

An aerial photograph of a coastal city, likely South Daytona, Florida. The image shows a mix of residential and commercial buildings, many with swimming pools, surrounded by lush greenery and palm trees. A large body of water is visible on the left side of the frame. The sky is blue with scattered white clouds. The text is overlaid on the image in white, sans-serif font.

COMMUNITY
REDEVELOPMENT
AREA (CRA)

2023 ANNUAL
REPORT

CITY OF SOUTH DAYTONA

MARCH 31, 2024

TABLE OF CONTENTS



ABOUT THE CRA



2023 ACCOMPLISHMENTS



2024 PLANNED ACTIVITIES AND PROJECTS

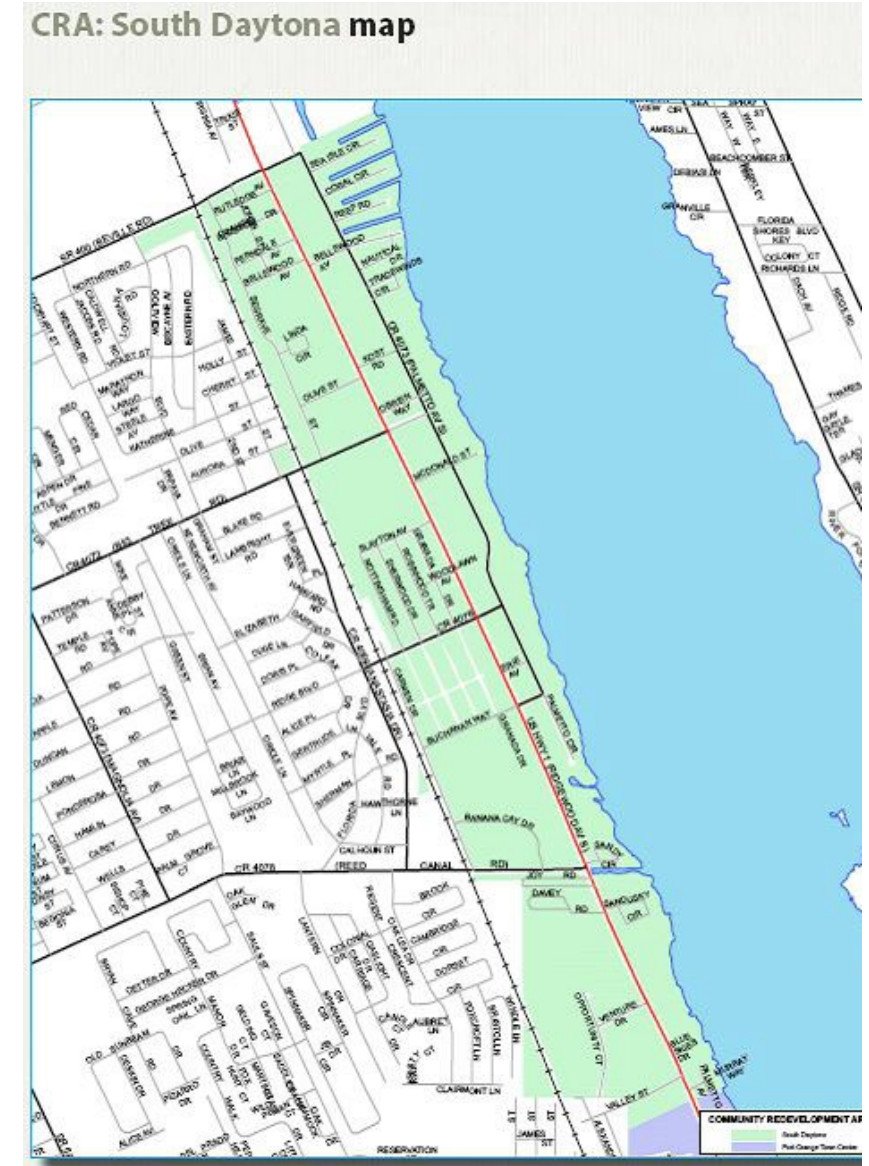


DELEGATION OF AUTHORITY, FUNDING PARTNERS, CONTACTS

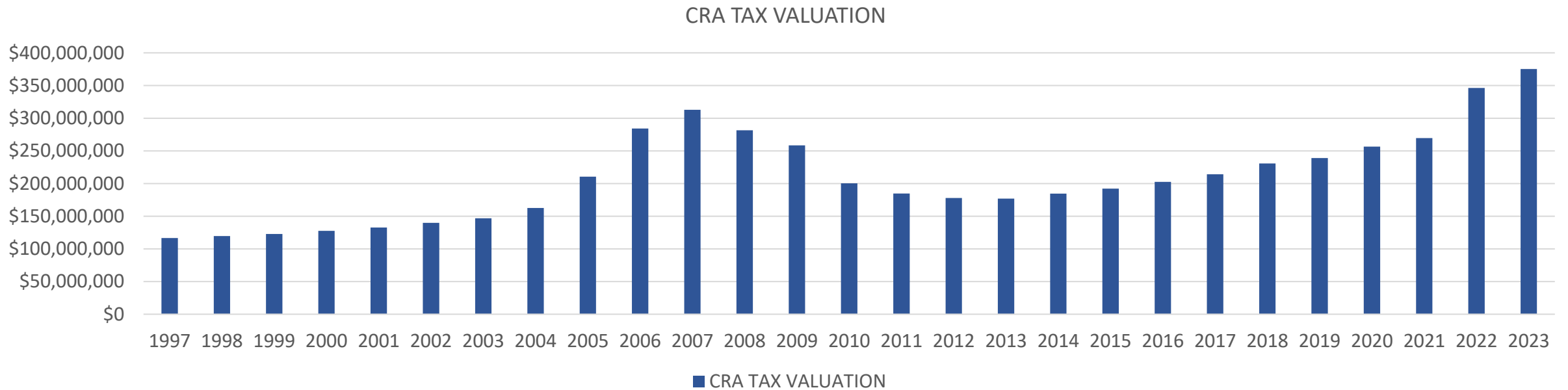
ABOUT THE CRA

The CRA was established in 1997 to eliminate slum and blight. The CRA boundaries are highlighted in green on the map. The CRA represents about one-third of the total City area. The CRA sunsets in 2026.

- **Assets:** Halifax River, central location, vacant lots for development, well-maintained traffic network, and available infrastructure that accommodates local development.
- **Issues:** Visual quality, financing/funding, development quality, public safety, land use/regulatory codes.
- **Goals & Objectives:** Attract investment and create value through private/public initiatives; Create a unique identity to make South Daytona a memorable place; Promote a safe and attractive environment for residents, businesses and visitors; Develop a transportation system that supports community image and needs.
- **CRA Redevelopment Master Plan:** Focuses on the Future Land Use Plan, Amenity Program, Private Catalyst and Public Improvement Programs.



CRA TAXABLE VALUES FROM BASE YEAR TO DATE



YEAR ENDING 9.30.2023 CRA FINANCIAL STATEMENT

| SOUTH DAYTONA CRA REDEVELOPMENT TRUST FUND | | | | | |
|--|-------------------------------------|--|---------------|---------------|----------------|
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE | | | | | |
| LAST TWO FISCAL YEARS AND CURRENT BUDGET | | | | | |
| | | | FY 22 AUDITED | FY 23 AUDITED | FY 24 BUDGETED |
| REVENUES: | | | | | |
| | Property Taxes (TIF) | | | | |
| | City of South Daytona | | \$ 1,126,630 | \$ 1,691,011 | \$ 1,910,072 |
| | Halifax Hospital District | | 138,525 | 187,632 | 212,104 |
| | Volusia County | | 782,819 | 1,057,016 | 1,195,311 |
| | Ponce Inlet Port Authority | | 12,293 | 16,563 | 18,731 |
| | East Volusia Mosquito Control | | 25,908 | 38,817 | 43,895 |
| | Echo / Volusia Forever | | 58,159 | 87,182 | 98,584 |
| | CDBG Grant | | 94,086 | 34,001 | - |
| | Total Revenues: | | 2,238,420 | 3,112,222 | 3,478,697 |
| EXPENDITURES | | | | | |
| | Contingent | | - | - | 171,025 |
| | Personal Services | | 559,739 | 508,183 | 589,950 |
| | Operating Expenses | | 193,338 | 137,299 | 175,502 |
| | Capital Outlays | | 193,785 | 83,221 | 1,792,000 |
| | Debt Service | | 1,031,865 | 1,481,102 | 610,220 |
| | Economic Development Grants | | 12,338 | 33,405 | 140,000 |
| | Total Expenditures | | 1,991,065 | 2,243,210 | 3,478,697 |
| OTHER FINANCING SOURCES AND USES | | | | | |
| | Transfer From Reserves | | - | - | - |
| | Transfer Out | | - | - | - |
| | Total other Financing sources/ uses | | - | - | - |
| NET CHANGES IN FUND BALANCE | | | | | |
| | | | 247,355 | 869,012 | - |
| FUND BALANCE BEGINNING | | | | | |
| | | | 412,100 | 659,455 | 1,528,467 |
| FUND BALANCE ENDING | | | | | |
| | | | 659,455 | 1,528,467 | 1,528,467 |

FY 2023 -2024 CRA BUDGET SUMMARY

SOUTH DAYTNA REDEVELOPMENT TRUST FUND FY 2023-2024 BUDGET SUMMARY

| | |
|--------------------------------------|-------------|
| FUND BALANCE BROUGHT FORWARD | \$1,528,467 |
| CURRENT YEAR BUDGETED TAX INCREMENTS | |
| TOTAL CURRENT YEAR REVENUES | \$3,478,697 |
| AVAILABLE REDEVELOPMENT FUNDS | \$5,007,164 |
| CURRENT YEAR BUDGETED EXPENDITURES | \$3,478,697 |
| FUND BALANCE ENDING | \$1,528,467 |

The background of the slide features a light, warm-toned image of palm trees. The fronds are detailed and spread out, creating a tropical feel. The text is centered over this background.

2023 Accomplishments Future Land Use & Amenity Program

2023 ACCOMPLISHMENTS FUTURE LAND USE & AMENITY PROGRAM

FUTURE LAND USE

- Future Land Use Amendment of 1600 S. Ridgewood Avenue, 333 Beville Road and 1614 S. Ridgewood Avenue from Business General Commercial (BGC) to Planned Commercial Development (PUD).

AMENITY PROGRAM

- Installation of new entryway markers completed by Don Bell Signs.

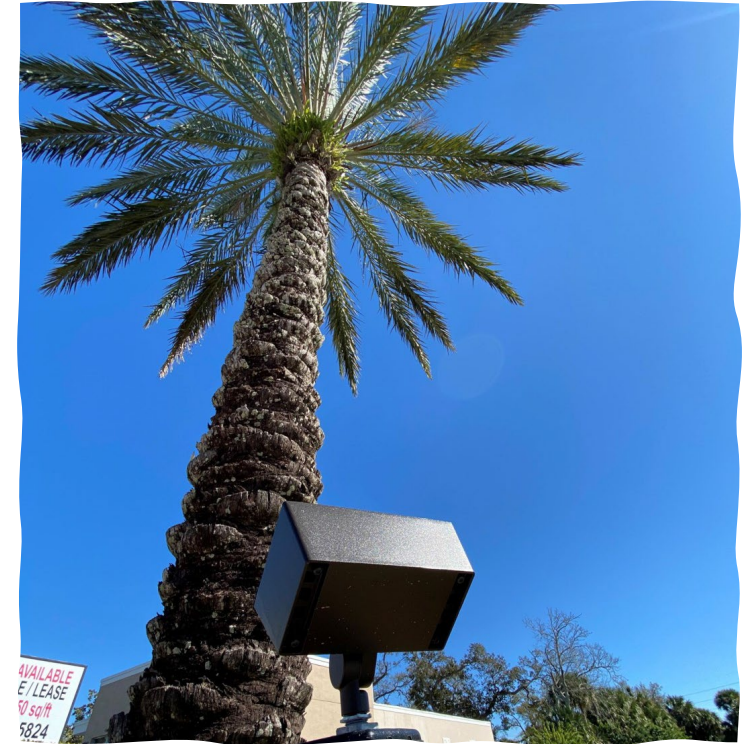




2023 Accomplishments Public Improvements

2023 ACCOMPLISHMENTS PUBLIC IMPROVEMENT PROJECTS IN THE CRA

- Sewer Lining completed on Palmetto Avenue and side streets.
- Installation of the US 1 Entry Way features at the North and South entrances to the City.



Installation of Entryway Signs On US 1



MH MH47A
SOUTH DAYTONA

MH MH50A

Sewer Lining on S. Palmetto Avenue

08.01.2023
40.59 ft

595 mbar
495 mbar

MH MH47A
SOUTH DAYTONA

MH MH50A

08.01.2023
264.65 ft

567 mbar
486 mbar



2023 Accomplishments Private Catalyst Projects

GROUND BREAKING AT 2739 S. RIDGEWOOD AVENUE

- **Developer:** Dave Stockman, Director of Real Estate (Viking Companies) Brickstreet Capital (Investment Company)
- **Project:** Approximately 440 units of Luxury Apartments with parking at each level. The developer is planning a marina and a restaurant for this site as well.
- **Status:** An updated Master Development Agreement (MDA) was approved on March 14, 2023. Site plans have been submitted.





2023 Accomplishments Incentive Programs for Private Improvement Projects



INCENTIVES

2023 Incentive Programs

The Community Redevelopment Agency and City Council offer three (3) incentive grant programs. These programs were created to improve existing structures and properties within the CRA, remove blighted structures that are hampering redevelopment, to incentivize targeted businesses to the US 1 Overlay District and CRA.

- **CRA Demolition Grant Program**
- **CRA Targeted Business Program**
- **The Façade Improvement Grant**

**Façade Improvement Grant
2227 S. Ridgewood Avenue
Fence**





Demolition Grant
1848 S. Ridgewood Avenue
Removal of Structures, Concrete,
Fencing and Debris



2023 Accomplishments Community Policing

2023 ACCOMPLISHMENTS COMMUNITY POLICING

Four officers are dedicated to the CRA, for 24-hour, 7 day a week coverage. Additionally, our Community Crime Prevention Officer serves as an Investigator and spends 25% of his time performing CRA-specific Community Policing activities.

The City is divided into 3 zones identified as SD01, SD02 and SD03. Zone SD03 is the CRA zone. The South Daytona Police Department reported number of **service calls** by zones for the period 01/01/2022 – 12/31/2022:

Zone 1 – 3,574

Zone 2 – 3,145

Zone 3 – 6,342 (CRA)

City wide total =13,061

The CRA makes up 1/3 of the city area and is responsible for almost 50% of all service calls to the Police Department.

Community Policing, Crime Prevention Officer, and Police Outreach Activities include, but are not limited to:

Annual Kids Fishing Tournament, Annual Night Out Against Crime, Bicycle & Golf Cart Patrol, Citizens Courtesy Checks, Citizen Patrol, Coffee with Police Chief Cheatham and Mayor Hall, Crime-Free Business Program, National Walk to School Program, Patrols of Business Communities and Residential Neighborhoods, Reading to Kids at Events, and the School Resource Officer (SRO) at South Daytona Elementary School.





2023 Accomplishments New Business in the CRA

2023

Accomplishments

28 New Businesses in CRA



"Where Kids Can Bee Kids"



- **Allied Veterinary Specialists**, 2300 South Ridgewood Avenue, Veterinary Clinic
- **Ammrit Indian Cuisine**, 2055 South Ridgewood Avenue, Indian Restaurant
- **Avalon Salon and Spa**, 2027 South Ridgewood Avenue, Beauty Salon
- **Boca Bargoons Daytona**, 1854 South Ridgewood Avenue, Fabric Retailer
- **Bump Boxes DBA Bump Health Florida**, 1635 South Ridgewood Ave, Suite 208/209, Durable Medical Equipment On-Line Sales
- **Crossroad Holdings, LLC DBA Molly Maid**, 2100 South Ridgewood Avenue, Unit 2, Residential Maid Services
- **Daytona Fitness Club, LLC**, 2014 South Ridgewood Avenue, Gym
- **DRK386, LLC DBA Moats & Associates**, 2100 South Ridgewood Avenue, Suite 7, Tax & Accounting Services
- **Duc Services, LLC**, 2335 South Ridgewood Avenue, Unit C, Nail Salon
- **Fine Line Tile Showroom**, 3127 South Ridgewood Avenue, Flooring Retailer
- **Inkology Beauty Bar**, 2267 South Ridgewood Avenue, Salon
- **ISI Design & Installation Solutions, Inc**, 3100 South Ridgewood Avenue, unit 120, Flooring and Countertop warehouse
- **Kid City USA Enterprises, Inc**, 1952 South Ridgewood Avenue, Office space for Corporation
- **Mayco Ventures, LLC**, 2400 South Ridgewood Avenue, Unit 19A, Administrative service agency
- **Mike's Discount Tires**, 2325 South Ridgewood Avenue, Tire Shop
- **Oasis Wax and Beauty, LLC**, 2049 South Ridgewood Avenue, Beauty Salon
- **Panda House Grill**, 2021 South Ridgewood Avenue, Chinese Restaurant
- **Porter Pelvic Physical Therapy, LLC**, 2174 South Ridgewood Avenue, Physical Therapy Office
- **Road Rash Motorcycle Shop**, 1841 South Ridgewood Avenue, Motorcycle Repair Shop
- **Safety Step TD, Inc**, 3121 Opportunity Court, Suite E, Safe Truncated Dome Retailer
- **Serenity Keepers DBA Suncoast Marketing Group**, 2400 South Ridgewood Avenue, unit 27, Marketing & advertising
- **Sharp Carts. LLC**, 2400 South Ridgewood Avenue, Unit 19, Shopping Cart parts Retailer
- **Stillpoint Psychiatry**, 2089 South Ridgewood Avenue, Suite B, Medical Office
- **Sweet Angel Aides, LLC**, 1635 South Ridgewood Avenue, Suite 210, Home Health Agency
- **The Parlor Salon, LLC**, 1635 South Ridgewood Avenue, Unit 222, Hair Salon
- **Trinity Property Management Services, LLC DBA Fastest Labs of Daytona Beach**, 2174 South Ridgewood Avenue, Suite A – Non-Medical DNA office
- **Tronos Barber Shop**, 2735 South Ridgewood Avenue, Barber Shop
- **Veterinary Emergency Center of East Volusia**, 2300 South Ridgewood Avenue, 24 HR Emergency Veterinarian



2024 Planned Activities and Projects

2024 Planned Projects

US 1

Streetscape



Implementation of Project Plan with FPL for Undergrounding Utility Lines



U.S.1 Streetscape Maintenance



Lift Station #1



Continuing US 1 Streetscape

Burial of Utility Lines along the US 1 Corridor:

- *FY 2022-23: \$ 700,000*
- *FY 2023-24: \$ 700,000*
- *FY 2024-25: \$1,200,000*
- *FY 2025-26: \$1,200,000*

PUBLIC IMPROVEMENTS

*Infrastructure improvements funded by
American Rescue Plan Act (ARPA) Funds*

- Replace Lift Station #1 \$2,000,000
- Sewer Pipe Lining & Replacement \$2,500,000
- Water Meter Replacement Program \$2,000,000



PRIVATE CATALYST PROJECTS

3151 S. Ridgewood Avenue:

Seventeen (17) Riverfront Townhomes, two (2) seven-story Condominiums (84 units).

2941 S. Ridgewood Avenue:

330-unit Halifax Riverfront apartment complex, restaurant, and 145 boat slip marina.

2900 S. Ridgewood Avenue:

330-unit apartment & carriage house project.

2739 S. Ridgewood Avenue:

440-unit Halifax Riverfront apartment complex, restaurant, and marina.





SOUTH DAYTONA

*Small City
Big Possibilities*

2023-2024

Upcoming
New Construction
and Private Catalyst
Projects

END:

0 20 40 60 80

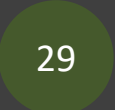
SCALE: 1" = 40'

LEGEND:

- EXISTING WETLANDS
- PROPOSED CONSERVATION LAND
- PROPOSED ARTIFICIAL POND



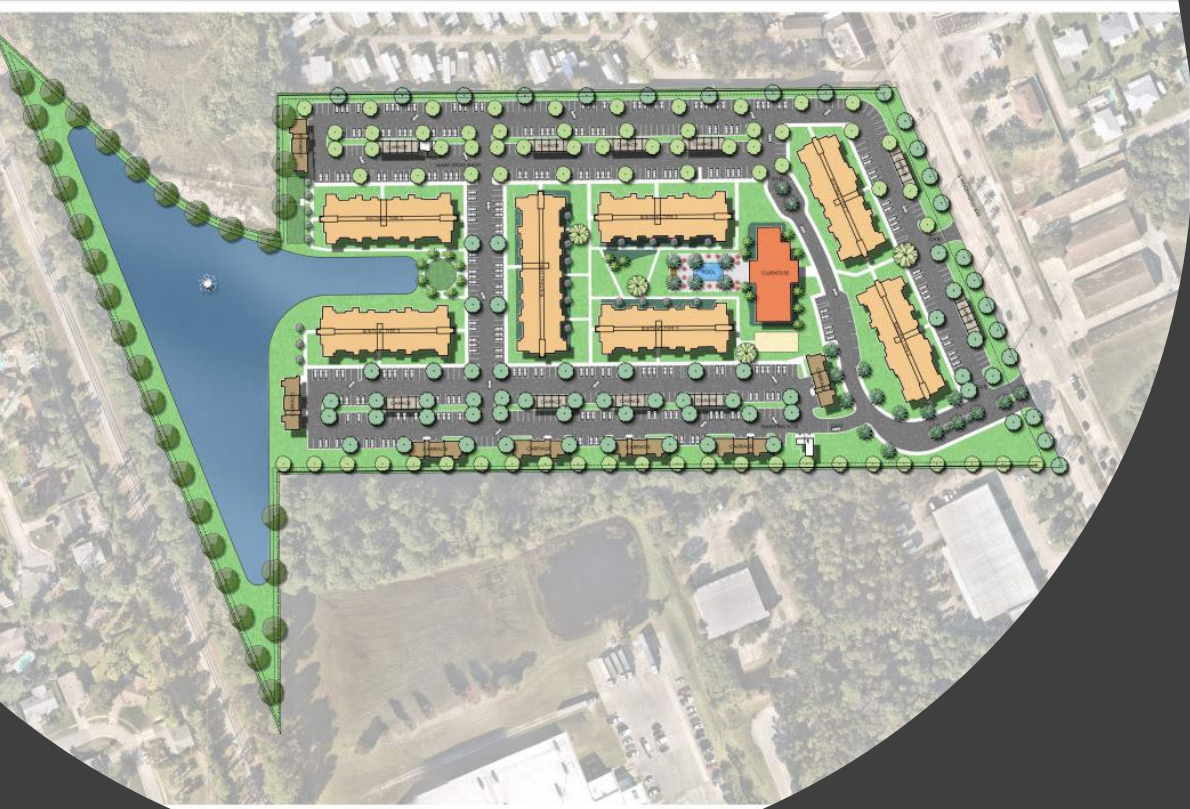
- CIVIL ENGINEERING
LANDSCAPE ARCHITECTURE
ENVIRONMENTAL
PLANNING
TRANSPORTATION



HALIFAX RIVERFRONT APARTMENTS 2941 S. RIDGEWOOD AVENUE

- Developer: The Klotz Companies, Jeff Klotz
- Adjacent to ERGA Mini-Storage
- Project: Eight Story, 330-unit luxury apartments, restaurant on ground floor, additional commercial space on first floor, and 145 slip marina.
- Status: The Master Development Agreement was approved by the City Council in May 2021.
- Next steps: The Developer's Engineer will submit site plans for City staff review.



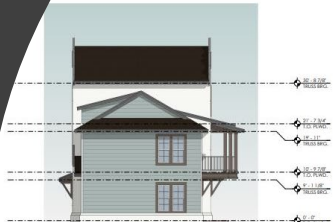
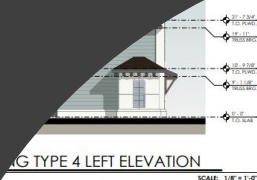


ONLY - COLORED SITE PLAN RENDERING

APARTMENTS & CARRIAGE HOMES

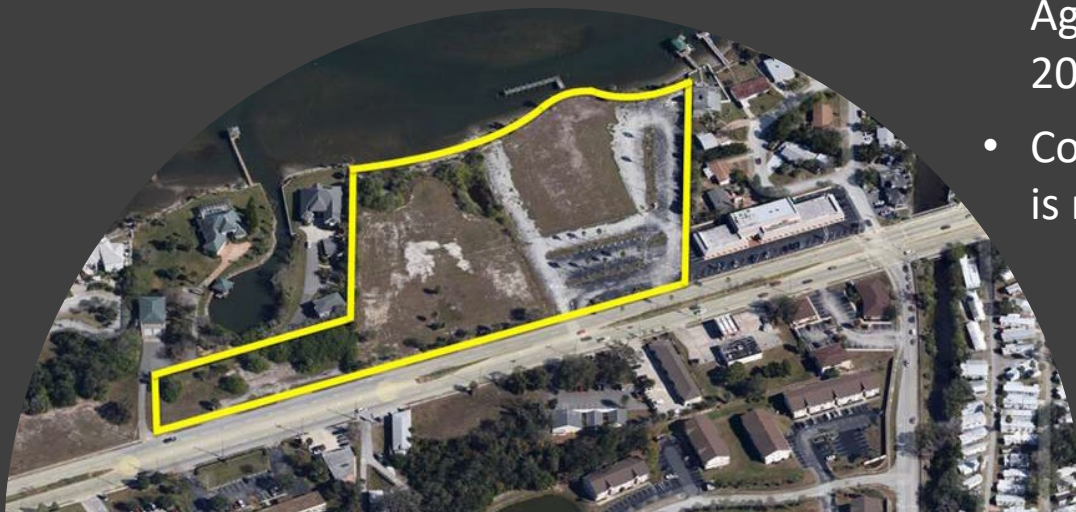
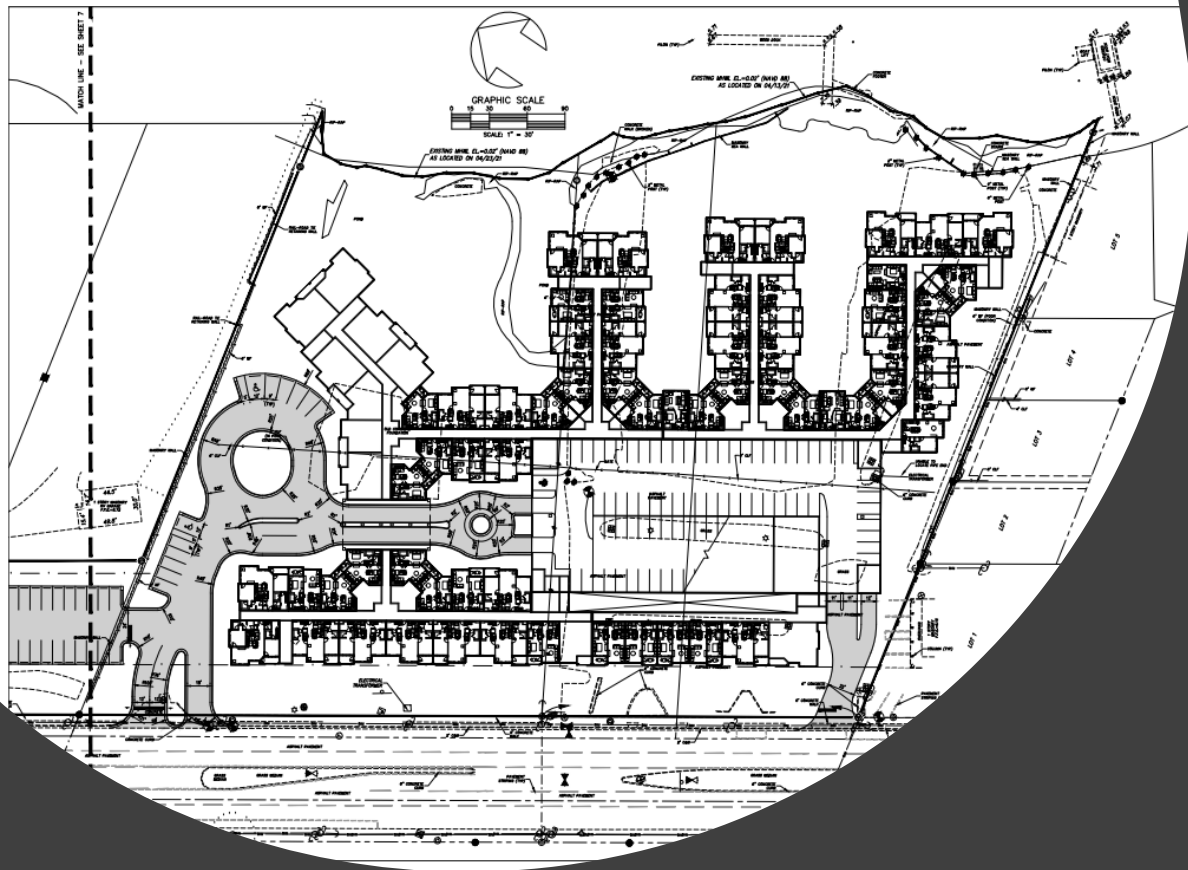
2900 S. RIDGEWOOD AVENUE

- Developer: Matt Sand, Director of Development, Middle Street Partners, LLC; Construction Company: Clancy & Theys (Jeff Mock, VP & Jenna Constino, Marketing Coordinator)
- Project: 389-units of luxury apartments, carriage houses, and garage parking.
- Status: The MDA was approved on July 27, 2022. All structures demolished in 2023;
- Construction plans have been approved and project is ready to be permitted.



SEAVIEW APARTMENTS 2739 S. RIDGEWOOD AVENUE

- Developer: Dave Stockman, Director of Real Estate (Viking Companies) Brickstreet Capital (Investment Company)
- This is the site of the old Bowling Alley.
- Project: Approximately 440 units of Luxury Apartments with parking at each level. The developer is planning a marina and a restaurant for this site as well.
- Status: An updated Master Development Agreement (MDA) was approved on March 14, 2023. Site plans have been submitted.
- Construction plans have been approved and project is ready to be permitted.





CRA DELEGATION OF AUTHORITY, FUNDING PARTNERS, AND PROGRAM CONTACT INFORMATION



Redevelopment Trust Fund Partners

Redevelopment plans, projects and programs are made possible through tax increment financing from:

City of South Daytona

Volusia County and its Taxing Districts

Halifax Health

Community Redevelopment Agency Board

Chairman Bill Hall

Board member Lisa O'Neal

Board member Brandon Young

Board member Doug Quartier

Board member Eric Sander

District Name, Registered Agent

Community Redevelopment Agency of the City of South Daytona

Mr. James L. Gillis, Jr., City Manager

City of South Daytona, P.O. Box 214960, South Daytona, FL 32121

Delegation of Authority: Volusia County Resolution 96-219

Local Governing Authority: City of South Daytona

Date Established: October 1996 by Volusia County

Establishing Documents: City Ordinance 97-06

Statutory Authority: Chapter 163, Part III, Florida Statutes

City Staff Contact: Josh McEnany, (386) 322-3025, jmcenany@southdaytona.org, www.southdaytona.org

Note: This Annual Report has been prepared in compliance with the requirements of Chapter 163.356(3)(c), Florida Statutes. The notice of the availability of this report has been published in the Daytona Beach News Journal. Additionally, the governing body of each special district is required under Chapter 163.387(8) to annually provide an independent financial audit of its trust fund to each taxing authority that pays into the trust fund. This audit of the Agency's assets, liabilities, income and expenses, as required under Chapter 163.356(3)(3) is included with the City's Annual Comprehensive Financial Report (ACFR) for each fiscal year.



February 2, 2024

To the Governing Board,
Community Redevelopment Agency of the City of South Daytona:

We have audited the financial statements of the Community Redevelopment Agency of the City of South Daytona (the CRA) as of and for the year ended September 30, 2023, and have issued our report thereon dated February 2, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 26, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the CRA solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm has complied with all relevant ethical requirements regarding independence.

We have applied safeguards related to our preparation of the CRA's financial statements, including, but not limited to, an assessment of management's skill, knowledge, and experience.

Significant Risks Identified

Professional standards require that we, as auditors, identify significant risks that impact the audit based upon the nature of the organization and design our audit procedures to adequately address those risks. As part of the audit process, we have identified the following significant risks, which are being communicated solely to comply with auditing standards and do not represent any specific finding and/or concerns related to the audit:

- Override of internal controls by management
- Improper revenue recognition due to fraud
- Improper use of restricted resources

Our audit was designed to adequately address the above risks and no issues were noted that impacted our ability to render an opinion on the financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the CRA is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No significant estimates were noted in the CRA's financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the CRA's financial statements relate to:

Note 3 to the financial statements summarizes the CRA's deposits and investments.

Note 4 to the financial statements summarizes the CRA's long-term debt obligations, including future debt service payments.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We identified no significant unusual transactions as a result of our audit procedures.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. A summary of the uncorrected misstatements of the financial statements follows:

- None noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following list summarizes the corrected misstatements that have been recorded by management:

- None noted.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the CRA's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' report. We identified no such circumstances

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated February 2, 2024.

Management's Consultations with Other Accountants

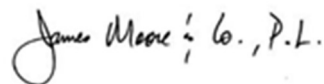
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the CRA, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the CRA's auditors.

This report is intended solely for the information and use of the governing board and management of the CRA and of the City of South Daytona, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in dark ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

JAMES MOORE & CO., P.L.

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH DAYTONA**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SOUTH DAYTONA
TABLE OF CONTENTS
SEPTEMBER 30, 2023

| | <u>Page Number(s)</u> |
|---|----------------------------------|
| Independent Auditors' Report | 1 – 3 |
| Management's Discussion and Analysis | 4 - 6 |
| Basic Financial Statements | |
| Balance Sheet / Statement of Net Position | 7 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities | 8 |
| Notes to Financial Statements | 9 – 13 |
| Required Supplementary Information | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 15 |
| 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 | 16 - 17 |
| Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General | 18 - 20 |
| Independent Accountants' Examination Report | 21 |



INDEPENDENT AUDITORS' REPORT

To the Governing Board,
Community Redevelopment Agency of the City of South Daytona:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Community Redevelopment Agency of the City of South Daytona (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 basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Community Redevelopment Agency of the City of South Daytona as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Community Redevelopment Agency of the City of South Daytona 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 opinion.

Responsibilities of Management for the Financial Statements

The CRA's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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.

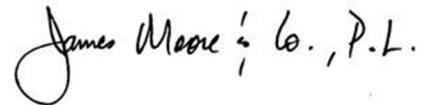
Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 2, 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 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 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.

Daytona Beach, Florida
February 2, 2024

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Community Redevelopment Agency of the City of South Daytona'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, 2023, by \$1,412,635 (net position surplus). Of this amount, \$1,412,635 was a restricted surplus in net position.
- As of September 30, 2023, the CRA's reported ending fund balances of \$1,528,467. Fund balance saw a change of \$869,012 when compared to the prior year.
- The CRA's long-term debt obligations decreased by \$221,476 due to regularly scheduled payments on CRA debt and debt payments on behalf of the City.

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 development district.

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 | |
|--------------------------|--------------------------------|-------------------|
| | 2023 | 2022 |
| ASSETS | | |
| Current and other assets | \$ 1,554,911 | \$ 688,127 |
| Total assets | <u>\$ 1,554,911</u> | <u>\$ 688,127</u> |
| LIABILITIES | | |
| Current liabilities | \$ 26,444 | \$ 28,672 |
| Noncurrent liabilities: | 115,832 | 339,847 |
| Total liabilities | <u>\$ 142,276</u> | <u>\$ 368,519</u> |
| NET POSITION | | |
| Restricted | 1,412,635 | 319,608 |
| Total net position | <u>\$ 1,412,635</u> | <u>\$ 319,608</u> |

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 | |
|---|--------------------------------|-------------------|
| | 2023 | 2022 |
| REVENUES | | |
| Property taxes | \$ 3,112,224 | \$ 2,238,420 |
| Total revenues | <u>3,112,224</u> | <u>2,238,420</u> |
| EXPENSES | | |
| Community redevelopment | 1,971,319 | 1,696,102 |
| Interest on long-term debt | 47,878 | 83,208 |
| Total expenses | <u>2,019,197</u> | <u>1,779,310</u> |
| Net income before transfers | 1,093,027 | 459,110 |
| Change in net position | 1,093,027 | 459,110 |
| Net position , beginning of year | 319,608 | (139,502) |
| Net position , end of year | <u>\$ 1,412,635</u> | <u>\$ 319,608</u> |

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 \$1,528,467, a change of \$869,012, 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

There were no significant amendments between the original and the final CRA budget.

Actual expenditures in the general fund were \$1,306,809 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 15 of this report.

Long-Term Debt

The CRA's long-term liabilities as of September 30, 2023, amount to \$115,301 and decreased by \$221,476 during the current fiscal year based on scheduled repayments. Additional information on the CRA's long-term liabilities can be found in Note (4) on page 13 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 subsequent fiscal year have increased, the future outlook of property values, 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 South Daytona, Florida, 1672 South Ridgewood Avenue, South Daytona, Florida 32119.

COMMUNITY REDVELOPMENT AGENCY OF THE CITY OF SOUTH DAYTONA
BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

| | <u>Balance Sheet</u> <u>CRA</u> <u>Fund</u> | <u>Adjustments</u> | <u>Statement of</u> <u>Net Position</u> <u>Governmental</u> <u>Activities</u> |
|---|---|--------------------|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,554,911 | \$ - | \$ 1,554,911 |
| Total assets | <u>\$ 1,554,911</u> | <u>\$ -</u> | <u>\$ 1,554,911</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 26,444 | \$ - | \$ 26,444 |
| Accrued interest payable | - | 531 | 531 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Notes payable | - | 115,301 | 115,301 |
| Total liabilities | <u>26,444</u> | <u>115,832</u> | <u>142,276</u> |
| FUND BALANCE / NET POSITION | | | |
| Fund Balance: | | | |
| Restricted for: | | | |
| Community redevelopment | 1,528,467 | (1,528,467) | - |
| Net Position: | | | |
| Restricted for: | | | |
| Community redevelopment | - | 1,412,635 | 1,412,635 |
| Total fund balance / net position | <u>1,528,467</u> | <u>(115,832)</u> | <u>1,412,635</u> |
| Total liabilities and fund balance / net position | <u>\$ 1,554,911</u> | <u>\$ -</u> | <u>\$ 1,554,911</u> |

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

COMMUNITY REDVELOPMENT AGENCY OF THE CITY OF SOUTH DAYTONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Statement of Revenues, Expenditures, and Changes in Fund Balance | | Statement of Activities |
|---|---|----------------------------|------------------------------------|
| | CRA Fund | Adjustments | Governmental Activities |
| Revenues | | | |
| Taxes | \$ 3,078,223 | \$ - | \$ 3,078,223 |
| Intergovernmental | 34,001 | - | 34,001 |
| Total revenues | <u>3,112,224</u> | <u>-</u> | <u>3,112,224</u> |
| Expenditures / expenses | | | |
| Current: | | | |
| Community redevelopment | 762,110 | - | 762,110 |
| Debt service: | | | |
| Principal retirement | 221,476 | (221,476) | - |
| Interest and fiscal charges | 15,432 | (2,539) | 12,893 |
| Principal retirement - primary government | 1,209,209 | - | 1,209,209 |
| Interest and fiscal charges - primary government | 34,985 | - | 34,985 |
| Total expenditures / expenses | <u>2,243,212</u> | <u>(224,015)</u> | <u>2,019,197</u> |
| Net change in fund balance / net position | <u>869,012</u> | <u>224,015</u> | <u>1,093,027</u> |
| Fund balance / net position, beginning of year | 659,455 | (339,847) | 319,608 |
| Fund balance / net position, end of year | <u><u>\$ 1,528,467</u></u> | <u><u>\$ (115,832)</u></u> | <u><u>\$ 1,412,635</u></u> |

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

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SOUTH DAYTONA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(1) Summary of Significant Accounting Policies:

The financial statements of the Community Redevelopment Agency of the City of South Daytona (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 Community Redevelopment Agency of the City of South Daytona was created on July 8, 1997, by City Ordinance No. 97-06 of the City of South Daytona, Florida (the City), 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. Since the City is financially accountable for the activities of the CRA, its governing board is the same, 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.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SOUTH DAYTONA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(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, 2023, all of the CRA's receivables were considered fully collectible.

(g) **Inventories**—The cost of inventory is accounted for on the consumption basis wherein inventories are charged as expenditures when used, rather than when purchased. All inventories are valued at cost, which approximates market, by using the weighted average valuation method.

(h) **Prepaid items**—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.

(i) **Capital assets**—The CRA does not own any capital assets. Any capital outlay expenditures made by the CRA are deemed to be on behalf of the City who takes ownership of the assets along with the perpetual maintenance obligation for those assets.

(j) **Long-term obligations**—In the government-wide financial statements, long-term debt and other long-term obligations, as applicable, are reported as liabilities in the CRA's governmental activities. Original issue bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Certain debt service expenditures are made on behalf of the primary government who is ultimately liable for such debts.

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.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SOUTH DAYTONA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

(k) **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.

(l) **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.

(m) **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.

(n) **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.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SOUTH DAYTONA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(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. Long-term liabilities, including note payable, are not due and payable in the current period and therefore are not reported in the funds, including \$115,301 of notes payable and \$531 of accrued interest at year-end.

(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. The CRA has no items reported differently between these two statements. The repayment of principal of long-term debt of \$221,476 consumes the current financial resources of governmental funds.

(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, 2023, 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, 2023, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SOUTH DAYTONA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(4) Long-Term Liabilities:

Long-term liability activity for the year ended September 30, 2023, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---------------------------------|------------------------------|------------------|------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| Notes payable | \$ 336,777 | \$ - | \$ (221,476) | \$ 115,301 | \$ 115,301 |

Notes payable in the CRA's governmental activities at September 30, 2023, were comprised of the following obligations:

Wells Fargo U.S. 1 Median Improvement Note 2006 #34, borrowed \$3,000,000 to be used for the U.S. 1 corridor utility burial project and median improvements. This is the second loan for this multi-year project. The interest rate is a fixed rate of 5.47%. The maturity date of this note is February 1, 2024. At September 30, 2023, the outstanding balance was \$115,301.

Annual debt service requirements to maturity for the CRA's governmental activities notes payable are as follows:

| <u>Year Ending September 30,</u> | <u>Governmental Activities</u> | | |
|--------------------------------------|--------------------------------|-----------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2024 | \$ 115,301 | \$ 3,153 | \$ 118,454 |
| Total | <u>\$ 115,301</u> | <u>\$ 3,153</u> | <u>\$ 118,454</u> |

Additional amounts are typically paid by the CRA on behalf of debt issued in the name of the City but which benefits the CRA. Such payments have been classified in the statement of revenues, expenditures, and changes in fund balance / statement of activities as principal retirement – primary government and interest and fiscal charges – primary governments.

(5) Commitments and Contingencies:

The CRA is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2023. 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.

REQUIRED SUPPLEMENTARY INFORMATION

**COMMUNITY REDVELOPMENT AGENCY OF THE CITY OF SOUTH DAYTONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - REDEVELOPMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------|---------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Taxes | \$ 2,760,139 | \$ 3,078,223 | \$ 3,078,223 | \$ - |
| Intergovernmental | - | - | 34,001 | 34,001 |
| Total revenues | <u>2,760,139</u> | <u>3,078,223</u> | <u>3,112,224</u> | <u>34,001</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 171,957 | 56,319 | - | 56,319 |
| Community redevelopment | 712,989 | 740,596 | 678,889 | 61,707 |
| Capital outlay | 702,500 | 910,504 | 83,221 | 827,283 |
| Debt service: | | | | |
| Principal retirement | 1,415,161 | 1,415,161 | 1,430,685 | (15,524) |
| Interest and fiscal charges | 75,356 | 75,356 | 50,417 | 24,939 |
| Total expenditures | <u>3,077,963</u> | <u>3,197,936</u> | <u>2,243,212</u> | <u>954,724</u> |
| Excess (deficiency) of revenues over expenditures | <u>(317,824)</u> | <u>(119,713)</u> | <u>869,012</u> | <u>988,725</u> |
| Other financing sources (uses) | | | | |
| Transfer to reserves | - | (318,084) | - | 318,084 |
| Total other financing sources (uses) | <u>-</u> | <u>(318,084)</u> | <u>-</u> | <u>318,084</u> |
| Net change in fund balances | <u>(317,824)</u> | <u>(437,797)</u> | <u>869,012</u> | <u>1,306,809</u> |
| Fund balances, beginning of year | 659,455 | 659,455 | 659,455 | - |
| Fund balances, end of year | <u>\$ 341,631</u> | <u>\$ 221,658</u> | <u>\$ 1,528,467</u> | <u>\$ 1,306,809</u> |

**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,
Community Redevelopment Agency of the City of South Daytona:

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 Community Redevelopment Agency of the City of South Daytona (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 basic financial statements and have issued our report thereon dated February 2, 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 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.

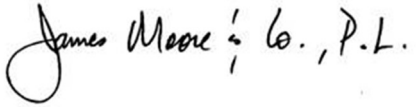
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 weakness may exist that have not been identified.

Report on 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Daytona Beach, Florida
February 2, 2024

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

To the Governing Board,
Community Redevelopment Agency of the City of South Daytona:

Report on the Financial Statements

We have audited the basic financial statements of the Community Redevelopment Agency of the City of South Daytona (the CRA), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 2, 2024.

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 February 2, 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 prior findings or recommendations.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. 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 – South Daytona 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 CRA 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. None
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: the district's original budget totaled \$3,077,963 and was amended by the total amount of \$438,057, for final budgeted expenditures of \$3,516,020.

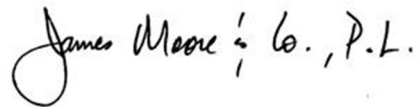
Additional Matters

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.

Daytona Beach, Florida
February 2, 2024

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board,
Community Redevelopment Agency of the City of South Daytona:

We have examined the Community Redevelopment Agency of the City of South Daytona's (the CRA) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes (the Statutes), for the year ended September 30, 2023. Management is responsible for the CRA's compliance with the Statutes. Our responsibility is to obtain reasonable assurance by evaluate the CRA's compliance with the Statutes and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance for evaluating the CRA's compliance with the Statute, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the CRA's compliance with the Statutes. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks that the CRA was not in compliance with the Statutes in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Community Redevelopment Agency of the City of South Daytona complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Daytona Beach, Florida
February 2, 2024

James Moore & Co., P.L.