

**COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF SAFETY HARBOR, FLORIDA
(A BLENDED COMPONENT UNIT OF SAFETY HARBOR, FLORIDA)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2021**

| | |
|--|-----------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 3 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION | 6 |
| GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES | 7 |
| NOTES TO FINANCIAL STATEMENTS | 8 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| BUDGETARY COMPARISON SCHEDULE – GENERAL FUND | 12 |
| NOTE TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND | 13 |
| SUPPLEMENTAL REPORTS | |
| 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 <i>GOVERNMENT AUDITING STANDARDS</i> | 14 |
| MANAGEMENT LETTER | 16 |
| INDEPENDENT ACCOUNTANTS' REPORT | 19 |



INDEPENDENT AUDITORS' REPORT

Board Members
Community Redevelopment Agency
City of Safety Harbor, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Community Redevelopment Agency (CRA), a component unit of the City of Safety Harbor, Florida, 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

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 the major fund of the CRA as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance 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 budgetary comparison 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 29, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Tampa, Florida
March 29, 2022

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2021**

As management of the Community Redevelopment Agency (CRA), we offer the readers of the CRA's basic financial statements. This narrative overview and analysis of the financial activities of the CRA for the year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

Financial Highlights

- The assets of the CRA exceeded its liabilities as of September 30, 2021, by \$1,060,146 (net position).
- The CRA's total assets as of September 30, 2021, were \$1,095,805.
- The CRA's total revenue was \$1,262,411, consisting primarily of CRA Incremental Tax Revenue.
- The CRA's net transfers came to \$289,000. The increase in net position was \$554,181.

Overview of Financial Statements

The CRA's government-wide financial statements include the following:

- Governmental Fund Balance Sheet and Statement of Net Position — reports the CRA's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at the end of the fiscal year, and provides information about the nature and amounts of investment of resources and obligations to creditors.
- Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities — reports the results of activity over the course of the fiscal year. It details the costs associated with operating the CRA and how those costs were funded. It also provides an explanation of the change in net position from the previous fiscal year-end to the current fiscal year-end.
- The basic financial statements also include notes that provide required disclosures and other information necessary to gather the full meaning of the material presented in the statements.

The analysis of net position, revenue, and expenses are detailed and provide a comprehensive portrayal of financial conditions and related trends. The analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned regardless of when cash is received or paid.

Our analysis presents the CRA's net position, which can be thought of as the difference between what the CRA owns (assets) and what the CRA owes (liabilities). The net position analysis will allow the reader to measure the health or financial position of the CRA.

Over time, significant changes in the CRA's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any CRA, the reader must also consider other nonfinancial factors such as fluctuations in the local economy.

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2021**

Net Position

The difference between an organization's assets and deferred outflows of resources and its liabilities and deferred inflows of resources equals its net position. The CRA's net position can consist of:

Net Investment in Capital Assets — Capital assets, net of accumulated depreciation and reduced by debt attributable to the acquisition of those assets.

Restricted — Net position that can only be spent for specific purposes because of constraints imposed by external sources (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Unrestricted — Net position that is not invested in capital assets or subject to restrictions.

Condensed Financial Information

Assets, Liabilities, and Net Position:

| | 2021 | 2020 |
|--|--------------|------------|
| ASSETS | | |
| Current Assets | \$ 1,095,805 | \$ 527,280 |
| Total Assets | 1,095,805 | 527,280 |
| LIABILITIES | | |
| Accounts Payable | 34,306 | 20,167 |
| Accrued Liabilities | 1,353 | 1,148 |
| Total Liabilities | 35,659 | 21,315 |
| NET POSITION | | |
| Restricted for Community Redevelopment | 976,477 | 422,383 |
| Unrestricted | 83,669 | 83,582 |
| Total Net Position | \$ 1,060,146 | \$ 505,965 |

Assets increased by \$568,525 from the prior year, while liabilities increased by \$14,344 from the prior year. There was an increase in net position of \$554,181 due to revenues exceeding expenses by \$843,181, offset by net transfers out of \$289,000.

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2021**

Condensed Financial Information (Continued)
Revenues, Expenses, and Changes in Net Position

| | 2021 | 2020 |
|-----------------------------------|--------------|------------|
| GENERAL REVENUES | | |
| Taxes | \$ 1,240,289 | \$ 907,284 |
| Investment Income | 87 | 7,236 |
| Other Revenue | 22,035 | - |
| Total General Revenues | 1,262,411 | 914,520 |
| EXPENSES | | |
| Professional Services | 49,015 | 47,519 |
| General Operating | 186,201 | 63,182 |
| Capital Outlay | 184,014 | 85,200 |
| Total Expenses | 419,230 | 195,901 |
| OTHER FINANCING USES | | |
| Transfers Out | (289,000) | (289,000) |
| CHANGE IN NET POSITION | 554,181 | 429,619 |
| Net Position - Beginning of Year | 505,965 | 76,346 |
| NET POSITION - END OF YEAR | \$ 1,060,146 | \$ 505,965 |

In fiscal year 2021, total general revenue was \$1,262,411, while total expenditures and transfers were \$708,230. This resulted in a positive change in net position of \$554,181. Total general revenues increased \$347,891 primarily due to an increase in CRA incremental taxes. Total expenses increased \$223,329 due to a CRA extension study, additional grants awarded, brick street restoration, and other community redevelopment projects.

Economic Factors and Next Year's Budgets and Rates

The Community Redevelopment Agency (CRA) is reported as a blended component unit of the City of Safety Harbor, Florida. Its Annual Budget was approved by Resolution 2021-02 on October 4, 2021. The detailed budgets are available for review upon request.

Requests for Information

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed as follows:

Matthew Spoor, City Manager
Executive Director of the CRA
750 Main St,
Safety Harbor, FL 34695
or
www.cityofsafetyharbor.com

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

| | <u>General Fund</u> | <u>Adjustments</u> | <u>Statement of Net Position</u> |
|--|-------------------------|---------------------|--------------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,094,423 | \$ - | \$ 1,094,423 |
| Accounts Receivable | 1,382 | - | 1,382 |
| Total Assets | <u>1,095,805</u> | <u>-</u> | <u>1,095,805</u> |
| LIABILITIES | | | |
| Accounts Payable | 34,306 | - | 34,306 |
| Accrued Liabilities | 1,353 | - | 1,353 |
| Total Liabilities | <u>35,659</u> | <u>-</u> | <u>35,659</u> |
| FUND BALANCE/NET POSITION | | | |
| Fund Balance: | | | |
| Restricted for Community Redevelopment | 976,477 | (976,477) | - |
| Assigned for Community Redevelopment | 83,669 | (83,669) | - |
| Total Fund Balance | <u>\$ 1,060,146</u> | <u>(1,060,146)</u> | <u>-</u> |
| Net Position: | | | |
| Restricted for Community Redevelopment | | 976,477 | 976,477 |
| Unrestricted | | 83,669 | 83,669 |
| Total Net Position | | <u>\$ 1,060,146</u> | <u>\$ 1,060,146</u> |

See accompanying Notes to Financial Statements.

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

| | General Fund | Adjustments | Statement of Activities |
|--|----------------------------|--------------------|----------------------------|
| EXPENSES | | | |
| General Government | \$ 235,216 | \$ - | \$ 235,216 |
| Capital Outlay | 184,014 | - | 184,014 |
| Total Expenses | <u>419,230</u> | - | <u>419,230</u> |
| GENERAL REVENUES | | | |
| Taxes | 1,240,289 | - | 1,240,289 |
| Investment Income | 87 | - | 87 |
| Other Revenue | 22,035 | - | 22,035 |
| Total Revenues | <u>1,262,411</u> | - | <u>1,262,411</u> |
| OTHER FINANCING USES | | | |
| Transfers Out | (289,000) | 289,000 | - |
| TRANSFERS | <u>-</u> | <u>(289,000)</u> | <u>(289,000)</u> |
| NET CHANGE IN FUND BALANCE/NET POSITION | 554,181 | - | 554,181 |
| Fund Balance/Net Position - Beginning of Year | <u>505,965</u> | - | <u>505,965</u> |
| FUND BALANCE/NET POSITION - END OF YEAR | <u><u>\$ 1,060,146</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,060,146</u></u> |

See accompanying Notes to Financial Statements.

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Safety Harbor established a Community Redevelopment Agency in 1992 with Ordinance 92-24 establishing a Redevelopment Trust Fund for the appropriation of the City's share of tax increment revenues. Pinellas County adopted code section 38-66 approving the City's redevelopment trust fund for the appropriation of the County's share of tax increment revenues. On November 2, 2004, Pinellas County adopted Resolution 04-214 providing the "Delegation of Authority" to the City of Safety Harbor to declare itself a Redevelopment Authority and prepare a redevelopment plan for the expanded area pursuant to Chapter 163, Part III of the Florida Statutes. The CRA Board holds meetings on an as-needed basis.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units and present only the financial position of the CRA, a component unit of the City of Safety Harbor (the City)

As defined by accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as all component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Based on the application of these criteria, the CRA has determined there are no component units.

Basis of Presentation

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category and (or) the governmental and enterprise combined) for the determination of major funds. The CRA has used GASB Statement No. 34 minimum criteria for major fund determination.

The accounts of the CRA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Currently, the CRA has only one fund, the General Fund. The General Fund is the general operating fund of the CRA. It is used to account for all financial resources and expenditures.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) are reported using the economic resources measurement focus and accrual basis of accounting. The CRA reports only governmental activities; it does not have any business-type activities. Governmental activities are supported largely by tax increment funding.

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the function's program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions, which finance annual operating activities; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. As a general rule, interfund accounts and transactions are eliminated.

Separate financial information is provided for the governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. The governmental fund measurement focus is based on determination of financial position and changes in financial position rather than on net income.

Budgets and Budgetary Data

The following are the procedures in establishing the budget:

The CRA's Executive Director prepares the annual fiscal operating budget. The proposed budget is then presented to the CRA's Board Members for changes and final approval. Once adopted, the budget serves as legal authorization for expenditures.

Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). All appropriations lapse at the close of the fiscal year.

Fund Balance

The classifications of fund balances are described as follows:

Nonspendable Fund Balance – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the CRA’s highest level of decision-making authority. The CRA has not established a policy regarding authorization to commit fund balance.

Assigned Fund Balance – Amounts the CRA intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the CRA’s board or by the CRA’s board delegating this responsibility to the CRA Coordinator through the budgeting process. The CRA has not established a formal policy regarding authorization to assign fund balance amounts for a specific purpose.

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the CRA’s general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the CRA considers restricted to have been spent first. When an 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.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 CASH AND CASH EQUIVALENTS

The CRA participates in the pooled cash and investments program of the City of Safety Harbor for the purpose of maximizing investment yields. The earnings of the pool are allocated on a monthly basis to the individual funds of the City and the CRA based upon their average monthly balance in the pool. For the purpose of these financial statements, the CRA pooled cash is primarily cash and cash equivalents.

Pooled cash and investments of the City determined to be available in excess of immediate needs is placed in investments in accordance with the City of Safety Harbor Investments Policy under the guidelines of *Florida Statutes* 218.415.

Custodial Credit Risk

Custodial credit risk is the risk that a government will not be able to recover deposits or the value of investments in the event of the failure of a depository financial institution or a third party holding the investments’ securities. All investments are held in the name of the City and all time deposits are maintained with qualified public depositories, as previously discussed.

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 3 RISK MANAGEMENT

The City provide risk management to the CRA through its risk management policies. The City is a member of Public Risk Management (PRM), a local government liability risk pool. PRM administers insurance activities relating to property, general, automobile and public officials' liability, employees' health and auto physical damage. PRM absorbs losses up to a specified amount annually and purchases excess and other specific coverages from third-party carriers. PRM assesses each member their pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, PRM can make additional limited assessments. Losses, if any, in excess of PRM's ability to assess its members would revert back to the member that incurred the loss. No additional assessments were levied by PRM to the City for the fiscal year ended September 30, 2021. The City had no significant reductions in insurance coverage during the fiscal year ended September 30, 2021. In addition, there have been no settlements that exceeded the City's insurance coverage in any of the past three fiscal years.

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 1,071,750 | \$ 1,071,750 | \$ 1,240,289 | \$ 168,539 |
| Other Revenue | - | - | 22,035 | 22,035 |
| Investment Income | 1,380 | 1,380 | 87 | (1,293) |
| Total Revenues | <u>1,073,130</u> | <u>1,073,130</u> | <u>1,262,411</u> | <u>189,281</u> |
| EXPENDITURES | | | | |
| Professional Services | 48,810 | 48,810 | 49,015 | (205) |
| General Operating Expenses | 179,400 | 186,424 | 186,201 | 223 |
| Capital Projects | 542,307 | 509,207 | 184,014 | 325,193 |
| Total Expenditures | <u>770,517</u> | <u>744,441</u> | <u>419,230</u> | <u>325,211</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 302,613 | 328,689 | 843,181 | 514,492 |
| OTHER FINANCING USES | | | | |
| Transfers Out | <u>(289,000)</u> | <u>(289,000)</u> | <u>(289,000)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 13,613 | 39,689 | 554,181 | 514,492 |
| Fund Balance - Beginning of Year | <u>477,817</u> | <u>529,047</u> | <u>505,965</u> | <u>(23,082)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 491,430</u> | <u>\$ 568,736</u> | <u>\$ 1,060,146</u> | <u>\$ 491,410</u> |

See accompanying Note to Budgetary Comparison Schedule – General Fund.

**COMMUNITY REDEVELOPMENT AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SAFETY HARBOR, FLORIDA)
NOTE TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 1 BUDGETARY INFORMATION

Budgets are prepared and adopted annually for the general fund in accordance with procedures and time intervals prescribed by Florida Statutes. Accordingly the City of Safety Harbor Commissioners adopted an annual budget for the general fund for the fiscal year ended September 20, 2021.

The annual budget serves as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each account. All budget amendments, which change the legally adopted appropriations, are approved by the board, and may be amended at any CRA meeting prior to 60 days after the fiscal year-end. The level of control for appropriations is exercised at the account level. Appropriations lapse at year-end. Budgets are prepared using the same modified accrual basis as is used to account for actual transactions.



**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**

Board Members
Community Redevelopment Agency
City of Safety Harbor, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Community Redevelopment Agency (CRA), a component unit of the City of Safety Harbor, Florida 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 29, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Tampa, Florida
March 29, 2022



MANAGEMENT LETTER

Board Members
Community Redevelopment Agency
City of Safety Harbor, Florida

Report on the Financial Statements

We have audited the financial statements of Community Redevelopment Agency (CRA), a component unit of the City of Safety Harbor, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 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 on 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 29, 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 financial audit report. There were no findings or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported (We do not express an opinion or provide any assurance on the following information):

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as: 0.30 full-time equivalents.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as: one (1).
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$49,015.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as: \$267,252.
- 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: Brick Streets for \$65,891, and design services for LED lighting and 2nd floor buildout at Safety Harbor Library for \$71,309.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as: See page 12 of the financial statements.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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 note any such findings.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Tampa, Florida
March 29, 2022



INDEPENDENT ACCOUNTANTS' REPORT

Board Members and the Florida Auditor General
Community Redevelopment Agency
City of Safety Harbor, Florida

We have examined the Community Redevelopment Agency (CRA)'s, a component unit of the City of Safety Harbor, Florida, compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds, and Sections 163.387(6) and (7), *Florida Statutes*, regarding community redevelopment agencies, during the year ended September 30, 2021. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the CRA complied, in all material respects, with Section 218.415, *Florida Statutes*, regarding the investments of public funds; and Sections 163.387(6) and (7), *Florida Statutes*, regarding community redevelopment agencies; during the year ended September 30, 2021.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
March 29, 2022

