

**NEW PORT RICHEY  
COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of New Port Richey, Florida)

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2021**

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**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of New Port Richey, Florida)**  
**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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Board Members  
Community Redevelopment Agency of the City of New Port Richey  
New Port Richey, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and major fund (the "General Fund") of the New Port Richey Community Redevelopment Agency (the "CRA"), (a component unit of the City of New Port Richey, Florida), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and major fund (the "General Fund") of the CRA, as of September 30, 2021, 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.

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**Other Matters****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 5 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 Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CRA's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory section has not be subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.



Bradenton, Florida  
June 30, 2022

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of New Port Richey, Florida)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**Financial Highlights**

- The liabilities of the CRA exceeded its assets as of September 30, 2021, by \$(6,097,465) (net position).
- The CRA's total assets as of September 30, 2021, were \$2,564,925.
- The CRA's total revenues were \$10,386,980, consisting primarily of CRA Incremental Tax Revenue, in the amount of \$1,765,865.
- The CRA's net transfers came to \$446,810. The increase in net position was \$267,479.

**Overview of Financial Statements**

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

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

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

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

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

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

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of New Port Richey, Florida)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Net Position

The difference between an organization's assets and deferred outflows of resources and its liabilities and deferred inflows of resources equals its net position. The CRA's net position is classified as follows:

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

**Statement of Net Position**

	2021	2020	Change
Current and other assets	\$ 2,564,925	\$ 5,011,034	\$ (2,446,109)
Total assets	<u>\$ 2,564,925</u>	<u>\$ 5,011,034</u>	<u>\$ (2,446,109)</u>
Long-term liabilities	\$ 8,266,393	\$ 8,885,703	\$ (619,310)
Other liabilities	395,997	363,196	32,801
Total liabilities	<u>\$ 8,662,390</u>	<u>\$ 9,248,899</u>	<u>\$ (586,509)</u>
Unrestricted	\$ (6,097,465)	\$ (4,237,865)	\$ (1,859,600)
Total net position	<u>\$ (6,097,465)</u>	<u>\$ (4,237,865)</u>	<u>\$ (1,859,600)</u>

Total assets decreased by \$2,446,109 from the prior year, primarily due to the use of cash on hand to fund redevelopment incentives and the sale of properties held for resale. Total liabilities decreased by \$586,509 from the prior year, primarily due to a partial payment made on an advance from the General Fund. There was a decrease in net position of \$1,859,600.

**Statement of Activities**

	2021	2020	Change
<b>Revenues</b>			
Property tax assessments	\$ 1,765,865	\$ 1,477,319	\$ 288,546
Intergovernmental	8,610,762	3,460,070	5,150,692
Interest earnings	3,587	(1,387)	4,974
Miscellaneous income	6,766	34,805	(28,039)
Total revenues	<u>10,386,980</u>	<u>4,970,807</u>	<u>5,416,173</u>
<b>Expenses</b>			
General government	12,246,580	4,703,328	7,543,252
Total expenses	<u>12,246,580</u>	<u>4,703,328</u>	<u>7,543,252</u>
Change in net position	(1,859,600)	267,479	(2,127,079)
Beginning net position	<u>(4,237,865)</u>	<u>(4,505,344)</u>	267,479
Ending net position	<u>\$ (6,097,465)</u>	<u>\$ (4,237,865)</u>	<u>\$ (1,859,600)</u>

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of New Port Richey, Florida)  
FOR THE YEAR ENDED SEPTEMBER 30, 2021  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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In fiscal year 2021, total revenues were \$10,386,980, while total expenditures were \$12,246,580. This resulted in a negative change in net position of \$1,859,600. This decrease in net position was due largely to increased costs in redevelopment incentives.

Intergovernmental revenue includes \$2,031,037 in Tax Increment Financing from the City's General Fund and \$6,500,000 in bond proceeds transferred from the City's Debt Service Fund to cover the cost of the construction of a parking garage.

**Economic Factors and Next Year's Budgets and Rates**

The Community Redevelopment Agency (CRA) is reported as a blended component unit of the City of New Port Richey, Florida. Its Annual Budget was approved by Resolution 2021-57 on September 23, 2021. The detailed budgets are available for review upon request.

**Requests for Information**

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

Debbie Manns, City Manager  
Executive Director of the CRA  
5919 Main St.  
New Port Richey, FL 34652  
or  
[www.cityofnewportrichey.org](http://www.cityofnewportrichey.org)

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**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of New Port Richey, Florida)**

**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 502,191
Accounts receivable	22,734
Note receivable	725,000
Redevelopment properties held for resale	1,315,000
Total assets	2,564,925
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	395,213
Accrued liabilities	784
Due to other governments	8,266,393
Total liabilities	8,662,390
<b>NET POSITION</b>	
Unrestricted	(6,097,465)
Total net position (deficit)	\$ (6,097,465)

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

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of New Port Richey, Florida)**

**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities				
General government	\$ 12,246,580	\$ -	\$ -	\$ (12,246,580)
Total governmental activities	<u>\$ 12,246,580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(12,246,580)</u>
General revenues				
Property taxes				1,765,865
Intergovernmental revenue (not restricted to specific programs)				8,610,762
Unrestricted investment earnings				3,587
Other revenue				<u>6,766</u>
Total general revenues				<u>10,386,980</u>
Change in net position				(1,859,600)
Net position (deficit), beginning				<u>(4,237,865)</u>
Net position (deficit), ending				<u>\$ (6,097,465)</u>

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

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of New Port Richey, Florida)**

**BALANCE SHEET**  
**GENERAL FUND**  
**SEPTEMBER 30, 2021**

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**ASSETS**

Cash	\$ 502,191
Accounts receivable	22,734
Note receivable	725,000
Redevelopment properties held for resale	<u>1,315,000</u>
Total assets	<u>\$ 2,564,925</u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 395,213
Accrued liabilities	784
Due to other governments	<u>8,266,393</u>
Total liabilities	<u>8,662,390</u>

**FUND BALANCE**

Nonspendable	1,315,000
Unassigned	<u>(7,412,465)</u>
Total fund balance	<u>(6,097,465)</u>
Total liabilities and fund balance	<u>\$ 2,564,925</u>

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

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of New Port Richey, Florida)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**REVENUES**

Property taxes	\$ 1,765,865
Intergovernmental	8,610,762
Investment earnings	3,587
Miscellaneous revenues	6,766
Total revenues	<u>10,386,980</u>

**EXPENDITURES**

Current	
General government	5,567,475
Capital outlay	6,679,105
Total expenditures	<u>12,246,580</u>

Net change in fund balance (1,859,600)

**Fund balance (deficit), beginning** (4,237,865)

**Fund balance (deficit), ending** \$ (6,097,465)

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

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of New Port Richey, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Under the authority of Chapter 163, Part III, Florida Statutes, the New Port Richey City Council established the City of New Port Richey Community Redevelopment Agency on November 15, 1988 as a dependent special district to guide the City in its redevelopment efforts. The CRA boundaries were originally established in 1988 and included the central business district or urban core of the City and some surrounding neighborhoods. In 2001, the City expanded its CRA boundaries to include all properties within the city limits. The City of New Port Richey's CRA encompasses 2,786 acres.

In fiscal year 2020, the CRA Plan was amended to include a variety of projects, programs and initiatives that were not previously spelled out in the Redevelopment Plan. This included the development of a three-phase Master Plan addressing the City's brand identity, downtown core, and highway commercial corridor. By the end of fiscal year 2020, the City began hosting listening sessions to kick off the second and third phases of the Master Plan process. The CRA also determined that two neighborhoods, Briar Patch and Woodridge Estates, no longer met the criteria of "slum and blight" and were removed from the CRA boundaries. The City of New Port Richey's City Council serves as the Community Redevelopment Agency's Board of Directors. The CRA Board holds meetings on an as-needed basis.

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

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

**Basis of Presentation**

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

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all activities of the CRA. The CRA reports only governmental activities; it does not have any business-type activities. Governmental activities are supported largely by tax increment funding.

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of New Port Richey, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The governmental fund measurement focus (in the fund financial statements) is based on determination of financial position and changes in financial position rather than on net income.

**Budgets and Budgetary Data**

The following are the procedures in establishing the budget:

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

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

**Assets and Liabilities**

**Prepaid Costs:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid costs reported within governmental funds are classified as nonspendable, which indicates that they do not constitute available resources. Prepaid costs in the governmental-wide financial statements are reported as an expense when consumed.

**Redevelopment Properties Held for Resale:** Real estate properties acquired in economically depressed areas and held for resale to the private sector are stated at lower of cost or market value. These properties are not intended to be used in the CRA's operations but rather are intended to be converted to cash upon resale.

**Fund Balance**

The classifications of fund balances are described as follows:

**Nonspendable Fund Balance –** Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The CRA has classified Redevelopment Properties Held for Resale, Inventories, and Prepaid Items as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current year.

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of New Port Richey, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted Fund Balance – Amounts for which constraints have been placed on the use of the resources through either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Committed Fund Balance – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the Board of Directors that constitutes the most binding constraint, which is an ordinance. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – Amounts that are constrained by the CRA’s intent to be used for a specific purpose but are neither restricted or committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the Executive Director through the budgetary process. The CRA has not established a formal policy regarding authorization to assign fund balance amounts for a specific purpose.

Unassigned Fund Balance – Amounts includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts. These amounts can be reported only in the CRA’s general fund.

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

**Use of Estimates**

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

**Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of New Port Richey, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

The Local Government Surplus Funds Trust Fund (Florida PRIME) is operated by the Florida State Board of Administration and is a local government investment pool (LGIP). The Florida State Board of Administration is a three-member board made up of the state elected officials of Governor, Chief Financial Officer, and Attorney General. This Board is empowered by Florida law to invest funds at the request of local governments. The Florida PRIME is treated as a qualified external investment pool in accordance with GASB Statement No. 79 and is valued using the pooled share price (amortized cost), which approximates fair value.

Qualifying local government investment pools in the state of Florida must comply with applicable Florida statutory requirements. Chapter 218.409(8)(a), Florida Statutes, states that the principal balance within a LGIP trust fund is subject to withdrawal at any time. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest in the monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council.

With regard to liquidity fees, Chapter 218.409(4) provides authority for an LGIP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made by the SBA.

At September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within Florida PRIME. Pooled cash and investments of the CRA determined to be available in excess of immediate needs is placed in investments in accordance with the City of New Port Richey Investments Policy under the guidelines of *Florida Statutes* 218.415.

**Custodial Credit Risk**

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

**NOTE 3 INTERFUND TRANSFERS**

The City's General Fund has a long-term advance to the CRA with an outstanding balance of \$8,266,393 as of September 30, 2021. This amount is made up of \$7,000,042, which is the initial advance, per Resolution 2015-09, and accumulates interest at 4.5% per year. Total interest accrued and unpaid is \$2,303,026. The principal and interest amounts are due starting in fiscal year 2021, based on a repayment plan that matures in FY2040. The remaining \$1,266,351 is related to transfers to cover negative cash in previous fiscal years and other costs. The purpose of this advance was to provide the necessary funding to the CRA in order to meet its debt service obligations. The interfund activity is eliminated in the basic government-wide financial statement.

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of New Port Richey, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4 RISK MANAGEMENT**

The City is a member of Public Risk Management of Florida (PRM), a liability risk pool. PRM administers insurance activities relating to workers' compensation, property, liability, and automobiles. PRM absorbs the risk of loss up to a specified amount annually and purchases excess and other specific coverage's from third-party carriers. PRM assesses each member its pro rata share of the estimated amount required to meet current-year losses and operating expenses. During the fiscal year ended September 30, 2021, the City had no significant reductions in insurance coverage from the prior year. In addition, there have been no settlements that have exceeded the City's insurance coverage in any of the past three fiscal years.

**NOTE 5 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Fund Deficits - The CRA has a negative fund balance of \$6,097,465 caused primarily by the receipt in previous fiscal years of a repayable advance totaling \$8,885,703 from the City's General Fund and the subsequent transfer of the same amount to the Debt Service Fund to pay off a Series 2012 Revenue Note. Since the City's General Fund advance was not recorded as an Other Financing Source, the transfer to the Debt Service Fund contributed to the reported fund balance deficit at September 30, 2021. The CRA plans to monitor cash flows in this fund to reduce this deficit over time with increases in collected tax increment financing revenues as the assessed values of properties in the CRA increases.

**NOTE 6 SUBSEQUENT EVENT**

The CRA has evaluated all subsequent events through June 30, 2022, the date the financial statements were available to be issued.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of New Port Richey, Florida)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget
<b>Revenues</b>				
Property taxes	\$ 1,615,980	\$ 1,765,860	\$ 1,765,865	\$ 5
Intergovernmental	8,438,380	8,610,750	8,610,762	12
Investment earnings	85,000	78,070	3,587	(74,483)
Other revenues	2,426,380	2,423,150	6,766	(2,416,384)
Total revenues	<u>12,565,740</u>	<u>12,877,830</u>	<u>10,386,980</u>	<u>(2,490,850)</u>
<b>Expenditures</b>				
Current				
General government	5,196,990	6,198,650	5,567,475	631,175
Capital outlay	7,368,750	6,679,180	6,679,105	75
Total expenditures	<u>12,565,740</u>	<u>12,877,830</u>	<u>12,246,580</u>	<u>631,250</u>
Change in fund balances	-	-	(1,859,600)	(1,859,600)
<b>Fund balance (deficit), beginning</b>	<u>(4,237,865)</u>	<u>(4,237,865)</u>	<u>(4,237,865)</u>	<u>-</u>
<b>Fund balance (deficit), ending</b>	<u><u>\$ (4,237,865)</u></u>	<u><u>\$ (4,237,865)</u></u>	<u><u>\$ (6,097,465)</u></u>	<u><u>\$ (1,859,600)</u></u>

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of New Port Richey, Florida)**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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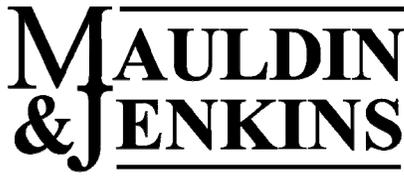
**NOTE 1 BUDGETARY INFORMATION**

Budgets are prepared and adopted annually for the general fund in accordance with procedures and time intervals prescribed by Florida Statutes. Accordingly, the CRA's Board Members adopted an annual budget for the general fund for the fiscal year ended September 20, 2021.

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

## **OTHER REPORTS**

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CPAs & ADVISORS

## 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

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Board Members  
New Port Richey Community Redevelopment Agency  
New Port Richey, 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 New Port Richey Community Redevelopment Agency (the "CRA"), (a component unit of the City of New Port Richey, Florida), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated June 30, 2022.

### Internal Control Over Financial Reporting

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

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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**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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
June 30, 2022

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of New Port Richey, Florida)**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**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 New Port Richey Community Redevelopment Agency did not expend \$750,000 in federal or state funds during its fiscal year ended September 30, 2021.

**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**NEW PORT RICHEY COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of New Port Richey, Florida)**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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None.



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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Board of Directors and Executive Director  
New Port Richey Community Redevelopment Agency  
New Port Richey, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the New Port Richey Community Redevelopment Agency (the "CRA"), (a component unit of the City of New Port Richey, Florida) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 30, 2022.

### **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 June 30, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

**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  
June 30, 2022



## INDEPENDENT ACCOUNTANT'S REPORT

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Board of Directors and Executive Director  
New Port Richey Community Redevelopment Agency  
New Port Richey, Florida

We have examined the New Port Richey Community Redevelopment Agency (the "CRA"), (a component unit of the City of New Port Richey, Florida) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. 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, 2021.

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

A handwritten signature in black ink that reads "Mauldin &amp; Jenkins, LLC". The signature is written in a cursive, flowing style.

Bradenton, Florida  
June 30, 2022

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