"Spring Hill CRA Logo"

Spring Hill
Community Redevelopment Agency
"A City County Partnership"

MEETING AGENDA
April 4, 2022

CALL TO ORDER

CONSENT AGENDA

1. Approval of Minutes, Regular Meeting, February 21, 2022

PETITIONS AND REQUESTS FROM THE PUBLIC

DR. JOYCE M. CUSACK RESOURCE CENTER STAFF UPDATE

UNFINISHED BUSINESS

NEW BUSINESS

1. Consideration Re: Approving Spring Hill CRA Budget Amending FY2021-2022
2. Presentation: Annual CRA Audit Results & Budget Update

BOARDMEMBER COMMENTS/CONCERNS

NEXT MEETING

1. Schedule Next Regular Meeting

ADJOURNMENT

Figure 1 - Spring Hill CRA Graphic Logo

Consent Item 1

"Spring Hill CRA Logo"

Spring Hill
Community Redevelopment Agency
"A City County Partnership"

MEETING MINUTES
February 21, 2022

CALL TO ORDER

Chairman Apgar called the meeting to order at 6:00 P.M.

BOARD ATTENDANCE: Robert F. Apgar, Charles Paiva, Jessica Davis, Anthony Hill, Barbara Girtman and Helen Woulard

STAFF ATTENDANCE: Kieu N. Moses, Rick Werbiskis, Chad Gamble, Dan Stauffer and Shilretha Dixon

CONSENT AGENDA

Ms. Girtman made a motion to approve the minutes from the January 18, 2022 meeting. Ms. Davis seconded the motion, which carried by 6-0 vote. Mr. Johnson was absent.

PETITIONS AND REQUESTS FROM THE PUBLIC

There were no petitions and requests from the public.

DR. JOYCE M. CUSACK RESOURCE CENTER STAFF UPDATE

Ms. Dixon reported on the upcoming Women Empowering Women series, Stress Les Fest, Movie Night and Walk 2022.

NEW BUSINESS

1. **Presentation: Volusia County Residential Traffic Control Plan**
   Mr. Jon Cheney, from Volusia County Road & Bridge presented the data collection and next steps for project implementation. The board members had a list of concerns listed below.
   - Expanding traffic control plan to Euclid Ave. or Voorhis Ave. (Girtman)
   - Speeding at New Hampshire Ave. and Adelle Ave., S. Clara Ave. to SR-15A, SR-15A to Beresford Ave., Sherwood Drive, Oaktree Lane to SR-15A, Lisbon Parkway & S. Florida Ave. (Woulard/Hill/Girtman)

2. **Consideration Re: Approval for Removal of Concrete Slab at 910 S. Adelle**
   Mr. Paiva made a motion to approve staff's recommendation to remove the concrete slab. Ms. Davis seconded the motion, which carried by a 6-0 vote. Mr. Johnson was absent.

3. **Consideration Re: Exterior Improvement Grant, Steven Williams, 632 West Ida Street**
   Mr. Paiva made a motion to approve the grant. Ms. Girtman seconded the motion, which carried by a 6-0 vote. Mr. Johnson was absent.

BOARDMEMBER COMMENTS/CONCERNS

Ms. Girtman requested that staff provide a budget break down including how much funds are coming in.

Ms. Davis asked staff about program feedback. Ms. Dixon reported that she has only received positive feedback.

NEXT MEETING

The next meeting is tentatively scheduled for March 21st. The time will be confirmed by Mr. Grebosz via email.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:34 PM.

Figure 2 - Spring Hill CRA Graphic Logo

Spring Hill Update

(Verbal Update)

Figure 4 - Spring Hill CRA Graphic Logo

New Business Item 1

CITY OF DELAND, FLORIDA
REQUEST FOR COMMUNITY REDEVELOPMENT AGENCY ACTION
April 4, 2022

Department: Finance	**Attachments:**
Subject: Consideration of Resolution Approving Spring Hill CRA Budget Amending FY2021-2022	**[X] Resolution** **[X] FY21-22 Spring Hill CRA Budget Amendment Details**
Prepared by:	**Approved by:**
Department Head	**City Manager**

SUMMARY/HIGHLIGHT:
The budget amendment proposed is detailed on the attached summary and recommended after review of actual second quarter expenditures. The amendment proposed is primarily an adjustment to reflect anticipated actual revenues and expenditures.

STRATEGIC PLAN FOCUS AREA/ACTION STEP: N/A

SUSTAINABILITY: N/A

FISCAL IMPACT:
The Resolution amends the Spring Hill CRA budget to reflect recommended changes with the impact to the fund itemized on the attached summary.

RECOMMENDATION:
It is recommended the Spring Hill CRA adopt the Resolution amending the budget as presented.

BACKGROUND/DISCUSSION: N/A

ITEM SUMMARY:

Presentation of the second quarter budget amendment recognizing anticipated actual revenues and expenditures.

RESOLUTION NO. 2022 - 02

A RESOLUTION OF THE SPRING HILL COMMUNITY REDEVELOPMENT AGENCY, AMENDING THE BUDGET FOR THE FISCAL YEAR 2021-2022; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to amend the budget of the Spring Hill Community Redevelopment Agency for fiscal year 2021-2022; and

WHEREAS, the Spring Hill Community Redevelopment Agency desires to amend its budget for fiscal year 2021-2022 as more particularly set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE SPRING HILL COMMUNITY REDEVELOPMMENT AGENCY:

Section 1. The budget of the Spring Hill Community Redevelopment Agency for fiscal year 2021-2022 is amended as follows:

Account Number	Account Description	Current Budget	Increase	Decrease	Revised Budget
REVENUES		**462,298**	**0**	**0**	**462,298**
EXPENDITURES		**462,298**	**1,151**	**1,151**	**462,298**
160-1600-534-100	CONTRACTUAL SERVICES	0	1,016	0	1,016
160-9999-991-001	TRANSFER TO GENERAL FUND	0	135	0	135
160-9990-999-200	RESERVE CONTINGENCY	136,539	0	1,151	135,388

Section 2. In all other respects the budget of the Spring Hill Community Redevelopment Agency for fiscal year 2021-2022 is hereby ratified and confirmed as adopted by Resolutions 2021-03 and 2022-01.

Section 3. This resolution shall become effective immediately upon its adoption.

PASSED AND DULY ADOPTED this 4th day of April, 2022.

_____
Robert F. Apgar
Mayor-Commissioner

ATTEST:

_____
Michael Grebosz
Spring Hill CRA Administrator

FY 21-22 Budget Amendment Details

ACCOUNT	Account Description	Increase	Decrease	Description
SPRING HILL COMMUNITY REDEVELOPMENT TRUST FUND				
REVENUES		***0***	***0***	
EXPENDITURES		***1,151***	***1,151***	
160-1600-534-100	CONTRACTUAL SERVICES	1,016		increase appropriation for Security System - Resource Center ($1,016)
160-9999-991-001	TRANSFER TO GENERAL FUND	135		increase appropriation for CIS Services MDR Advanced powered by Crowdstrike ($135)
160-9990-999-200	RESERVE CONTINGENCY		1,151	decrease appropriation for Security System - Resource Center ($1,016), CIS Services MDR Advanced powered by Crowdstrike ($135)

Figure 5 - Spring Hill CRA Graphic Logo

New Business Item 2

CITY OF DELAND, FLORIDA
REQUEST FOR COMMUNITY REDEVELOPMENT AGENCY ACTION
April 4, 2022

Department: Finance	**Attachments:**
Subject: Presentation of the Financial Statements for the Fiscal Year Ended September 30, 2021	**[X] Audit Report** **[ ]**
Prepared by: **Dan Stauffer, Finance Director**	**Approved by:** **Mike Grebosz**
Department Head	**CRA Administrator**

SUMMARY/HIGHLIGHT:
Chapter 2019-163, Laws of Florida, amended Section 163.387(8), Florida Statutes, to require that each community redevelopment agency (CRA) with revenues or a total of expenditures and expenses in excess of $100,000 must provide for a separate audit and that the resultant audit report accompany the county or municipality annual financial report filed with the Department of Financial Service. In addition, Chapter 2021-116, Laws of Florida, amended Section 219.39(1)(h), Florida Statutes, to require the separate audit to be filed with the Auditor General.

The CRA audit is to be separate from the audit of the county or municipality that created the CRA, which include within their reporting entities the CRA as a component unit, and the separate CRA audit report must include the financial statements required by Section 163.387(8)(b)2, Florida Statutes. Accordingly, the CRA must prepare stand-alone financial statements. In accordance with Auditor General rule 10.557(3), the CRA audit report must include basic financial statements, notes to the financial statements, management's discussion and analysis and other required supplementary information.

CRA's are special purpose governments as contemplated by Governmental Accounting Standards Board (GASB) Codification Section Sp20 and the stand-alone financial statements, notes to the financial statements, and required supplementary information must be prepared in accordance with the guidance provided therein.

The Spring Hill CRA has a contract with James Moore & Co., P.L. to audit its financial statements for a term of four years and the fiscal year ending September 30, 2021 is the second year of the contract.

The audit of the financial records for the fiscal year 2020-2021 is complete and staff has prepared the Financial Statements presented herein. The Financial Statements are prepared in conformity with generally accepted accounting principles (GAAP) that represent the financial position of the Spring Hill CRA and results of operations as of September 30, 2021. The Spring Hill CRA has received an unmodified audit opinion, which is the highest level of opinion the auditor can give and is, therefore, the opinion we seek to obtain each year.

In addition to the independent audit report, the auditors also issue three other reports. The first is a report on internal controls over financial reporting and on compliance and other matters. The auditors identified no deficiencies in internal control over financial reporting and disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The second additional report is a management letter required by Chapter 10.500, Rules of the State of Florida, Office of the Auditor General. The auditors identified no comments or recommendations.

The third additional report is an examination report on the Spring Hill CRA's compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, and Section 163.387(6) and (7), Florida Statutes, Redevelopment Trust Fund (collectively, the "Statutes"). The Spring Hill CRA was found to be in compliance with those statutes.

STRATEGIC PLAN FOCUS AREA/ACTION STEP: High Value Government

SUSTAINABILITY: N/A

FISCAL IMPACT:
The contract provided for an annual audit fee of $4,000, which was included in the current year's budget (FY 21-22).

RECOMMENDATION:
Staff recommends the Board of the Spring Hill CRA acknowledge acceptance of the Financial Statements for the fiscal year ended September 30, 2021 as presented.

BACKGROUND/DISCUSSION:
Florida Statutes require that an annual financial audit in accordance with generally accepted auditing standards be performed by a firm of licensed certified public accountants. This year the audit was performed by an independent firm of certified public accountants, James Moore & Co., P.L. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Spring Hill CRA for the fiscal year ended September 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Spring Hill CRA's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with generally accepted accounting principles (GAAP).

An unmodified opinion is the highest level of opinion the auditor can give and is, therefore, the opinion we seek to obtain each year.

Financial Summary:

At September 30, 2021, the restricted fund balance of the Spring Hill CRA was $2,386,022, reflecting an increase of $116,528. These funds are legally restricted to completing projects identified in the Spring Hill Master Plan. Revenues included $290,476 in tax increment revenues in fiscal year 2021.

ITEM SUMMARY:

Presentation of the Spring Hill CRA's Financial Statements for the Fiscal Year Ended September 30, 2021.

Spring Hill Community Redevelopment Agency

FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2021

SPRING HILL COMMUNITY REDEVELOPMENT AGENCY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

SPRING HILL COMMUNITY REDEVELOPMENT AGENCY
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SEPTEMBER 30, 2021

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JAMESMOORE

INDEPENDENT AUDITORS' REPORT

To the Governing Board,
Spring Hill Community Redevelopment Agency:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Spring Hill Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The CRA's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CRA, as of September 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Daytona Beach, Florida
March 11, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Spring Hill Community Redevelopment Agency's (the CRA) management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA's financial statements which follow this section.

Financial Highlights

- The assets of the CRA exceeded its liabilities at September 30, 2021, by $2,386,022 (net position). Of this amount, $1,996,819 represented the CRA's net investment in capital assets and $389,203 was restricted for redevelopment purposes.
- As of September 30, 2021, the CRA's reported ending fund balances of $389,203. Fund balance saw a change of $69,391 when compared to the prior year.

The MD&A is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Overview of the Financial Statements

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. The governmental activities of the CRA include reinvesting within the community redevelopment area.

The statement of net position presents information on all of the CRA's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the modified cash basis of accounting.

Notes to the Financial Statements

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

Government-wide Financial Analysis

Statement of Net Position

The following is a summary of the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2021	**2020**
ASSETS		
Current and other assets	$ 399,184	$ 329,129
Capital assets	1,996,819	1,949,682
Total assets	$ 2,396,003	$ 2,278,811
LIABILITIES		
Current liabilities	$ 9,981	$ 9,317
Total liabilities	$ 9,981	$ 9,317
NET POSITION		
Net investment in capital assets	$ 1,996,819	$ 1,949,682
Restricted	389,203	319,812
Total net position	$ 2,386,022	$ 2,269,494

Statement of Activities

The following is a summary of the changes in the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2021	**2020**
REVENUES		
Property taxes	$ 290,476	$ 191,278
Intergovernmental and grants	49,517	580,225
Other revenues	10,289	8,018
Total revenues	350,282	779,521
EXPENSES		
Community redevelopment	182,662	144,991
Depreciation	12,236	12,236
Total expenses	194,898	157,227
Net change before transfers	155,384	622,294
Transfers to primary government	(38,856)	(25,571)
Change in net position	116,528	596,723
Net position, beginning of year	2,269,494	1,672,771
Net position, end of year	$ 2,386,022	$ 2,269,494

Financial Analysis of the General Fund

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

As of the end of the current fiscal year, the CRA's general fund reported an ending fund balance of $389,203, a change of $69,391, in comparison with the prior year.

At the end of the current fiscal year, the entire fund balance was restricted for community redevelopment. As the CRA is focused on reinvestment revenues into the CRA district and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

General Fund Budgetary Highlights

Significant variations between original and final budget amounts were due to additional grant revenues and planned capital expenditures.

Actual expenditures in the general fund were $120,400 less than final budget amounts. The main reason for this is due to the timing of capital project and other one-time expenditures.

Budgetary comparisons between the final budget and actual results can be found on page 14 of this report.

Capital Assets

The CRA's investment in capital assets for its governmental activities as of September 30, 2021, amounts to $1,996,819 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and construction in progress. Additional information on the CRA's capital assets can be found in Note (4) on page 12 of this report.

Economic Factors and Next Year's Budget

There are many challenges facing local governments today. Property values have continued to increase in recent years, contributing to related growth in the revenues of the CRA. While property values for the 2021-2022 fiscal year have increased, the future outlook of property values during and after the COVID-19 pandemic, and any potential impact they will have on the CRA's finances, are unknown.

Requests for Information

This report is designed to provide an overview of the CRA's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be addressed to the Finance Director, City of DeLand, Florida, 120 S. Florida Avenue, DeLand, FL 32720.

SPRING HILL COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Balance Sheet		Statement of Net Position
	General Fund	Adjustments	Governmental Activities
ASSETS			
Cash and cash equivalents	$ 368,155	$ -	$ 368,155
Due from other governments	31,029	-	31,029
Capital assets:			
Non-depreciable	-	1,622,597	1,622,597
Depreciable, net	-	374,222	374,222
Total assets	$ 399,184	$ 1,996,819	$ 2,396,003
LIABILITIES			
Accounts payable and accrued liabilities	$ 9,981	$ -	$ 9,981
Total liabilities	9,981	-	9,981
FUND BALANCE / NET POSITION			
Fund Balance:			
Restricted for:			
Community redevelopment	389,203	(389,203)	-
Net Position:			
Net investment in capital assets	-	1,996,819	1,996,819
Restricted for:			
Community redevelopment	-	389,203	389,203
Total fund balance / net position	389,203	1,996,819	2,386,022
Total liabilities and fund balance / net position	$ 399,184	$ 1,996,819	$ 2,396,003

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

SPRING HILL COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
	General Fund	Adjustments	Governmental Activities
Revenues			
Taxes	$ 290,476	$ -	$ 290,476
Intergovernmental	49,517	-	49,517
Interest revenues	796	-	796
Miscellaneous	9,493	-	9,493
Total revenues	350,282	-	350,282
Expenditures / expenses			
Current:			
Community redevelopment	182,662	-	182,662
Capital outlay	59,373	(59,373)	-
Depreciation	-	12,236	12,236
Total expenditures / expenses	242,035	(47,137)	194,898
Excess (deficiency) of revenues over expenditures / operating income (loss)	108,247	47,137	155,384
Other financing sources (uses)			
Transfers out to primary government	(38,856)	-	(38,856)
Net change in fund balance / net position	69,391	47,137	116,528
Fund balance / net position, beginning of year	319,812	1,949,682	2,269,494
Fund balance / net position, end of year	$ 389,203	$ 1,996,819	$ 2,386,022

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

(1) Summary of Significant Accounting Policies:

The financial statements of the Spring Hill Community Redevelopment Agency (the CRA), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the CRA has adopted the GASB Codification. The following is a summary of the CRA's significant accounting policies:

(a) **Reporting entity**—The Spring Hill Community Redevelopment Agency was created on September 9, 2004, by the City of DeLand, Florida (the City) and Ordinance 2004-13 of the County of Volusia, Florida (the County), pursuant to Florida Statute 163.387, to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the designated community redevelopment area. While the CRA is jointly-governed by certain City, County, and appointed representatives, since the City is financially accountable for the activities of the CRA and its relationship to the CRA is significant, the CRA is considered to be a blended component unit in the City's financial statements, where it is also reported as a major special revenue fund.

The CRA has determined there are no component units that meet criteria for inclusion in the CRA's financial statements.

(b) **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 of the activities of the CRA. The CRA only has governmental activities and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include ad valorem taxes and interest income. Fund financial statements are presented for the CRA's General Fund. The General Fund, which accounts for all financial operations of the CRA, is considered to be a major fund and is the only fund of the CRA.

(c) **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 recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor 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 when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers property revenues to be available if they are collected within 60 days of the end of the current period. Grants, other intergovernmental revenues, charges for services, 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. Expenditures generally are recorded when a liability is incurred. However, expenditures related to long-term agreements are recorded only when payment is due.

(d) **Budgets and budgetary accounting**—The governing board of the CRA adopts an annual operating budget, which is prepared on a modified accrual basis and can be amended by the board throughout the year. At the fund level, actual expenditures cannot exceed the budgeted amounts. The accompanying budgeted financial statements for the General Fund reflect the final budget authorization amounts, including all amendments.

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Deposits and investments**—The CRA's cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Receivables and payables—**Activity between the CRA and the City has been classified as amount due to/from the primary government on the balance sheet and statement of net position. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of outstanding balances and historical trends. At September 30, 2021, all of the CRA's receivables were considered fully collectible.

(g) **Prepaid items—**When present, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(h) **Capital assets**—Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than $5,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40 years

(i) **Long-term obligations**—The CRA does not have any legal indebtedness. Any use of funds for debt service represents payments toward long-term debt issued in the name of the City for which CRA revenues have been pledged.

The CRA does not have any employees. Any employees who provide services to the CRA are employees of the primary government and do so at either no charge to the CRA, or any allocations made to the CRA represent reimbursements by the CRA to the primary government for services rendered (any items recorded to personnel expense accounts are only for ease of tracking the reimbursement amounts). As a result, there is no compensated absences, other post-employment benefits (OPEB), or pension liabilities recorded on the CRA's financial statements.

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes based on actions taken by the CRA governing board through ordinance.

Assigned – amounts the CRA intends to use for a specific purpose. Intent can be expressed by the CRA governing board or by an official or body which the Board delegates authority.

Unassigned – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the CRA considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(k) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA has no items that meet this reporting criteria.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The CRA has no items that meet this reporting criteria.

(l) **Net position flow assumption**—Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the CRA's policy to consider restricted net position to have been used before unrestricted net position is applied.

(m) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is as follows: capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is as follows: governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

(3) **Deposits and Investments:**

The CRA is subject to the investment policy of the primary government and maintains interest-bearing banking accounts for substantially all CRA funds. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the CRA to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2021, all CRA deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the CRA's deposits are held with public depositories and as of September 30, 2021, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

(4) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated –				
Land	$ 406,193	$ -	$ -	$ 406,193
Construction in progress	1,157,031	59,373	-	1,216,404
Total capital assets, not being depreciated	1,563,224	59,373	-	1,622,597
Capital assets, being depreciated –				
Buildings and improvements	489,470	-	-	489,470
Less accumulated depreciation for–				
Buildings and improvements	(103,012)	(12,236)	-	(115,248)
Total capital assets, being depreciated, net	386,458	(12,236)	-	374,222
Governmental activities capital assets, net	$ 1,949,682	$ 47,137	$ -	$ 1,996,819

Depreciation expense of $12,236 was charged to the community redevelopment function.

(5) Commitments and Contingencies:

The CRA is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2021. The outcomes of established claims are included in these financial statements. In the opinion of the CRA and the primary government's legal counsel, no legal proceedings are pending or threatened against the CRA which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

(6) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, as adjusted based on the impacts of GASB Statement No. 95, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the CRA's financial statements:

(a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

SPRING HILL COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	$ 228,980	$ 228,980	$ 290,476	$ 61,496
Intergovernmental	132,881	158,458	49,517	(108,941)
Investment income	-	-	796	796
Miscellaneous	1,200	1,200	9,493	8,293
Total revenues	363,061	388,638	350,282	(38,356)
Expenditures				
Current:				
Community redevelopment	323,490	349,607	182,662	166,945
Capital outlay	-	66,554	59,373	7,181
Total expenditures	323,490	416,161	242,035	174,126
Excess (deficiency) of revenues over expenditures	39,571	(27,523)	108,247	135,770
Other financing sources (uses)				
Transfers out to primary government	(39,571)	(39,031)	(38,856)	175
Net change in fund balances	-	(66,554)	69,391	135,945
Fund balances, beginning of year	319,812	319,812	319,812	-
Fund balances, end of year	$ 319,812	$ 253,258	$ 389,203	$ 135,945

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*

To the Governing Board,
Spring Hill Community Redevelopment Agency:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Spring Hill Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated March 11, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free of 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.

James Moore & Co., P.L.

Daytona Beach, Florida
March 11, 2022

INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE OF THE AUDITOR GENERAL

To the Governing Board,
Spring Hill Community Redevelopment Agency:

Report on the Financial Statements

We have audited the basic financial statements of the Spring Hill Community Redevelopment Agency (the CRA), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 11, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 11, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations identified in the prior year audit.

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 for the CRA is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the CRA, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no such recommendations.

Special District Component Units

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

Specific Special District Information – Spring Hill Community Redevelopment Agency

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Spring Hill Community Redevelopment Agency reported the following unaudited data:

a) The total number of district employees compensated in the last pay period of the district's fiscal year: -0-

b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: -0-.

c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: $-0-

d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: $-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:

a. No such projects noted.

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 follows: the district's original budget totaled $363,061 and was amended by the total amount of $92,131, for final budgeted expenditures of $455,192.

Additional Matters

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

Purpose of this Letter

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

James Moore & Co., P.L.

Daytona Beach, Florida
March 11, 2022

JAMESMOORE

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board,
Spring Hill Community Redevelopment Agency:

We have examined the Spring Hill Community Redevelopment Agency's (the CRA) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies,* and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund* (collectively, the "Statutes"), for the year ended September 30, 2021. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied with the Statutes, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Spring Hill Community Redevelopment Agency complied, in all material respects, with the Statutes for the year ended September 30, 2021.

Daytona Beach, Florida
March 11, 2022

James Moore & Co., P.L.