

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2024**



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## INDEPENDENT AUDITORS' REPORT

Members of the Authority Board  
Polk County Industrial Development Authority  
Polk County, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Polk County Industrial Development Authority (the Authority), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 Authority as of September 30, 2024, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 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 6, 2025, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
June 6, 2025

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2024**

Management of the Polk County Industrial Development Authority (the Authority) offers readers of the Authority's financial statements, the Management's Discussion and Analysis (MD&A). MD&A presents a narrative overview and analysis of the financial activities for the Authority for the fiscal year ended September 30, 2024. Readers are encouraged to read the MD&A in conjunction with the Authority's audited financial statements and other supplementary information. The analysis will provide the reader with the following information:

A brief discussion of the financial statements, including how they relate to each other and the significant differences in information they provide.

Condensed current and prior year financial information and a comparative analysis to discuss the reasons for significant changes and factors that significantly affected current year operations.

An analysis of individual fund financial information, including the reasons for significant changes in fund balances or net position.

An analysis of significant variations between original and final budget amounts and the actual budget results.

A description of currently known facts, decisions or conditions that are expected to have a significant effect on the financial position or results of operations.

Because the information contained in the MD&A is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the Authority's basic financial statements found on pages 10 through 16.

**FINANCIAL HIGHLIGHTS**

- The assets of the Authority exceeded its liabilities at the close of September 30, 2024, by \$252,282 (net position). All of this total amount (unrestricted net position) may be used to meet the Authority's ongoing obligations to taxpayers and creditors.
- The Authority's total net position increased by \$217,824.
- At the close of September 30, 2024, the Authority's general fund (governmental fund) reported an ending fund balance of \$252,282. All of this total amount is available for spending at the Authority's discretion (unassigned fund balance).

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2024**

**BASIC FINANCIAL STATEMENTS – AN OVERVIEW**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. These audited financial statements also contain required supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

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

The *statement of net position* presents information on all of the Authority's assets, liabilities, and deferred inflows and outflows of resources with the residual measure 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 Authority is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported in a manner similar to the approach used by private-sector business in that revenue is recognized when earned or established criteria are satisfied, and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the year, and expenses are reported even though they may not have used cash during the current fiscal year.

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by functions that are intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements can be found on pages 10 and 11 of this report.

**Fund Financial Statements**

Funds are a group of self-balancing accounts. Funds are used to account for specific activities of the Authority, rather than reporting on the Authority as a whole. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority are in one category: governmental funds.

**Governmental Funds**

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

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2024**

**Fund Financial Statements (Continued)**

Governmental Funds (Continued)

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

The Authority only has one fund, the general fund, and it is considered a major fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The basic governmental fund financial statements can be found on pages 10 and 11 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 12 to 16 of this report.

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This section presents condensed financial information from the government-wide financial statements that compares the current year to the prior year. The analysis highlights economic factors that significantly affected operating results during the year.

The following is a summary of the information presented in the statement of net position on page 10 of this report.

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
<b>ASSETS</b>			
Total Assets	\$ 252,282	\$ 34,458	\$ 217,824
<b>NET POSITION</b>			
Unrestricted	<u>252,282</u>	<u>34,458</u>	<u>217,824</u>
Total Net Position	<u>\$ 252,282</u>	<u>\$ 34,458</u>	<u>\$ 217,824</u>

Net position increased due to revenues exceeding expenses by \$217,824. The net increase in total assets and total net position reflects an increase in the Authority's net cash position arising from the excess of revenues over expenditures.

The following is a summary of the information presented in the Statement of Activities on page 11 of this report

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
<b>PROGRAM REVENUES</b>			
Charges for Services	\$ 224,488	\$ -	\$ 224,488
<b>GENERAL REVENUES</b>			
Investment Earnings	<u>52</u>	<u>4</u>	<u>48</u>
Total Revenues	224,540	4	224,536
<b>PROGRAM EXPENSES</b>			
Economic Development Operating Expenses	<u>6,716</u>	<u>3,765</u>	<u>2,951</u>
<b>CHANGE IN NET POSITION</b>	217,824	(3,761)	221,585
Net Position - Beginning of Year	<u>34,458</u>	<u>38,219</u>	<u>(3,761)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 252,282</u>	<u>\$ 34,458</u>	<u>\$ 217,824</u>

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2024**

**Governmental Activities**

Governmental activities' change in net position for 2024 increased \$217,824 as compared to a decrease of \$3,761 in the prior year. The main reasons for the increase from prior year are as follows:

- Total charges for services revenues increased by \$224,488 from zero due to increases in applications.

**Financial Analysis of the Government's Funds**

**Governmental Funds**

The focus of the Authority's governmental funds statements is to provide information on near-term inflows, outflows, and balances of resources. Such information is useful in assessing the Authority's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the Authority's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Authority's governmental funds (the general fund) reported ending fund balances of \$252,282, an increase of \$217,824 in comparison with the previously reported balance in the prior year. All of this total for the general fund constitutes unassigned fund balance, which is available for spending at the Authority's discretion.

Activity during the current fiscal year included the following key components:

- Total revenues increased by \$224,488, due to an increase in applications.

**GENERAL FUND BUDGET**

The General Fund budget to actual statement is presented in the Basic Financial Statements. Variances between original and final budget amounts are due to changes in known versus projected expenditures.

The budget is prepared on the modified accrual basis, revenues are recognized when they become both measurable and available to finance current expenditures. Revenues are considered measurable when they are earned and the amount can be reasonably estimated. Revenues are considered available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The actual net change in the fund balance of the General Fund compared to the final budget was a positive variance of \$218,622. General Fund revenues were \$221,038 more than the final budget amounts. Furthermore, actual expenditures in the General Fund were \$2,416 more than the final budget.

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2024**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Authority expects no significant changes for year ended September 30, 2025.

These factors were considered in preparing and amending the Authority's budget for the 2024 fiscal year and are expected to influence the Authority's fiscal year 2025 financial statements.

**REQUESTS FOR INFORMATION**

This report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Sean Malott, Polk County Industrial Development Authority, 200 Government Center Boulevard, Lake Alfred, Florida, 33850.

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
GOVERNMENTAL FUND BALANCE SHEET AND  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	<u>\$ 252,282</u>	<u>\$ -</u>	<u>\$ 252,282</u>
<b>FUND BALANCE</b>			
Unassigned	<u>252,282</u>	<u>(252,282)</u>	
Total Liabilities and Fund Balance	<u>\$ 252,282</u>		
<b>NET POSITION</b>			
Unrestricted		<u>\$ 252,282</u>	<u>\$ 252,282</u>

See accompanying Notes to Financial Statements

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
AND STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2024**

	General Fund	Adjustments	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>			
Economic Development:			
Operating Expenses	\$ 6,716	\$ -	\$ 6,716
<b>PROGRAM REVENUES</b>			
Charges for Services	224,488	-	224,488
<b>GENERAL REVENUES</b>			
Investment Earnings	52	-	52
<b>NET CHANGE IN FUND BALANCE</b>	217,824	(217,824)	-
<b>CHANGE IN NET POSITION</b>	-	217,824	217,824
<b>FUND BALANCE/NET POSITION</b>			
Fund Balance/Net Position - Beginning of Year	34,458	-	34,458
<b>FUND BALANCE/NET POSITION - END OF YEAR</b>	\$ 252,282	\$ -	\$ 252,282

See accompanying Notes to Financial Statements

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budget</u> <u>Original</u>	<u>Budget</u> <u>Final</u>	<u>Actual</u>	Variance with Final Budget - Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for Services	\$ 3,500	\$ 3,500	\$ 224,488	\$ 220,988
Investment Earnings	<u>2</u>	<u>2</u>	<u>52</u>	<u>50</u>
Total Revenues	<u>3,502</u>	<u>3,502</u>	<u>224,540</u>	<u>221,038</u>
<b>EXPENDITURES</b>				
Economic Development:				
Operating	<u>4,300</u>	<u>4,300</u>	<u>6,716</u>	<u>(2,416)</u>
Total Expenditures	<u>4,300</u>	<u>4,300</u>	<u>6,716</u>	<u>(2,416)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(798)	(798)	217,824	218,622
Fund Balance - Beginning of Year	<u>798</u>	<u>798</u>	<u>34,458</u>	<u>33,660</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252,282</u>	<u>\$ 252,282</u>

See accompanying Notes to Financial Statements

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Polk County Industrial Development Authority (the Authority) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting principles and policies used in the preparation of these financial statements.

**Reporting Entity**

The Authority was established in 1969 in accordance with Chapter 159.45 of the Florida Statutes. The Authority is comprised of nine members appointed by the Board of County Commissioners. Each member serves a term of three years. These financial statements present the financial statements of the Authority and are not meant to represent Polk County, Florida, as a whole.

The Authority, as authorized by Chapter 159.44-159.53 of the Florida Statutes, was created for the purpose of financing and refinancing projects for the public purposes in the manner provided by the Florida Industrial Development Financing Act and by Chapter 159.44-159.53 of the Florida Statutes and for the purpose of fostering the economic development of Polk County. The authority studies the advantages, facilities, resources, products, attractions, and conditions concerning the County with relation to the encouragement of economic development in the County and uses such means and media as the Authority deems advisable to publicize and/or to make known such facts and material to such persons, firms, corporations, or agencies having responsibilities in the field of industrial development.

**Basis of Presentation**

The Authority complies with accounting standards established by the Governmental Accounting Standards Board (GASB). The Authority has implemented GASB Statement No. 34 as amended, *Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments*.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Authority. The Authority reports only governmental activities; it does not have any business-type activities. Governmental activities are supported largely by issuance and application fees. Fees are reported as program revenues and investment earnings are reported as general 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 clearly and identifiable with a specific function. Program revenues consist of grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Payments of other items not properly included as program revenues are reported as general revenues.

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The financial transactions of the Authority are reported in individual funds in the fund financial statements. Each fund is accounted for by a providing separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues, and expenditures/expenses. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purposes of the Authority's funds are as follows:

**Governmental Fund**

General Fund – This fund is used to account for the accumulation and expenditure of resources that are not restricted in any manner but are used for general purposes of the Authority and do not require the establishment of any other type of fund.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are record when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the 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 for the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

The Authority is a single program government, devoted to economic development. It is comprised of a General Fund only and has no other governmental, Proprietary or fiduciary funds. The General Fund is the general operating fund and accounts for all the resources of the Authority.

**Budgetary Requirements**

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The Authority follows the procedures provided by Florida Statutes in establishing final budget balances reported on the financial statements:

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgetary Requirements (Continued)**

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for governmental fund types in accordance with procedures and time intervals prescribed by law.
- Budgets are prepared for the governmental funds on a basis consistent with accounting principles generally accepted in the United States of America.
- Final budget amounts reported are based upon the final amended budget.

For the year ended September 30, 2024, the Authority over expended their budget by \$2,416.

**Net Position**

Net position represents the difference between assets and liabilities. The Authority may report three categories of net position, as follows: investment in capital assets, restricted net position, and unrestricted net position. Investment in capital assets consist of net capital assets. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. Unrestricted net position consists of all other net position that does not meet the definition of the other two components and are available for general use by the Authority. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, the unrestricted as needed. At September 30, 2024, net position balance was unrestricted.

**NOTE 2 DEPOSITS**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. At September 30, 2024, the Authority's bank balance was \$199,965 and the book balance was \$252,282.

The Authority's interest bearing bank balance is collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution, a qualified public depository, all participating institutions are obligated to reimburse the governmental entity for the loss.

**NOTE 3 FUND BALANCE AND SPENDING POLICY**

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned.

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 3 FUND BALANCE AND SPENDING POLICY (CONTINUED)**

- Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – amounts that can only be spent for specific purposes because of charter requirements, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.
- Committed – includes amounts that can be used for specific purposes. Committed fund balance is reported pursuant to grant funds awarded and passed by the Board, the Authority’s highest level of decision making authority.
- Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Authority’s adopted policy, only the Board may assign amounts for specific purposes.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose.

The fund balance of the General Fund is classified as unassigned.

The Authority has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, the Authority will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

**NOTE 4 RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts, theft of assets, errors and omissions, and natural disasters. The Authority is self-insured for all risk of loss.



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

Members of the Authority Board  
Polk County Industrial Development Authority  
Polk County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Polk County Industrial Development Authority (the Authority), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 6, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
June 6, 2025



## MANAGEMENT LETTER

Members of the Authority Board  
Polk County Industrial Development Authority  
Polk County, Florida

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

We have audited the financial statements of the Polk County Industrial Development Authority (the Authority) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 6, 2025.

### ***Auditors' Responsibility***

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

### ***Other Reporting Requirements***

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 6, 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. The Authority is only required to be audited when meeting the reporting requirements stated within Chapter 218.39, *Florida Statutes*; therefore, there were no prior year findings or recommendations.

### **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. See Note 1 in notes to the financial statements.

### **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Authority 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 Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and 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 had one financial management recommendation. See 2024-001 in the accompanying Schedule of Findings and Responses.

### **Property Assessed Clean Energy (PACE) Programs**

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

### **Special District Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Polk County Industrial Development Authority reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as: 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as: 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as: \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as: See page 12 of the financial statements.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to

Members of the Authority Board  
Polk County Industrial Development Authority

have occurred, that has an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

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

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

**CliftonLarsonAllen LLP**

Lakeland, Florida  
June 6, 2025



## INDEPENDENT ACCOUNTANTS' REPORT

Members of the Authority Board  
Polk County Industrial Development Authority  
Polk County, Florida

We have examined Polk County Industrial Development Authority's (the Authority) compliance with Section 218.415, Florida statutes, regarding the investment of public funds during the year ended September 30, 2024. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority'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 Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with Section 218.415, Florida statutes, regarding the investment of public funds during the year ended September 30, 2024.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Lakeland, Florida  
June 6, 2025

**POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2024**

**2024-001 – Budgets**

**Type of Finding:**

- Budgetary Compliance

**Condition:** Expenditures in the General Fund exceeded the final adopted budget for the year ended September 30, 2024.

**Criteria or Specific Requirement:** Section 189.016, Florida Statutes, sets forth the requirements of the Authority's budget. Fund expenditures cannot exceed total fund appropriations.

**Context:** Testing of compliance with budgetary requirements identified the deficiency.

**Effect:** The Authority is not in compliance with the budgetary requirements.

**Cause:** The budget was not amended for certain unplanned expenditures.

**Recommendation:** Budgets should be monitored and amended when needed, within the time period allowed by statute, to ensure that the Authority does not incur expenditures in excess of budgeted amounts.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding.



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