collected by or on behalf of the Agency as:

\$5,187,170

- i. The total amount of outstanding bonds issued by the Agency and the terms of such bonds as:

**See Note 2 on
page 33**

The Daytona Beach Community Redevelopment Agency has not imposed any special assessments and, therefore, no reporting is required by Section 218.39(3), Florida Statutes.

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 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 Agency's Board Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Melbourne, Florida
June 20, 2025



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

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

7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRIadv.com

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Mayor and Members of the Board
Daytona Beach Community Redevelopment Agency

We have examined the Daytona Beach Community Redevelopment Agency’s (the “Agency”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2024. Management of the Agency is responsible for the Agency’s compliance with the specified requirements. Our responsibility is to express an opinion on the Agency’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 Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency 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 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 Agency’s compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2024.

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

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

Melbourne, Florida
June 20, 2025



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

Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRladv.com

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH REDEVELOPMENT TRUST FUND

Honorable Mayor and Members of the Board
Daytona Beach Community Redevelopment Agency

We have examined the Daytona Beach Community Redevelopment Agency’s (the “Agency”) compliance with the requirements of Section 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund Policies*, during the year ended September 30, 2024. Management of the Agency is responsible for the Agency’s compliance with the specified requirements. Our responsibility is to express an opinion on the Agency’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 Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency 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 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 Agency’s compliance with specified requirements.

Our examination disclosed the following noncompliance with Section 163.387(6)(b), Florida Statutes, applicable to the Agency during the fiscal year ended September 30, 2024. The Agency did not submit a subsequent amendment to the budget for fiscal year 2024 to the Volusia County Board of County Commissioners within 10 days after the adoption of the amendment to the fiscal year 2024 budget.

In our opinion, the CRA complied, in all material respects, with the requirements of Sections 163.387(6) and 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2024, except for as noted in the paragraph above.

This report is intended solely for the information and use of the Agency's board, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

Melbourne, Florida

June 20, 2025