

CITY OF INVERNESS
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Inverness, Florida)

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

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FINANCIAL SECTION

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Independent Auditor's Report

**Board of Directors
City of Inverness Community Redevelopment Agency
Inverness, Florida**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund (the "General Fund") of the City of Inverness Community Redevelopment Agency (the "CRA"), (a component unit of the City of Inverness, Florida), as of and for the year ended September 30, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the CRA, as of September 30, 2024, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 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 May 27, 2025, 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 CRA's internal control over financial reporting and compliance.



Bradenton, Florida
May 27, 2025

Management's Discussion and Analysis

This narrative overview and analysis of the financial activities of the City of Inverness Community Redevelopment Agency (the "CRA") for the fiscal year ended September 30, 2024 is designed to assist the reader in: (a) focusing on significant financial issues, (b) providing an overview of the CRA's financial activity, (c) identifying changes in the CRA's financial position, (d) identifying any material deviations from the approved budget, and (e) identifying individual fund issues or concerns. Please read it in conjunction with the CRA's Independent Auditor's Report, financial statements, and accompanying notes.

Financial Highlights

- The liabilities of the CRA exceeded its assets at the close of the most recent fiscal year by \$(8,404,984) (*net deficit*). Of this amount, \$2,470,642 represents restricted net position, which is to be used to meet the CRA's ongoing obligations for redevelopment.
- The CRA's total net position increased by \$1,215,322.
- As of the close of the current fiscal year, the CRA's governmental fund reported ending fund balance of \$2,634,830. The total amount, \$2,634,335 is restricted for the purpose of community redevelopment.

Using this Annual Report

The financial statement's focus is on the CRA as a whole (government-wide) and on the individual fund. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

This discussion and analysis are 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The *statement of net position* presents information on all of the CRA's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the CRA that are principally supported by taxes and intergovernmental revenues (*governmental activities*).

The government-wide financial statements include only the CRA itself (known as the *primary government*). The government-wide financial statements can be found on pages 7 and 8 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The General Fund of the CRA can be categorized as a governmental fund.

Governmental Funds

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

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

The CRA adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget on page 13.

The basic governmental fund financial statements can be found on pages 9 through 12 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 22 of this report.

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the CRA, the liabilities and deferred inflows exceeded the assets and deferred outflows by \$(8,404,984) at the close of the most recent fiscal year. The following table reflects the condensed statement of net position for the current and prior year. For more detail see the statement of net position on page 7.

Statement of Net Position

	2024	2023	Change
Current and other assets	\$ 2,669,254	\$ 2,051,141	\$ 618,113
Capital assets	567,792	295,300	272,492
Total assets	<u>\$ 3,237,046</u>	<u>\$ 2,346,441</u>	<u>\$ 890,605</u>
Long-term liabilities	\$ 11,443,418	\$ 11,793,181	\$ (349,763)
Other liabilities	198,612	173,566	25,046
Total liabilities	<u>\$ 11,642,030</u>	<u>\$ 11,966,747</u>	<u>\$ (324,717)</u>
Net investment in capital assets	\$ (10,875,626)	\$ (9,988,851)	\$ (886,775)
Restricted	2,470,642	368,545	2,102,097
Total net position	<u>\$ (8,404,984)</u>	<u>\$ (9,620,306)</u>	<u>\$ 1,215,322</u>

The CRA's net position of \$(8,404,984) is reflected in investment in capital assets, less any outstanding related debt used to acquire those assets. The CRA uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the CRA's investment in its capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The CRA conveyed its assets to the City, therefore, caused a negative net position in net investment in capital assets.

The CRA's net position increased by \$1,215,322 during the current fiscal year. The following table reflects the condensed statement of activities for the current year. For more detail see the statement of activities on page 8.

**Changes in Net Position
For the Years Ended September 30,**

Statement of Activities

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues			
Program revenues			
Operating grants and contributions	\$ 500,000	\$ -	\$ 500,000
General revenues			
Property tax assessments	1,533,061	1,375,706	157,355
Investment income	75,916	70,588	5,328
Total revenues	<u>2,108,977</u>	<u>1,446,294</u>	<u>662,683</u>
Expenses			
Economic environment	893,655	843,603	50,052
Total expenses	<u>893,655</u>	<u>843,603</u>	<u>50,052</u>
Change in net position	1,215,322	602,691	612,631
Beginning net position	<u>(9,620,306)</u>	<u>(10,222,997)</u>	<u>602,691</u>
Ending net position	<u><u>\$ (8,404,984)</u></u>	<u><u>\$ (9,620,306)</u></u>	<u><u>\$ 1,215,322</u></u>

Governmental Activities

Governmental activities increased the CRA's net position by \$1,215,322. This was due to reduced expenses and increased revenues.

Financial Analysis of the Government's Funds

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of September 30, 2024, the CRA's governmental fund reported an ending fund balance of \$2,634,830, an increase of \$586,088. The fund balance is restricted for community redevelopment.

General Fund Budgetary Highlights

Budgets are conservatively developed to control costs with little growth or change. All functional expenditure areas expended less than budgeted for a total positive variance of \$2,568,484 due to underspending in capital outlay in the current year.

Capital Asset and Debt Administration

Capital Assets

At September 30, 2024, the CRA had \$567,792 invested in capital assets. At year-end, the entire balance was considered construction in progress.

Additional information on the City's capital assets can be found in Note 4 on page 20 of this report.

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$11,443,418.

In August 2017, the City issued ICRA Refunding Revenue Bonds of \$12,980,000 for the construction of various improvements within the CRA.

Additional information on the City's long-term debt can be found in Note 5 on pages 20 and 21 of this report.

Next Year's Budget and Rates

During the next fiscal year, the CRA is expecting to incur enough revenues to cover operating expenditures.

Requests for Information

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 212 West Main Street, Inverness, Florida 34450.

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,698,355
Investments	970,404
Prepaid expenses	495
Capital assets:	
Capital assets, nondepreciable	567,792
Total assets	<u>3,237,046</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	34,424
Accrued interest	164,188
Noncurrent liabilities	
Due within one year	355,000
Due in more than one year	11,088,418
Total liabilities	<u>11,642,030</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	(10,875,626)
Restricted	2,470,642
Total net position	<u>\$ (8,404,984)</u>

The accompanying notes are an integral part of the financial statements.

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Economic development	\$ 504,597	\$ -	\$ 500,000	\$ (4,597)
Interest and other fiscal charges	389,058	-	-	(389,058)
Total governmental activities	<u>\$ 893,655</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>(393,655)</u>
General revenues				
Property taxes				1,533,061
Interest				75,916
Total general revenues				<u>1,608,977</u>
Change in net position				1,215,322
Net deficit, beginning				<u>(9,620,306)</u>
Net deficit, ending				<u>\$ (8,404,984)</u>

The accompanying notes are an integral part of the financial statements.

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

BALANCE SHEET

GENERAL FUND

SEPTEMBER 30, 2024

ASSETS	
Cash and cash equivalents	\$ 1,698,355
Investments	970,404
Prepaid items	495
Total assets	<u>\$ 2,669,254</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 34,424
Total liabilities	<u>34,424</u>
FUND BALANCE	
Nonspendable:	
Prepays	495
Restricted for:	
Community redevelopment	<u>2,634,335</u>
Total fund balance	<u>2,634,830</u>
Total liabilities and fund balance	<u>\$ 2,669,254</u>

The accompanying notes are an integral part of the financial statements.

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2024

Total fund balance, General Fund		\$	2,634,830
Amounts reported for the governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital assets			<u>567,792</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the General Fund.			
ICRA Refunding Revenue Bonds	(11,150,000)		
Bond premium	(293,418)		
Accrued interest expense	<u>(164,188)</u>		
			<u>(11,607,606)</u>
Total net position, governmental activities		\$	<u><u>(8,404,984)</u></u>

The accompanying notes are an integral part of the financial statements.

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

REVENUES

Property taxes	\$	1,533,061
Investment earnings		75,916
Intergovernmental		500,000
Total revenues		<u>2,108,977</u>

EXPENDITURES

Current		
Community development services		356,375
Debt service		
Principal		335,000
Interest		410,800
Capital outlay		<u>420,714</u>
Total expenditures		<u>1,522,889</u>

Net change in fund balance	586,088
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Fund balance, beginning	<u>2,048,742</u>
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Fund balance, ending	<u><u>\$ 2,634,830</u></u>
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The accompanying notes are an integral part of the financial statements.

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE—GENERAL FUND TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance, General Fund	\$	586,088
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The General Fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay	412,476
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Conveyance of capital assets is recorded as an expense in the statement of activities, while the amount does not affect the fund financial statements as the amount had previously been recorded as an expenditure for capital outlay.

	(139,984)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Current year includes principal paid on long-term debt.

Amortization of bond premium	\$	14,763	
Principal payments		<u>335,000</u>	349,763

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are used. The net change associated with these expenses/expenditures is as follows:

Change in accrued interest	<u>6,979</u>
Change in net position of governmental activities	<u>\$</u> <u>1,215,322</u>

The accompanying notes are an integral part of the financial statements.

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL—GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 1,522,631	\$ 1,522,631	\$ 1,533,061	\$ 10,430
Investment earnings	20,000	20,000	75,916	55,916
Intergovernmental	-	500,000	500,000	-
Total revenues	1,542,631	2,042,631	2,108,977	66,346
Expenditures				
Current				
Economic development	667,979	1,458,178	356,375	1,101,803
Debt service				
Principal	335,000	335,000	335,000	-
Interest	410,800	410,800	410,800	-
Capital outlay	450,000	1,887,395	420,714	1,466,681
Total expenditures	1,863,779	4,091,373	1,522,889	2,568,484
Change in fund balances	(321,148)	(2,048,742)	586,088	2,634,830
Fund balances, beginning	2,048,742	2,048,742	2,048,742	-
Fund balances, ending	\$ 1,727,594	\$ -	\$ 2,634,830	\$ 2,634,830

The accompanying notes are an integral part of the financial statements.

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Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Inverness (the "City") created the Downtown Redevelopment Agency (the "CRA") by City Resolution No. 90.07 in 1990. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Then in 2014, the City expanded the CRA in accordance with Chapter 163 of the Florida Statutes designating the expanded area and passed Ordinance 2014-703 adopting the CRA plan amendment to extend the boundaries and extend the implementation period for 30 years following the amendment of the existing plan. The incremental annual increase in tax over the base years (1990 and 2014) will be used to fund projects designed to enhance and improve the described area. The CRA is governed by a Board of seven appointed by the City Council.

In evaluating how to define the government, for financial reporting purposes, the CRA has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government: (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. The CRA is a component unit of the City of Inverness.

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 non-fiduciary activities of the CRA. For the most part, the effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

NOTE 1.**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, franchise taxes, 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. All other revenue items are considered to be measurable and available only when cash is received by the CRA.

The government reports the following fund:

The *General Fund* - established as a dependent taxing district. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the CRA are reported at fair value. The CRA's investments consist of investments authorized per the investment policy adopted in accordance with Section 218.415, Florida Statutes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables

All receivables are shown net of an allowance for uncollectible.

The CRA's primary source of revenue is tax-increment funds. This revenue is computed by applying the respective operating tax rates for the City and the County, multiplied by increased value of property located within the boundaries of the redevelopment areas of the CRA in excess of the base property value, minus 5%. The City and the County, are required to fund this amount annually without regard to tax collections or other obligations.

Capital Assets

Capital assets are defined by the CRA as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Any assets purchased with the CRA funds are conveyed to the City for ownership and maintenance once the asset is placed into service. At year end, the CRA has construction in progress and no assets in service. The construction in progress will be conveyed to the City upon completion of the project at the time the asset is placed into service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. 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 bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

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, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA does not have any item that qualifies for reporting in this category for the year ended September 30, 2024.

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, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The CRA does not have any item that qualifies for reporting in this category for the year ended September 30, 2024.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position Flow Assumptions

Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the CRA's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted first before using any of the components of unrestricted fund balance. Further when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The CRA itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The CRA Board is the highest level of decision making authority for the CRA that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classifications are intended to be used by the CRA for specific purposes but do not meet the criteria to be classified as committed. The Council has the responsibility for assigning fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the CRA, except as described below under Budget Basis of Accounting. All annual appropriations lapse at fiscal year-end. The CRA follows these procedures set forth below in establishing the budgetary data reflected in the financial statements.

1. Prior to August 1st, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers comments.
3. On or before September 30th of year, public hearings are completed, and the Council adopts the final budget and establishes the ad valorem tax millage.
4. The City cannot legally exceed the budget; however, the City Manager is authorized to transfer budgeted amounts within departments within any fund unless the transfer affects a budgeted reserve. The City Council must approve revisions that alter the total expenditures of any department. The legal level of budgetary control is department.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

All bank deposits were covered by Federal Depository Insurance or held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. This limits local government deposits to "authorized depositories." The State of Florida Collateral Pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails. For this reason, the City considers its deposits insured or collateralized.

Investments

The City's investment policy is governed by State Statutes and City ordinances. The investment policy does not apply to funds related to the issuance of debt where there are other existing policies or indentures in effect. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with chapter 280 of the Florida Statutes. Authorized investments are:

1. Direct obligations of the U.S. Government, its Agencies or Instrumentalities;
2. Securities and Exchange Commission registered money market mutual funds with the highest credit quality rating from a nationally recognized rating agency;
3. Insured or fully collateralized Certificates of Deposit and other forms of deposit in financial institutions that are qualified public depositories of the State as determined by the State Treasurer, in accordance with Chapter 280.02 of the State Statutes;
4. Financial institution deposits that are in qualified public depositories of the State in accordance with Chapter 280.02, where the selected depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured financial institutions, wherever located, for the account of the City in amounts that ensure that each certificate of deposit is insured by the Federal Deposit Insurance Corporation, and meet the requirements of Chapter 218.415 (23);
5. The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01;
6. Repurchase agreements secured by direct obligations of the U.S. Government, its Agencies, or Instrumentalities, pledged with an independent third party approved by the City, and having a market value of not less than 102% of investment balance plus interest. All repurchase agreement transactions shall be governed in accordance with a master repurchase agreement executed in compliance with State law.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments made by the CRA at September 30, 2023 are summarized below:

Investments	Maturities	Rating	Fair Value
Florida SAFE Money Market	N/A	AAAm	\$ 44,500
Florida SAFE Treasury Note	30.02 days	Not Rated	925,904
			<u>\$ 970,404</u>

Fair Value

The CRA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The CRA uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the CRA's own data in measuring unobservable inputs. The CRA had no investments as defined by GASB Statement No. 72 as of September 30, 2024.

Credit Risk

The CRA's investment policy limits credit risk by restricting authorized investments to those described above. The policy requires that investments in U.S. Government Agency Securities be guaranteed by the full faith of the U.S. Government. Also, term repurchase agreements must be collateralized by U.S. Treasury securities and overnight (sweep) repurchase agreements must be collateralized by the full faith or general faith and credit obligations of the U.S. Government or U.S. Government Agency Securities. Securities of registered investment companies must be limited to U.S. Government obligations and to repurchase agreements fully collateralized by such U.S. Government obligations.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the CRA's deposits may not be returned to it. The CRA's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2024, all of the CRA's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. At September 30, 2024, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**Concentration of Credit Risk**

The policy has no limitations on portfolio composition.

The policy minimizes interest rate risk by structuring investments to meet cash requirements and diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

NOTE 4. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Construction in progress	\$ 295,300	\$ 412,476	\$ (139,984)	\$ 567,792
Total capital assets not being depreciated	<u>\$ 295,300</u>	<u>\$ 412,476</u>	<u>\$ (139,984)</u>	<u>\$ 567,792</u>

During the year, the CRA contributed \$139,984 of completed CIP improvements to the City for ownership and maintenance.

NOTE 5. LONG-TERM LIABILITIES**Bonds Payable Public Offering**

In 2017, the City issued Tax Increment Revenue Refunding Bonds, Series 2017. These Bonds were issued to fund various City-wide projects and upgrades managed by the Inverness Community Development District. The agreement provided total funding of \$12,980,000. The loan period is 27 years with an interest rate of 4%. The bonds are secured by Ad Valorem revenues from the Community Development District and supplemented by City ad valorem revenues. Total principal and interest remaining was \$15,212,422. For the fiscal year, principal and interest paid was \$745,800 and total pledged revenue was \$1,533,061.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
Notes Payable:					
ICRA Refunding Revenue Bonds	\$ 11,485,000	\$ -	\$ (335,000)	\$ 11,150,000	\$ 355,000
Bond premium	308,181	-	(14,763)	293,418	-
Total governmental activities					
long-term liabilities	<u>\$ 11,793,181</u>	<u>\$ -</u>	<u>\$ (349,763)</u>	<u>\$ 11,443,418</u>	<u>\$ 355,000</u>

NOTE 5. LONG-TERM LIABILITIES**Changes in Long-Term Liabilities (Continued)**

Annual debt service requirements to maturity for bonds payable are as follows:

Fiscal Year			
Ending	Principal	Interest	Total
2025	\$ 355,000	\$ 394,050	\$ 749,050
2026	370,000	376,300	746,300
2027	390,000	357,800	747,800
2028	410,000	338,300	748,300
2029	430,000	317,800	747,800
2030-2034	2,400,000	1,342,000	3,742,000
2035-2039	2,790,000	948,900	3,738,900
2040-2044	2,580,000	408,625	2,988,625
2045	1,425,000	72,563	1,497,563
	<u>\$ 11,150,000</u>	<u>\$ 4,556,338</u>	<u>\$ 15,706,338</u>

NOTE 6. RISK MANAGEMENT

The CRA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters for which the CRA carries commercial insurance.

Risk of loss from above is transferred by the CRA to various commercial insurers through the purchase of insurance. There have been no significant reductions in insurance coverage from the prior year, and settlements have not exceeded insurance coverage during the past three years.

NOTE 7. COMMITMENTS AND CONTINGENCIES**Litigation**

The CRA is engaged in various liability claims incidental to the conduct of its general government operations. While the outcome of the litigation is not presently determinable, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the CRA expects such amounts, if any, to be immaterial.

NOTE 8. RELATED PARTY TRANSACTIONS

The CRA is component unit of the City of Inverness, Florida. For the year ended September 30, 2023, the CRA's tax increment revenues include \$766,530, and intergovernmental revenues of \$500,000, received from the City. In addition, the CRA paid \$286,500 to the City for general administrative direct, and indirect cost paid during the year, and conveyed assets of \$139,984 to the City.

NOTE 9. SOURCE OF DEPOSITS AND PURPOSE OF WITHDRAWALS

Pursuant to Florida Statue 163.387, listed below is a summary of the sources and amounts of deposits into, and the amount and purpose of withdrawals from the CRA for the fiscal year ended September 30, 2024:

	<u>Revenues</u>	<u>Expenditures</u>
Source of Revenues		
City property tax increment	\$ 1,533,061	\$ -
Interest income	75,916	-
Intergovernmental	500,000	-
Other revenues	-	-
Purpose of Expenditures		
Economic development	-	356,375
Capital improvements	-	420,714
Debt service	-	745,800
	<u>\$ 2,108,977</u>	<u>\$ 1,522,889</u>

NOTE 10. SUBSEQUENT EVENTS

The CRA has evaluated all subsequent events through May 27, 2025 the date the financial statements were available to be issued.

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OTHER REPORTS

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

**Board of Directors
City of Inverness Community Redevelopment Agency
Inverness, 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 major fund of the Inverness Community Redevelopment Agency (the "CRA"), (a component unit of the City of Inverness, Florida), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated May 27, 2025.

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 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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.



Bradenton, Florida
May 27, 2025

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified not considered
to be material weaknesses?

☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards and State Financial Assistance Projects

The CRA did not expend \$750,000 in federal or state funds during its fiscal year ended September 30, 2024.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

City of Inverness Community Redevelopment Agency
(A Component Unit of the City of Inverness, Florida)

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

None.



Independent Auditor's Management Letter

**Board of Directors
City of Inverness Community Redevelopment Agency
Inverness, Florida**

Report on the Financial Statements

We have audited the financial statements of the City of Inverness Community Redevelopment Agency (the "CRA"), (a component unit of the City of Inverness, Florida) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 27, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standard* and Independent Accountant's 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 May 27, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 CRA has made these disclosures in the notes to the financial statements. There are no component units.

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

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

Property Assessed Clean Energy (PACE) Programs

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

Specific Information

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:

- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year as zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as four.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as none.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$20,000.
- 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 total expenditures for such project as: Downtown Landscaping - \$171,500.
- 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 CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, has been presented on page 13 of this report.

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 the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Trustees and applicable management. and is not intended to be and should not be used by anyone other than these specified parties.



Bradenton, Florida
May 27, 2025



Independent Accountant's Report

**Board of Directors
City of Inverness Community Redevelopment Agency
Inverness, Florida**

We have examined the City of Inverness Community Redevelopment Agency (the "CRA"), (a component unit of the City of Inverness, Florida) compliance with Sections 218.415, 163.387(6), and 163.387(7), Florida Statutes, during the year ended September 30, 2024. Management of the CRA is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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 the aforementioned requirements during the year ended September 30, 2024.

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.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 27, 2025

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