

2023

Southwest Deltona Community
Redevelopment Agency

Financial Statements and
Independent Auditor's Report

September 30, 2023

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
DELTONA, FLORIDA**

SEPTEMBER 30, 2023

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-8
Financial Statements	
Statement of Net Position and Governmental Fund Balance Sheet	9
Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balance.....	10
Notes to Financial Statements.....	11-14
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	15
Other Reports	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16-17
Independent Accountant’s Report on Compliance with Sections 163.387(6) and (7), Florida Statutes	18
Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes.....	19
Management Letter	20-22

INDEPENDENT AUDITOR'S REPORT

The City Commission
Southwest Deltona Community Redevelopment Agency
Deltona, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Southwest Deltona Community Redevelopment Agency (the CRA), a component unit of the City of Deltona, Florida (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's 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 CRA, as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

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INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

The City Commission
Southwest Deltona Community Redevelopment Agency
Deltona, Florida

INDEPENDENT AUDITOR'S REPORT

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 a report dated June 26, 2024, 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 the 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.



June 26, 2024
Ocala, Florida

**SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
CITY OF DELTONA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

This supplement to the Independent Auditor's Report and Financial Statements has been developed in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34. It is intended to provide the readers of this report with a general overview of the financial activities of the Southwest Deltona Community Redevelopment Agency (the CRA). The CRA provides the following discussion and analysis of the CRA's financial activities for the fiscal year ended September 30, 2023. Management's Discussion and Analysis is designed to: (a) assist the reader to focus on significant financial issues, (b) provide an overview of the CRA's financial activities, (c) identify changes in the CRA's financial position, (d) identify material deviations from the financial plan, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

The CRA

The CRA was created under Section 163.356, Florida Statutes, by City Resolution No. 2016-40 and Volusia County Resolution No. 2016-092. The Governing Board of the CRA (the Board) is appointed by the Deltona City Commission (the Commission); therefore, the City of Deltona (the City) exercises significant influence over its operations and fiscal management. The CRA is considered a component unit for financial reporting purposes and is included as a blended special revenue fund within the City's overall basic financial statements.

These financial statements are presented for the purpose of complying with state law, specifically Florida Statutes, Section 163.387(8)(a), which requires separate audited financial statements for each community redevelopment agency that has revenues or expenditures that exceed \$100,000.

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$1,526,124.
- The CRA's fund balance increased by \$495,543 as a result of 2023 operations.
- Revenues for fiscal year 2023 were \$547,061, and expenditures were \$51,518.
- For the period ended September 30, 2023, actual revenues were \$30,761 greater than budgeted revenues and actual expenditures were \$499,982 less than budgeted expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of the following four (4) components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information

Government-Wide Financial Statements

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

**SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
CITY OF DELTONA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

The *Statement of Net Position* presents financial information on all of the CRA's assets and liabilities, with the difference 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 City is improving or deteriorating.

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

The government-wide financial statements listed above distinguish functions of the CRA that are principally supported by ad-valorem taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activity of the CRA is community redevelopment.

The government-wide financial statements include only the activities of the CRA. However, the CRA is considered a blended component unit of the City and as such, the financial information of the CRA is included in the City's Annual Comprehensive Financial Report for each fiscal year.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the CRA's *near-term* financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the CRA's *near-term* financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Special Revenue Funds. *Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The CRA's expendable financial resources and the related liabilities are accounted for through a special revenue fund.

**SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
CITY OF DELTONA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Restricted Fund Balance. *Fund Balance* should be reported as Restricted when constraints placed on the use of resources, such as enabling legislation, which authorizes the government to access, levy, charge, or otherwise mandate payment of resources. All of the CRA's fund balance is considered Restricted.

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.

Required Supplementary Information (RSI)

Included in this section of the report is the Budgetary Comparison Schedule.

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the CRA's financial position. In the case of the CRA, assets exceeded liabilities by \$1,526,124 (*net position*) as of the close of the most recent fiscal year, an increase of \$495,543 in comparison with the prior year.

The following table reflects a summary of the *Statement of Net Position* for the current and prior year:

	2023	2022
Assets		
Cash and Cash Equivalents	\$ 1,526,124	\$ 1,098,061
Total Assets	1,526,124	1,098,061
Liabilities and Net Position		
Liabilities		
Total Liabilities	-	67,480
	-	67,480
Net Position		
Restricted	1,526,124	1,030,581
Total Net Position	\$ 1,526,124	\$ 1,030,581

**SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
CITY OF DELTONA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Statement of Activities

The following table reflects the *Statement of Activities* for the current and prior year:

	2023	2022
Revenues		
Property Taxes	\$ 510,061	\$ 393,953
Interest Income	37,000	4,297
Total Revenues	547,061	398,250
Expenditures		
Operating:		
Capital Outlay	51,518	69,500
Total Expenditures	51,518	69,500
Excess of Revenues Over Expenditures	495,543	328,750
Change in Net Position	495,543	328,750
Net Position, Beginning of Year	1,030,581	701,831
Net Position, End of Year	\$ 1,526,124	\$ 1,030,581

Fiscal year 2023 activities increased the CRA's net position by \$495,543, or 32%, in comparison with the prior year. Key elements of the change are described in the table above. There was an increase in tax increment financing revenues in the current year due to an increase in property values within the CRA district. This contributed to an increase in net position.

Financial Analysis of the CRA's Funds

Governmental Funds

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.

The CRA's fund balance of \$1,526,124 is restricted for CRA projects within the CRA district.

Tax increment financing revenue totaling \$510,061 represented approximately 93% of all revenues. The CRA's fund balance increased by \$495,543 in the current year. The increase in tax increment financing revenues received by the CRA in the current year resulted from increased property values within the CRA district.

**SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
CITY OF DELTONA, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Capital Assets Administration

The CRA’s capital assets are considered to be property of the City and, therefore, are included as capital assets in the City’s government-wide financial statements. Capital asset activity for the year ended September 30, 2023, can be found in the City’s audited financial statements.

Budgetary Highlights

An annual budget is prepared for the CRA and approved by the Commission. The legal level of control is maintained at the department level. Budget appropriations may not be legally exceeded on a fund basis. The budget is adopted on a basis consistent with generally accepted accounting principles.

Economic Factors and Future Developments

The CRA will continue to plan projects and infrastructure improvements that align with its redevelopment priorities for the designated district. The CRA will continue to implement the community’s shared development goals through its redevelopment strategies and critical tasks.

Request for Information

This financial information is designed to present users with a general overview of the CRA’s finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director located at 2345 Providence Blvd, Deltona, Florida 32725.

FINANCIAL STATEMENTS

SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2023

	<u>Special Revenue Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
Assets			
Cash and Cash Equivalents	\$ 1,526,124	\$ -	\$ 1,526,124
Total Assets	<u>1,526,124</u>	<u>-</u>	<u>1,526,124</u>
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Restricted	<u>1,526,124</u>	<u>(1,526,124)</u>	<u>-</u>
Total Fund Balance	<u>1,526,124</u>	<u>(1,526,124)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 1,526,124</u>		
Net Position			
Restricted for:			
CRA Projects		<u>1,526,124</u>	<u>1,526,124</u>
Total Net Position		<u>\$ 1,526,124</u>	<u>\$ 1,526,124</u>

See accompanying notes.

**SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Special Revenue Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Intergovernmental Revenues	\$ 510,061	\$ -	\$ 510,061
Interest Income	37,000	-	37,000
Total Revenues	<u>547,061</u>	<u>-</u>	<u>547,061</u>
Expenditures			
Operating:			
Capital Outlay	51,518	-	51,518
Total Expenditures	<u>51,518</u>	<u>-</u>	<u>51,518</u>
Excess of Revenue Over Expenditures	<u>495,543</u>	<u>-</u>	<u>495,543</u>
Net Change in Fund Balance/Net Position	495,543	-	495,543
Fund Balance/Net Position, Beginning of Year	<u>1,030,581</u>	<u>-</u>	<u>1,030,581</u>
Fund Balance/Net Position, End of Year	<u>\$ 1,526,124</u>	<u>\$ -</u>	<u>\$ 1,526,124</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
DELTONA, FLORIDA

Note 1 - Summary of Significant Accounting Policies

The Southwest Deltona Community Redevelopment Agency's (the CRA) financial statements are prepared in accordance with generally accepted accounting principles, as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

The City of Deltona (the City) established the CRA in August of 2016 by City Resolution No. 2016-39, Volusia County (the County) Resolution No. 2016-92, and Section 163.356 of the Florida Statutes. The purpose of the CRA is to finance and redevelop the City's designated redevelopment areas. The governing body of the CRA is the seven-member board, appointed by the Deltona City Commission (the Commission). The City and City staff are responsible for the CRA's day-to-day operations. The City maintains the CRA's financial records; therefore, the City exercises significant influence over its operations and fiscal management. The CRA is considered a component unit for financial reporting purposes and is included as a blended special revenue fund within the City's overall basic financial statements.

Financial Statements

These financial statements are presented for the purpose of complying with state law, specifically Florida Statutes, Section 163.387(8)(a), which requires separate audited financial statements for each community redevelopment agency that has revenues or expenditures that exceed \$100,000.

Entity-wide financial statements are prepared at the City-wide level by the City and include the CRA. Copies of that report can be obtained from the City's Finance Department.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recorded only when payment is due.

Tax increment financing revenue, when levied for, and interest associated with the current fiscal period, are both considered to be measurable and have been recognized as revenues of the current fiscal year, if available.

NOTES TO FINANCIAL STATEMENTS
SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
DELTONA, FLORIDA

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

The CRA reports the general fund as a major governmental fund. The general fund is used to account for all financial resources received by the CRA. The general fund serves as the primary operating fund of the CRA. The CRA does not have any non-major funds.

Budgetary Requirements

An annual budget is prepared for all funds of the City, including the CRA. The budget amounts presented in the accompanying financial statements are as originally adopted, or as legally amended, by the Commission during the year ended September 30, 2023. The City Manager is authorized to transfer funds among line items within a department; however, the Commission must approve all budget amendments, which includes transfers among departments, transfers involving contingencies, reserve allocations, and increases or decreases in the total budget. During 2023, the Commission approved a supplemental budget appropriation to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a department basis. The budget is adopted on a basis consistent with generally accepted accounting principles.

Assets and Net Position

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits placed only with qualified public depositories.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). The CRA's capital assets are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements. Capital asset activity for the year ended September 30, 2023, can be found in the City's audited financial statements. As the capital assets are retained by the City, the CRA contributes capital to the general fund for capital outlay related to the CRA's redevelopment and infrastructure projects.

Nature and Purpose of the Fund Balance

In the fund financial statements, the governmental fund reports fund 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 the fund can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Commission through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the CRA's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the Commission. Non-spendable fund balances include amounts that cannot be spent because they are either: a) not in spendable form, or b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that is not restricted, committed, or assigned to specific purposes within the general fund.

NOTES TO FINANCIAL STATEMENTS
SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
DELTONA, FLORIDA

Unspent tax increment financing revenues are restricted for future CRA projects and are reported as restricted fund balance in the financial statements.

Net Position

The government-wide statements utilized a net position presentation. Restricted net position are unspent tax increment financing revenues that are restricted for future redevelopment projects. Unrestricted net position represents the net position of the CRA that is not restricted for any project or purpose.

Other Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interest Income

Interest income resulting from pooling of cash in a master bank account is allocated to the CRA based on its proportionate share.

Note 2 - Explanation of Certain Differences Between the Government-Wide and Fund Financial Statements

Statement of Net Position and Governmental Fund Balance Sheet

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position.

Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balance

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between the capital outlay of the governmental fund and the capital outlay contributed to the primary government as reported in the government-wide statement of activities. There were no reconciling items in the current year.

Note 3 - Cash and Cash Equivalents

At September 30, 2023, the carrying amount of the CRA's cash deposits is \$1,526,124. These funds are a part of the City's pooled cash funds, the City's cash deposits are held by a bank that qualifies as a public depository under the *Florida Security for Public Deposits Act* as required by Chapter 280, Florida Statutes. The City maintains an investment policy managing authorized investments. Further information on the City's cash and investments can be found in the notes to the annual financial statements of the City.

NOTES TO FINANCIAL STATEMENTS
SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
DELTONA, FLORIDA

Note 4 - Tax Increment Financing Revenue

The CRA is primarily funded through tax-increment financing revenue. The tax-increment revenue is computed by applying the operating tax for the City and the County multiplied by the increase in property value of the district over the base year value, minus 5% for the City and is variable for the County. The City and County are required to fund this amount annually without regard to tax collections or other obligations.

REQUIRED SUPPLEMENTARY INFORMATION

**SOUTHWEST DELTONA COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 303,800	\$ 303,800	\$ 318,335	\$ 14,535
Intergovernmental	211,000	211,000	191,726	(19,274)
Interest Income	1,500	1,500	37,000	35,500
Total Revenues	<u>516,300</u>	<u>516,300</u>	<u>547,061</u>	<u>30,761</u>
Expenditures				
Capital Outlay:				
Highways and Streets	162,500	551,500	51,518	499,982
Total Expenditures	<u>162,500</u>	<u>551,500</u>	<u>51,518</u>	<u>499,982</u>
Excess of Revenues Over Expenditures	<u>353,800</u>	<u>(35,200)</u>	<u>495,543</u>	<u>530,743</u>
Change in Fund Balance	353,800	(35,200)	495,543	530,743
Fund Balances, Beginning of Year	<u>137,411</u>	<u>(287,500)</u>	<u>1,026,284</u>	<u>1,313,784</u>
Fund Balances, End of Year	<u>\$ 491,211</u>	<u>\$ (322,700)</u>	<u>\$ 1,521,827</u>	<u>\$ 1,844,527</u>

OTHER REPORTS

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

The City Commission
Southwest Deltona Community Redevelopment Agency
Deltona, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Southwest Deltona Community Redevelopment Agency (the CRA) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's financial statements and have issued our report thereon dated June 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) as a basis for designing auditing 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 on the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

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

Our consideration of internal control 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 deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we would consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Deltona, Florida

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 26, 2024
Ocala, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 163.387(6) AND (7), FLORIDA STATUTES

The City Commission
Southwest Deltona Community Redevelopment Agency
Deltona, Florida

We have examined the Southwest Deltona Community Redevelopment Agency's (the CRA) compliance with the requirements of Sections 163.387(6) and (7), Florida Statutes, as of and for the year ended September 30, 2023, as required by Section 10.556(10)(f), *Rules of the Auditor General*. 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, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specific requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

This report 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, the CRA, its Board, and the Commission of the City of Deltona, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 26, 2024
Ocala, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The City Commission
Southwest Deltona Community Redevelopment Agency
Deltona, Florida

We have examined the Southwest Deltona Community Redevelopment Agency's (the CRA) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2023, as required by Section 10.556(10)(a), *Rules of the Auditor General*. 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, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specific requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

This report 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, the CRA, its Board, and the Commission of the City of Deltona, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 26, 2024
Ocala, Florida

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MANAGEMENT LETTER

The City Commission
Southwest Deltona Community Redevelopment Agency
Deltona, Florida

Report on the Financial Statements

We have audited the financial statements of the Southwest Deltona Community Redevelopment Agency (the CRA) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 26, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 26, 2024, 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 made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in the management letter, unless disclosed in the notes to the financial statements (see Note 1 of the CRA's financial statements as of and for the year ended September 30, 2023, for this information).

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MANAGEMENT LETTER

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 identify the specific condition(s) met. In connection with our audit, we determined that the CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the CRA reported the following information that was not subject to auditing procedures:

- The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year as 0.
- All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$0.

The City Commission
 Southwest Deltona Community Redevelopment Agency
 Deltona, Florida

MANAGEMENT LETTER

- 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 is:

<u>Project Name</u>	<u>Budget</u>	<u>Total Expenditures</u> <u>To-Date</u>
Bus Shelter Project	\$ 106,500	\$ -
Curve Improvements Feasibility Study	240,000	-
ADA Improvements	50,000	-
Pedestrian Safety Accessibility	155,000	51,518

- 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, see Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual as presented in the financial statements for the year ended September 30, 2023.

Additional Matters

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

Purpose of this Letter

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

Puevis Gray

June 26, 2024
 Ocala, Florida

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