

Haines City Community Redevelopment Agency **2024** Annual **REPORT**



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🌐 www.hainescity.com

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Community Redevelopment Agency (CRA) Overview

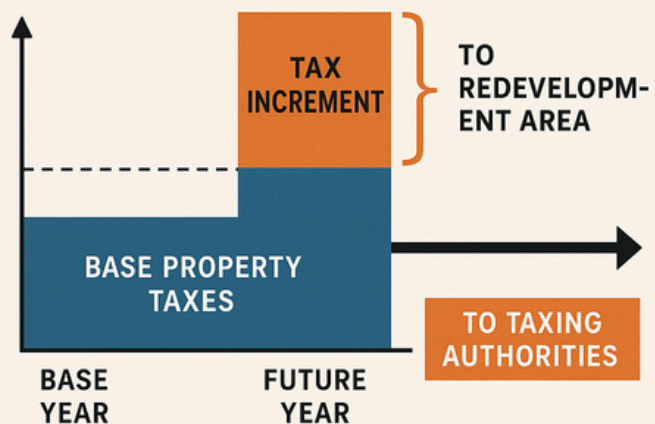
A Florida Community Redevelopment Agency (CRA) is a special governmental entity established under Florida Statute Chapter 163, Part III, with the purpose of revitalizing areas that are suffering from blight, economic distress, or underdevelopment. CRAs are created by a local government—typically a city or county—after identifying a specific geographic area in need of targeted redevelopment. Once established, the CRA is empowered to plan and implement strategies that improve infrastructure, support local businesses, promote affordable housing, and enhance the overall quality of life for residents.

CRA FUNDING

Tax Increment Financing (TIF) is a public financing mechanism used by CRAs to stimulate economic development in areas that are underperforming or blighted. When a TIF district is established, the assessed value of all the properties within its boundaries is recorded as the “base year” value. As redevelopment efforts begin—such as infrastructure improvements, building renovations, or business incentives—the value of the properties in the area is expected to rise. As a result, the amount of property tax revenue collected also increases over time. The difference between the base year tax revenue and the increased revenue in future years is known as the “tax increment.” Rather than this incremental revenue going to the general fund of the city or county, it is redirected back into the TIF district and used exclusively for reinvestment within that area. These funds can be used to finance public improvements, leverage private investment, or support ongoing redevelopment projects without raising taxes. Importantly, the original base tax revenue continues to go to the taxing authorities, ensuring they are not negatively impacted. This approach allows communities to reinvest in themselves using the future gains generated by their own growth.

TAX INCREMENT FINANCING (TIF)

Tax Increment Financing reinvests the increase in property tax revenues within a redevelopment area.



ABOUT THE HAINES CITY CRA



The City of Haines City's Community Redevelopment Agency was enacted by Ordinance No. 770 on April 19, 1990. It was amended by Resolution No. 558 on April 4, 1991. As required by State Statute, the redevelopment trust fund referred to as the "CRA Fund" was established in 1990. In 2001, the CRA was significantly expanded to its current size in order to keep up with growth and development in neighboring communities. Through this expansion, today the Haines City CRA is nearly the entire city limits and can be identified by two districts. District 327 (formerly District 47) and District 328 (formerly District 46).

The Haines City Community Redevelopment Agency is funded through Tax Increment Funding (TIF). Tax Increment Funds are derived from Ad Valorem property taxes. The CRA is not a taxing authority nor set millage rates or assess property values. Tax Increment funds come through existing taxing entities including the City of Haines City and Polk County. The CRA emphasizes on creating affordable housing, addressing slum & blighted areas, and providing economic opportunities for private sector redevelopment. All of these projects are what a majority of the Tax Increment Financing (TIF) funds have been spent on over the years.



OUR MISSION



The Haines City Community Redevelopment Agency (CRA) is dedicated to preserving, unifying, and nurturing the heart of Florida by providing visionary leadership and inspiration for the revitalization within the designated CRA districts. Through the strategic use of tax increment financing (TIF) and other available resources, we aim to eliminate slum and blight while fostering economic growth, community development, and vibrant public spaces.

We are committed to actively engaging the community, encouraging collaboration, and seeking input to build a shared sense of pride and investment among residents and businesses. Together, we will create a thriving, unified, and resilient community that celebrates its heritage and embraces its future.

HAINES CITY CRA OBJECTIVES

OBJECTIVE 1

Re-establish the downtown as a regional destination for commercial activity and entertainment.

OBJECTIVE 2

Improve the physical appearance of the downtown to stimulate private investment.

OBJECTIVE 3

Improve access and visibility for the downtown.

OBJECTIVE 4

Provide recreational opportunities for the citizens of Haines City, which are readily accessible and improve the quality of life for residents. Preserve land to serve as public parks and open space for current and future neighborhoods.

OBJECTIVE 5

Improve Haines City’s competitive position in the regional market.

OBJECTIVE 6

Encourage growth and development in the commercial industrial sectors of the local economy.

OBJECTIVE 7

Provide necessary public facilities at the acceptable levels of service to accomodate existing needs as well as new demands as proposed development occurs within the City.

OBJECTIVE 8

Create a safe, efficient traffic circulation system that provides sufficient access by all modes of transportation between activity centers within the redevelopment area and the balance of the community.

OBJECTIVE 9

Establish the administrative, financial and programmatic mechanism necessary to achieve the goals and objectives of the Haines City Redevelopment Plan.

OBJECTIVE 10

Devise planning strategies and develop an effective regulatory framework to ensure well managed growth throughout the City while accomplishing redevelopment program directives.

OBJECTIVE 11

Provide for the public health, safety, morals, and welfare of the community.



HAINES CITY CRA BOARD

The Haines City CRA operates under the guidance of a seven (7)-member board consisting of the five (5) City Commissioners and two (2) Board-elected members. These two (2) elected members either live or conduct business within the Haines City CRA districts.

All board members serve a four-year term and appointments are staggered to ensure continuity.

The CRA Board's primary responsibilities include: approving budgets, setting policies, establishing programs, and monitoring CRA projects within the districts. The Board works closely with the Executive Director to execute community redevelopment initiatives as prescribed by the Community Redevelopment Act.



OMAR ARROYO



MORRIS WEST



ANNE HUFFMAN



VERNEL SMITH



KIM DOWNING

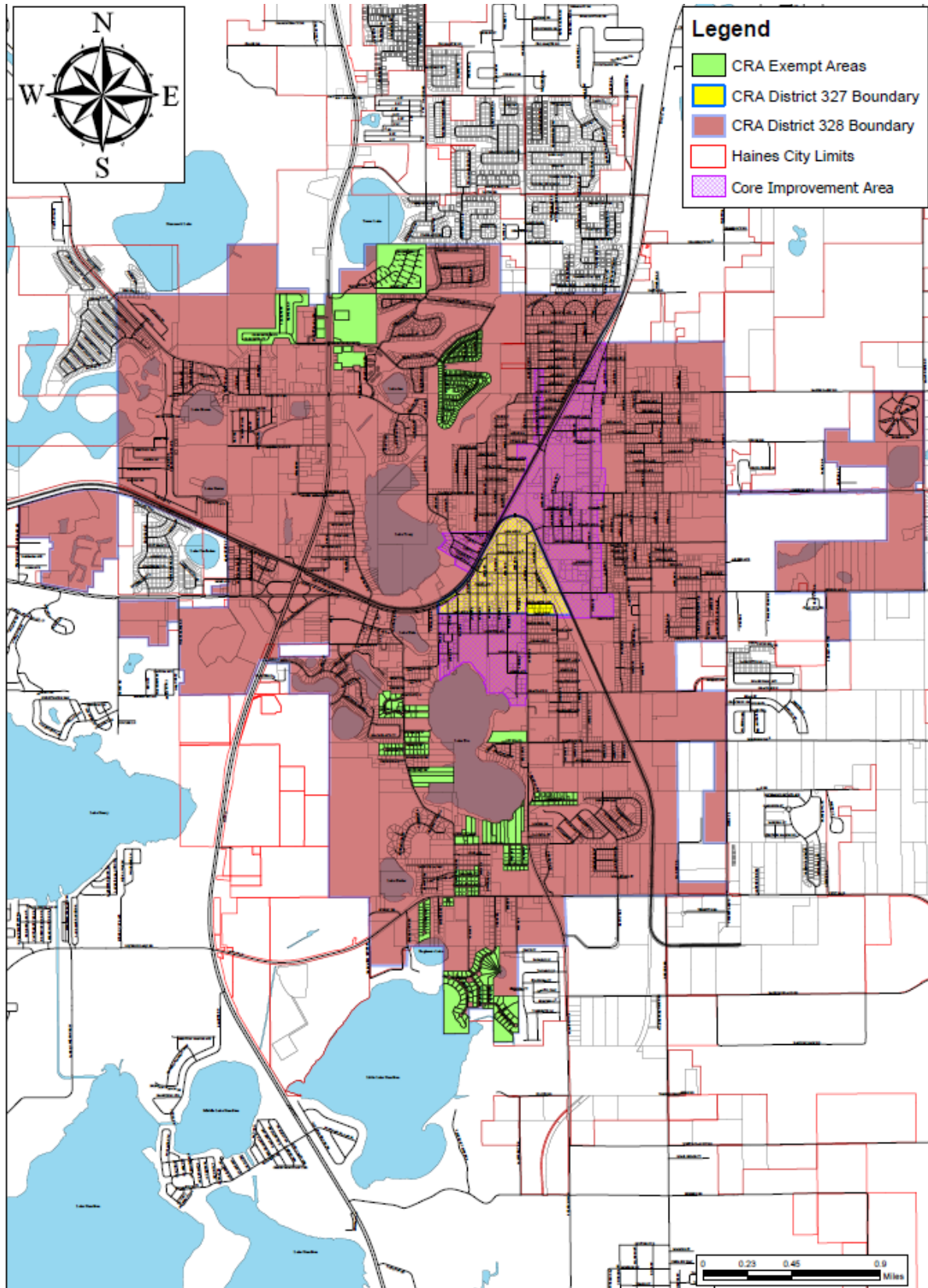
BOARD-ELECTED **(NOT PICTURED)**

ALBERTINE RICHARD

IRIS PADILLA



HAINES CITY CRA MAP OF DISTRICTS



Haines City Community Redevelopment Area
Adopted June 21, 2001
Ordinance No. 01-994



STATISTICS

COMMUNITY REDEVELOPMENT DISTRICTS

~8

SQUARE MILES

~18K

POPULATION

~34.5

MEDIAN AGE

HAINES CITY

~20

SQUARE MILES

42K+

POPULATION

37.3

MEDIAN AGE

12.1%

POPULATION GROWTH RATE

(2.0% FOR THE STATE OF FLORIDA)

\$58K+

MEDIAN HOUSEHOLD INCOME

CRA QUICK FACTS

FISCAL YEAR 2023-2024

NAME

Haines City Community Redevelopment Agency

REDEVELOPMENT ESTABLISHED DATE

June 21, 2001

REGISTERED AGENT

Mr. James R. Elensky, *Executive Director*

CREATION DOCUMENTS

City Ordinance Number 01-994

REGISTERED OFFICE ADDRESS

620 E. Main Street, Haines City, Florida 33844

STATUTORY AUTHORITY

Chapter 163, Part III (Florida Statutes)

CONTACT

Phone: +1 (863) 421-3600 ext. 5375

Email: CRAinfo@hainescity.com

Website: www.hainescity.com

STATUS

Active & Dependent

LOCAL GOVERNING AUTHORITY

City of Haines City

DISTRICTS

CRA I : District 327 (previously 47)

CRA II: District 328 (previously 46)

STATUS

Active & Dependent

TAX INCREMENT REVENUE

CRA I - DISTRICT 327 (47)

■ ■ ■ ➡	Base Year Taxable Value (2001).....	\$10,947,110
■ ■ ■ ➡	Current Year Taxable Value (2025).....	\$37,231,563
■ ■ ■ ➡	Tax Increment Value (2025).....	\$26,284,453

CRA II - DISTRICT 328 (46)

■ ■ ■ ➡	Base Year Taxable Value (2001).....	\$170,233,292
■ ■ ■ ➡	Current Year Taxable Value (2025).....	\$960,232,543
■ ■ ■ ➡	Tax Increment Value (2025).....	\$789,999,250

CRA FINANCIALS

DESCRIPTION	FY2024
Beginning Fund Balance	\$7,375,358
Revenues	
Ad Valorem Taxes	\$4,463,872
Intergovernmental	\$5,199,195
Interest	\$711,096
Other Revenues	\$46,378
Total Revenues	\$10,420,541
Expenditures	
Public Safety	\$66,076
Economic Environment	\$394,629
Culture & Recreation	\$1,176,116
Capital Outlay	\$576,579
Debt Services	\$2,742,753
Total Expenditures	\$4,956,153
Total Revenues Less Expenditures	\$5,464,388
Ending Fund Balance	\$12,839,746

CRA FINANCIALS

	FISCAL YEAR	DISTRICT 328	DISTRICT 327	TOTAL
	2022	\$5,787,528	\$0	\$5,787,528
	2023	\$1,383,295	\$204,535	\$1,587,830
	2024	\$5,205,618	\$258,770	\$5,464,388
	TOTALS	\$12,376,441	\$463,305	\$12,839,746
Statute Option (c) Reduce Future Dept		\$6,214,607	\$305	\$6,214,912
Statute Option (d) Specific Projects		<u>\$6,161,834</u>	<u>\$463,000</u>	<u>\$6,624,834</u>
Ending Fund Balance		\$0	\$0	\$0



Specific Projects

- Langston Avenue Park Lights & Bathroom:** Installation of new lighting and modern restroom facility to enhance safety and accessibility.
- Boomerang Park Shading & Bathroom:** Addition of shaded seating areas and a restroom facility to improve comfort and usability for visitors.
- Langston Avenue Park Playground:** Construction of a new, family-friendly playground with safe and engaging play equipment.
- Boomerang Park Lake Nature Trail:** Development of a walking trail around the lake to promote recreation and connection with nature.
- Larry Parish Shade Structure:** Installation of a shade structure to provide sun protection and increase year-round usability.
- Stuart Avenue Sidewalk Preliminary Engineering:** Engineering and design work for future sidewalk improvements to enhance pedestrian safety and downtown connectivity.
- Oakland Garden to Splash Pad Conversion:** Transformation of Oakland Garden into a splash pad attraction offering interactive water play for children and families.

The independent financial audit of the Haines City Community Redevelopment Agency, conducted in accordance with Section 163.387(8), Florida Statutes, is attached hereto and incorporated herein by reference as part of this Annual Report (see Exhibit A).

CRA PROGRAMS & PROJECTS

The Haines City CRA continued its commitment to revitalization and quality of life by investing in key community priorities. Projects this year focused on strengthening infrastructure, enhancing public spaces, and creating new opportunities for recreation and connectivity. From marquee replacements and major sidewalk initiatives to the transformation of Lake Eva's beachfront, these efforts are designed to improve accessibility, safety, and enjoyment for residents and visitors alike.

Significant investments were also made in parks and recreation, including playground enhancements at Ben W. Graham Park and Lake Eva, as well as new tennis court lighting to expand recreational opportunities. Looking ahead, the CRA remains dedicated to creating a connected and vibrant community through multimodal transportation options, trail networks, and public gathering spaces. These efforts reinforce the CRA's long-term vision: to connect the community, support local businesses, and make Haines City a destination where people want to live, work, and visit.



Programs

Residential Rehabilitation Program: helps homeowners address critical roof repairs and painting improvements that preserve safe, livable housing within the district, and enhances the overall community appearance.

Commercial Rehabilitation Program: provides support to local business and property owners to improve the appearance, functionality, and safety of commercial spaces. These investments not only revitalize storefronts but also strengthen the local economy by attracting customers and encouraging new business growth.



Projects

Downtown Mural: Vibrant public art installation that celebrates Haines City's history, culture, and community pride while enhancing the character of the downtown district.

Main Street Sidewalk Project: Preliminary designs to construct and enhance sidewalks along Main Street to increase pedestrian safety and downtown walkability.

Peninsular Sidewalk Project: Expand and upgrade sidewalks to improve access and connectivity for residents.

New Tennis Court Lighting, Courts 5 & 6: Upgrade lighting for expanded use and improved safety on Lake Eva's tennis courts.

Ben W. Graham Park Playground Enhancements: Renew and upgrade playground equipment to create a safer, more engaging play space.

Lake Eva Playground Enhancements: Improve Lake Eva's playground with new features and amenities for children and families.

CRA PROGRAMS & PROJECTS



Community Engagement

Fosters strong connections between residents, businesses, and the CRA through outreach and collaborative initiatives that build trust and shared vision for the community.



Business Development

Encourages growth and investment by supporting local entrepreneurs, attracting new businesses, and strengthening the economic vitality of the CRA districts.

Boomerang Park



Langston Avenue Park



PROJECTS

Mural Installation | Downtown Haines City by artist Mishou Sanchez



RESIDENTIAL REHABILITATION

Exterior paint grant recipient



COMMUNITY POLICING

With a total of four (4) officers, the C.O.P.S. Unit focuses on bridging the gap between community and law enforcement. Their unique role in community has helped identify areas for improvement and increase community awareness of “see something, say something”. They continually engage with residents and prove to be a vital asset to the Haines City CRA.



Seargent Andre Stoudemire



Officer Eric Hernandez



Officer Lorenzo Brown



Officer Steven Evans

BUSINESS DEVELOPMENT

Small Business Roundtable & Small Business Awards



2024 FINANCIAL EDUCATION WORKSHOP

RSVP: 863-421-5577




Judith Bohorquez
Financial Educator


Mary Carmen Carrion
Financial Educator


NATIONAL FINANCIAL LITERACY


WSP

SPONSORED BY:


HAINES CITY ACCELERATOR


CRA
HAINES CITY

ADDRESS: 303 LEDWITH AVENUE,
HAINES CITY, FL. 33844

TIME: 9:00AM TO 11:00AM

JUNE 15, 22, 29 2024

1. A NEW HABIT TO FINANCIALLY EMPOWER YOURSELF.
2. HOW TO BE FREE OF DEBT.
3. WHAT IS YOUR INVESTMENT OPTION.
4. HOW TO CREATE A LEGACY.
5. ALIGNING YOUR DREAMS WITH FINANCIAL GOALS.

Financial Wellness 6-Week Course

Course Topics:

- Week 1: Fundamentals of Budgeting
- Week 2: Creating a Budget & Automate
- Week 3: Understanding Credit & Credit Reports
- Week 4: Understanding Loans
- Week 5: Protection & Credit Problem Solving
- Week 6: Homebuying Process: Am I Ready?

INSTRUCTOR: ARTESHA SPENCER, MA

Thursdays
March 14 to April 18, 2024, at 6 PM
Join us for this free 6-week program!


HAINES CITY ACCELERATOR
Small Business Development Center

FOR MORE INFORMATION
Haines City Community Redevelopment Agency
303 Ledwith Avenue, Haines City, FL 33844
Phone: (863) 421-5577
Email: CRAinfo@hainescity.com
Website: www.hainescity.com


CRA
HAINES CITY
COMMUNITY REDEVELOPMENT AGENCY

COMMUNITY ENGAGEMENT

An engaged community is a strong community. Throughout the year there have been many community engagement opportunities. From learning financial wellness to giving feedback for a master plan, the CRA has thrived through informed citizens.



Latin Business Expo



Northeast Polk Chamber
Leadership Class



UCF Master Plan - Community Meeting



Nurturing the Heart of Florida



CRA BOARD MEETING SCHEDULE

1ST THURSDAY OF THE MONTH AT 5:30PM | CITY COMMISSION CHAMBERS, CITY HALL

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY

**303 LEDWITH AVENUE HAINES CITY, FL 33844
863-421-3600 EXT. 5375 | CRAINFO@HAINESCITY.COM**



EXHIBIT A

**HAINES CITY
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)**

FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024**

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HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, 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 and Executive Director
Haines City Community Redevelopment Agency
Haines City, 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 Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, 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 4 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 29, 2025

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HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2024
MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the report presents our discussion and analysis of the performance of the Haines City Community Redevelopment Agency (the “CRA”) during the year ended September 30, 2024. Please read it in conjunction with the CRA’s financial statements, which follow this section.

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$17,214,925 (net position). Of this amount, \$12,690,549 was reflected as restricted for community redevelopment.
- The CRA’s total net position increased by \$5,825,305 over the course of this year’s operations primarily caused by less than anticipated spending in redevelopment programs.
- The CRA’s General Fund reported an ending fund balance of \$12,839,746, an increase of \$5,464,388 from the prior period which resulted from excess revenues over expenditures.
 - Of this amount, \$12,376,441 is designated for District 328 and \$463,405 is designated for District 327.
- The Haines City CRA achieved a 40% increase in Tax Increment Financing Revenues over the prior fiscal year which is primarily driven by new development activity and rising property values within the redevelopment area.

Overview of the Financial Statements

The financial section of this annual report consists of two parts: (1) management’s discussion and analysis (this section), and (2) the basic financial statements.

Basic Financial Statements

Government-wide financial statements. The focus of the *government-wide financial statements* is on the overall financial position and activities of the CRA. Reporting is similar to that of a private-sector business. The government-wide financial statements report information about the CRA as a whole and about its activities in a way that helps answer questions about the financial health of the CRA and whether the activities of the year contributed positively or negatively to that health.

The government-wide financial statements include the statement of net position and statement of activities.

The *statement of net position* presents information on the assets held and liabilities owed by the CRA, both long- and short-term. Assets are reported when acquired and liabilities are reported when they are incurred, regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities. For example, the CRA reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the CRA. On the other hand, the CRA reports liabilities, even though these liabilities might not be paid until several years into the future.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2024
MANAGEMENT'S DISCUSSION AND ANALYSIS

The difference between the CRA's total assets and total liabilities is *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. Although the purpose of the CRA is not to accumulate net position in general, as this amount increases, it indicates that the financial position of the CRA is improving over time. The *statement of activities* presents the revenues and expenses of the CRA. The items presented on the statement of activities are measured in a manner like the approach used in the private sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Both of the government-wide financial statements distinguish functions of the CRA that are principally supported by taxes and intergovernmental revenue (governmental activities). The governmental activities of the CRA are mainly economic environment activities.

Fund financial statements. The focus of fund financial statements is directed to specific activities of the CRA. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund. The CRA has only one governmental fund, a General Fund. Financial statements consist of a balance sheet and a statement of revenue, expenditures, and change in fund balance. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables but do not include capital assets such as land and buildings. The difference between a fund's total assets and total liabilities is the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures are generally recorded when incurred.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because different accounting bases are used to prepare governmental fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the governmental fund balance sheet that reconciles the total fund balance for the governmental fund to the amount of net position presented in the governmental activities column on the Statement of Net Position. Also, there is an analysis after the statement of revenue, expenditures, and changes in fund balance that reconciles the total change in fund balance for the General Fund to the change in net position as reported in the governmental activities column in the statement of activities.

Notes to the basic 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.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2024
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Analysis

The table below presents a summary of net position as of September 30, 2024 and 2023 derived from the government-wide statement of net position:

Statement of Net Position

	2024	2023	Change
Current and other assets	\$ 12,994,402	\$ 7,550,473	\$ 5,443,929
Capital assets	18,404,099	19,487,652	(1,083,553)
Total assets	<u>\$ 31,398,501</u>	<u>\$ 27,038,125</u>	<u>\$ 4,360,376</u>
Long-term liabilities	\$ 12,397,825	\$ 13,873,946	\$ (1,476,121)
Other liabilities	1,785,751	1,774,559	11,192
Total liabilities	<u>\$ 14,183,576</u>	<u>\$ 15,648,505</u>	<u>\$ (1,464,929)</u>
Net investment in capital assets	\$ 4,524,376	\$ 4,180,855	\$ 343,521
Restricted	12,690,549	7,208,765	5,481,784
Total net position	<u>\$ 17,214,925</u>	<u>\$ 11,389,620</u>	<u>\$ 5,825,305</u>

As noted earlier, net position may serve, over time, as a useful indication of the CRA's financial position. At the close of the most recent fiscal year, the CRA's assets exceeded its liabilities by \$17,214,925.

The CRA's total net position is divided between restricted, at 73.7%, representing resources that are available for spending and net investment in capital assets at 26.3%. Net investment in capital assets reflects the CRA's investment in capital assets reduced by the amount of outstanding related liabilities used to acquire or construct these assets. Although the capital assets are shown net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2024
MANAGEMENT'S DISCUSSION AND ANALYSIS

The table below presents a summary of changes in net position for the years ended September 30, 2024 and 2023 as derived from the government-wide statement of activities:

	Statement of Activities		
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues			
Program revenues			
Operating grants and contributions	\$ 34,813	\$ 22,850	\$ 11,963
General revenues			
Property tax assessments	4,463,872	3,534,643	929,229
Intergovernmental	5,199,195	3,647,750	1,551,445
Miscellaneous income	711,096	220,767	490,329
Total revenues	<u>10,408,976</u>	<u>7,426,010</u>	<u>2,982,966</u>
Expenses			
Public safety	66,076	199,349	(133,273)
Culture and recreation	394,629	1,632,037	(1,237,408)
Economic environment	2,836,248	1,282,062	1,554,186
Interest and other fiscal charges	1,286,718	409,162	877,556
Total expenses	<u>4,583,671</u>	<u>3,522,610</u>	<u>1,061,061</u>
Change in net position	5,825,305	3,903,400	1,921,905
Beginning net position	<u>11,389,620</u>	<u>7,486,220</u>	<u>3,903,400</u>
Ending net position	<u><u>\$ 17,214,925</u></u>	<u><u>\$ 11,389,620</u></u>	<u><u>\$ 5,825,305</u></u>

Governmental Activities

Governmental activities increased the CRA's net position by \$5,825,305 caused by the increased tax base revenue and lower expenditures.

Financial Analysis of the CRA General Fund

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the CRA's *General Fund* 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, the *fund balance* at year-end provides the resources available for spending.

Budgetary Highlights

The difference between the CRA's original budget and the final amended budget is solely due to reappropriated fund balance for projects that were not completed by September 30, 2024.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2024
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Long-Term Liabilities

Capital assets. As of September 30, 2024 and 2023, the CRA had \$18,404,099 and \$19,487,652, respectively, invested in a variety of capital assets, as reflected in the following schedule:

Capital Assets (Net of Accumulated Depreciation)

	2024	2023	Change
Land	\$ 825,703	\$ 825,703	\$ -
Construction in progress	234,392	1,897,624	(1,663,232)
Buildings and improvements	12,730,767	11,925,011	805,756
Equipment	434,216	241,596	192,620
Infrastructure	4,179,021	4,597,718	(418,697)
	<u>\$ 18,404,099</u>	<u>\$ 19,487,652</u>	<u>\$ (1,083,553)</u>

Capital assets decreased in the construction in progress category due to the completion of the Janet Jolly Smith Aquatics Center.

Long-term liabilities. As of year-end, the CRA had \$13,879,723 in long-term debt, which consist of two notes with maturities extending through fiscal year 2031 and a copier lease.

The debt position of the CRA is summarized below. Additional information can be found in Note 5 Long-Term Liabilities:

	2024	2023	Change
CenterState Bank Loans Payable	\$ 13,873,946	\$ 15,306,797	\$ (1,432,851)
Lease Liability	5,777	-	5,777
	<u>\$ 13,879,723</u>	<u>\$ 15,306,797</u>	<u>\$ (1,427,074)</u>

Request for Information

This financial report is designed to provide residents, taxpayers, customers and creditors with a general overview of the CRA's finances and to demonstrate the CRA's accountability. For questions concerning the information in this report or requests for additional financial information, contact the City's Chief Financial Officer at 620 East Main Street, Haines City, Florida 33844.

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HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 12,994,352
Accounts receivable	50
Capital assets, nondepreciable	1,060,095
Capital assets, depreciable, net of accumulated depreciation	<u>17,344,004</u>
Total assets	<u>31,398,501</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	154,656
Accrued interest	149,197
Noncurrent liabilities	
Due within one year	1,481,898
Due in more than one year	<u>12,397,825</u>
Total liabilities	<u>14,183,576</u>
NET POSITION	
Net investment in capital assets	4,524,376
Restricted	<u>12,690,549</u>
Total net position	<u><u>\$ 17,214,925</u></u>

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

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, 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	Capital Grants and Contributions	
Governmental activities					
Public safety	\$ 66,076	\$ -	\$ -	\$ -	\$ (66,076)
Culture and recreation	1,783,316	-	-	-	(1,783,316)
Economic environment	1,447,561	-	34,813	-	(1,412,748)
Interest and other fiscal charges	1,286,718	-	-	-	(1,286,718)
Total governmental activities	<u>\$ 4,583,671</u>	<u>\$ -</u>	<u>\$ 34,813</u>	<u>\$ -</u>	<u>(4,548,858)</u>
General revenues					
Property taxes					4,463,872
Intergovernmental revenue (not restricted to specific programs)					5,199,195
Unrestricted investment earnings					<u>711,096</u>
Total general revenues					<u>10,374,163</u>
Change in net position					5,825,305
Net position, beginning					<u>11,389,620</u>
Net position, ending					<u>\$ 17,214,925</u>

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

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2024

ASSETS	
Cash	\$ 12,994,352
Accounts receivable	50
Total assets	<u>\$ 12,994,402</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 154,656
Total liabilities	<u>154,656</u>
FUND BALANCE	
Restricted for:	
Community redevelopment	<u>12,839,746</u>
Total fund balance	<u>12,839,746</u>
Total liabilities and fund balance	<u>\$ 12,994,402</u>

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

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Total fund balance, General Fund	\$	12,839,746
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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 General Fund.

Capital assets	\$ 39,498,962		
Less accumulated depreciation	<u>(21,094,863)</u>		18,404,099

Long-term liabilities are not due and payable in the current period and therefore are not reported in the General Fund.

CenterState Bank Loan, Series 2014	(872,520)		
CenterState Bank Loan, Series 2016 Refunding	(13,001,426)		
Lease liability	(5,777)		
Accrued interest expense	<u>(149,197)</u>		<u>(14,028,920)</u>

Total net position, governmental activities	\$	<u><u>17,214,925</u></u>
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The accompanying notes are an integral part of the financial statements.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

REVENUES

Property taxes	\$ 4,463,872
Intergovernmental - tax increment financing	5,199,195
Investment earnings	711,096
Other revenues	34,813
Total revenues	<u>10,408,976</u>

EXPENDITURES

Current	
Public safety	66,076
Culture and recreation	394,629
Economic environment	1,176,116
Debt service	
Principal	1,438,639
Interest	1,304,114
Capital outlay	576,579
Total expenditures	<u>4,956,153</u>

Excess of revenues over expenditures	<u>5,452,823</u>
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Other financing sources

Lease liability issued	<u>11,565</u>
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Net change in fund balance	5,464,388
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Fund balance, beginning	<u>7,375,358</u>
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Fund balance, ending	<u><u>\$ 12,839,746</u></u>
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The accompanying notes are an integral part of the financial statements.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, 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	\$	5,464,388
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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	\$	497,796	
Depreciation expense		<u>(1,581,349)</u>	(1,083,553)

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.

Lease liability issued		(11,565)	
Principal payments		<u>1,438,639</u>	1,427,074

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:

Accrued interest		<u>17,396</u>
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Change in net position of governmental activities	\$	<u><u>5,825,305</u></u>
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The accompanying notes are an integral part of the financial statements.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, 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
Revenues				
Property taxes	\$ 9,727,000	\$ 9,727,000	\$ 4,463,872	\$ (5,263,128)
Intergovernmental - tax increment financing	234,000	234,000	5,199,195	4,965,195
Investment earnings	125,000	125,000	711,096	586,096
Other revenues	-	-	34,813	34,813
Total revenues	<u>10,086,000</u>	<u>10,086,000</u>	<u>10,408,976</u>	<u>322,976</u>
Expenditures				
Current				
Public safety	244,000	244,000	66,076	177,924
Culture and recreation	439,625	439,625	394,629	44,996
Economic environment	1,619,400	1,619,400	1,176,116	443,284
Debt service				
Principal	2,161,208	2,161,208	1,438,639	722,569
Interest	511,152	511,152	1,304,114	(792,962)
Capital outlay	3,825,615	3,875,615	576,579	3,299,036
Total expenditures	<u>8,801,000</u>	<u>8,851,000</u>	<u>4,956,153</u>	<u>3,894,847</u>
Net change in fund balance	1,285,000	1,235,000	5,452,823	4,217,823
Fund balances, beginning	<u>7,375,358</u>	<u>7,375,358</u>	<u>7,375,358</u>	<u>-</u>
Fund balances, ending	<u>\$ 8,660,358</u>	<u>\$ 8,610,358</u>	<u>\$ 12,828,181</u>	<u>\$ 4,217,823</u>

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HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Community Redevelopment Agency (the “CRA”) was created on April 4, 1991, by Resolution No. 558 under Section 163.356, Florida Statutes. Its sole purpose is to finance and redevelop the City of Haines City, Florida’s (the “City”) designated redevelopment areas. The CRA is governed by a seven member Board; five members are the City Commission members and the other two are appointed by the City Commission.

The CRA was established in accordance with the Community Redevelopment Act of 1969. This state act allows municipalities to use increases in property tax revenue to finance the necessary public investments in the project area. In accordance with provisions of this act, the CRA developed and implemented a Community Redevelopment Plan to remove the conditions of slum and blight that existed within the City's core and the adjacent residential areas.

Funding for redevelopment and restoration projects that are essential for the reduction of slum and blight and the stimulation of private sector revitalization efforts is provided primarily from the tax increment generated by the increased valuation of properties within the community redevelopment area. Increases in property tax revenue above the baseline assessment that was established upon adoption of the Community Redevelopment Plan is set aside in the Community Redevelopment Trust Fund and can be utilized only for projects identified in the plan.

The CRA is a separate entity from the City. However, the City Commission of the City of Haines City serves substantially as the CRA Board and performs the legislative functions, governing duties and corporate responsibilities of the agency. The City Manager serves as the executive director of the agency, performs the administrative duties and oversees the day to day operations of the agency. Several City departments, including Community Services, Developmental Services, Finance, and Engineering, provide assistance in planning and implementing project activities that are designed to revitalize and restore the identified blighted areas.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements.

The government-wide financial statements include a statement of net position and a statement of activities. These statements report on the CRA as a whole and provide a complete financial picture of the CRA.

The government-wide statement of net position reports all financial and capital resources of the CRA’s governmental activities. Governmental activities are those supported by taxes and intergovernmental revenue. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Although there were none, program revenues include charges for services that are recovered directly from customers for services rendered. Taxes and other items not properly included among program revenues are reported instead as general revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Since the CRA fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are provided that briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide governmental activities financial statements.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses reported when a liability is incurred, regardless of the timing of related cash flows. Tax increment financing from property taxes are recognized as revenue in the year when levied.

The governmental fund financial statements (the “General Fund”) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are generally recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. 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 are recorded only when payment is due.

D. Deposits

The CRA considers cash on hand, cash with fiscal agents, and overnight investments with original maturities of less than three months to be cash and cash equivalents. The CRA pools its cash balances with the City.

E. Receivables

Receivables consist of trade receivables and amounts due from other governments and are recorded net of any allowance for uncollectible amounts, if applicable.

Activity between the CRA and the City that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year (if any) are reported as “advances to/from other funds.” All other outstanding balances between the CRA and City (if any) are reported as “due to/from other funds.”

F. Capital Assets

Capital assets, including land, buildings and improvements, infrastructure, intangibles, and vehicles and equipment, are reported in the government-wide financial statements. Capital assets are those that have a useful life of greater than one year and a value of greater than \$5,000. Capital assets are stated at cost in the government-wide financial statements. Donated capital assets are stated at acquisition cost on the date contributed. Depreciation is recorded in the government-wide statements as an operating expense for all assets meeting the CRA’s capitalization threshold. 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, but are expensed as incurred. Depreciation is provided over estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	5-40 years
Equipment	5-10 years
Infrastructure	10-25 years

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position.

H. Leases

Lessee: The CRA is a lessee for noncancellable leases of equipment and recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The CRA recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the CRA initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life (five years).

Key estimates and judgments related to leases include how the CRA determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The CRA uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the CRA generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the CRA is reasonably certain to exercise.

The CRA monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

I. Fund Balance/Net Position

In the fund financial statements, the General Fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints imposed on the use of resources reported. Amounts that are restricted to specific purposes either by: (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Directors through a resolution are classified as committed fund balances. These constraints remain binding unless removed or changed in the same manner employed to commit those resources by resolution. Amounts that are constrained by the CRA's intent to be used for specific purposes, however, are neither restricted, nor committed are classified as assigned fund balances. Assignments are approved by the Executive Director.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fund Balance/Net Position (Continued)

Non-spendable fund balances include amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents an amount that has not been restricted, committed, or assigned to specific purposes within the General Fund. When both restricted and unrestricted fund balances are available for use, it is the CRA's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Net position of the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. The first category represents capital assets net of accumulated depreciation, less outstanding debt related to the acquisition or construction of the capital assets.

The restricted category, if any, represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation. Unrestricted net position represents resources that are available for spending.

J. Budgetary Data

On or before September 1 of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. A public hearing is conducted at City Hall to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance.

As set forth in the City Charter, the CRA Board legally adopts an annual budget for the General Fund. The annual budget for the General Fund is prepared in accordance with GAAP for governmental fund types (modified accrual basis). All annual appropriations lapse at fiscal year-end.

Budgetary control is legally maintained at the fund level. City and CRA policy requires that expenditures do not exceed budgeted appropriations at the department level. Department heads are permitted to transfer appropriations between line items within their department, with the approval of the Finance Director and City Manager. Appropriations may be transferred between departments with the approval of the Finance Director and City Manager. The City Commission approves budget amendments for expenditures/expenses which are funded by new or increased revenue sources through passage of an ordinance. All outstanding commitments at fiscal year-end are re-appropriated at fiscal year-end as part of the following year's budget.

K. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

L. Risk Management

The CRA is insured, through the City's self-insurance program, for general liability, health, directors and officers, and property damage. There are no outstanding general liability claims related to the CRA.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – TAX INCREMENT REVENUE

The primary source of revenue is tax increment funds received through the City of Haines City and Polk County. The revenue from the City is treated as property taxes, while the remainder is recorded as intergovernmental revenue – tax increment financing.

NOTE 3 – DEPOSITS AND INVESTMENTS

At September 30, 2024, the bank balances of the CRA's deposits was \$12,994,352. All of the CRA's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may vary depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

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				
Land	\$ 825,703	\$ -	\$ -	\$ 825,703
Construction in progress	1,897,624	229,137	(1,892,369)	234,392
Total capital assets not being depreciated	<u>2,723,327</u>	<u>229,137</u>	<u>(1,892,369)</u>	<u>1,060,095</u>
Capital assets, being depreciated				
Buildings and improvements	25,896,834	1,871,026	-	27,767,860
Equipment and right to use leased assets	506,233	290,002	-	796,235
Infrastructure	9,874,772	-	-	9,874,772
Total capital assets being depreciated	<u>36,277,839</u>	<u>2,161,028</u>	<u>-</u>	<u>38,438,867</u>
Less accumulated depreciation for				
Buildings and improvements	(13,971,823)	(1,065,270)	-	(15,037,093)
Equipment and right to use leased assets	(264,637)	(97,382)	-	(362,019)
Infrastructure	(5,277,054)	(418,697)	-	(5,695,751)
Total accumulated depreciation	<u>(19,513,514)</u>	<u>(1,581,349)</u>	<u>-</u>	<u>(21,094,863)</u>
Total capital assets being depreciated, net	<u>16,764,325</u>	<u>579,679</u>	<u>-</u>	<u>17,344,004</u>
Capital assets, net	<u>\$ 19,487,652</u>	<u>\$ 808,816</u>	<u>\$ (1,892,369)</u>	<u>\$ 18,404,099</u>

Depreciation expense in the amount of \$1,388,687 was charged to culture and recreation and \$192,662 was charged to the economic environment function for the year ended September 30, 2024.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM LIABILITIES

Summarized below is the CRA's debt issued to finance the acquisition and construction of major capital facilities that is outstanding as of September 30, 2024:

Governmental activities debt (direct borrowings)

\$4,636,000 total loan payable, 44% of which is payable by the CRA (\$872,520 in principal remaining at September 30, 2024), CenterState Bank—Funds borrowed during fiscal year 2016 to refund two previous notes with Municipal Loan Council. Annual payments will be made over a 15 year period, including interest at 2.70%.

\$24,109,000 loan payable, approximately 90% of which is payable by the CRA (\$13,001,426 in principal remaining at September 30, 2024), CenterState Bank—Funds borrowed during fiscal year 2017 to refund \$2,725,000 of the Police Station Loan from the Florida Municipal Loan Council and \$21,780,000 of the CRA projects loan from the Florida Municipal Loan Council. Semi-annual payments will be made over a 17 year period, including interest at 2.95%.

The CRA has entered into a lease agreement for usage of copier equipment. This agreement has been recorded at the present value of their future minimum lease payments as of the inception date. This agreement carries an interest rate of 2.73% and is payable through 2026.

The following is a summary of long-term liabilities for the year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
Direct Borrowings:					
CenterState Bank Loan, Series 2014	\$ 1,004,960	\$ -	\$ (132,440)	\$ 872,520	\$ 135,960
CenterState Bank Loan, Series 2016 Refunding	14,301,837	-	(1,300,411)	13,001,426	1,342,504
Lease liability	-	11,565	(5,788)	5,777	3,434
Total governmental activities					
long-term liabilities	<u>\$ 15,306,797</u>	<u>\$ 11,565</u>	<u>\$ (1,438,639)</u>	<u>\$ 13,879,723</u>	<u>\$ 1,481,898</u>

A summary of annual debt service requirements as of September 30, 2024 is as follows:

Fiscal Year	Notes Payable and Lease Liability from		
	Direct Borrowings		
Ending	Principal	Interest	Total
2025	\$ 1,481,898	\$ 387,413	\$ 1,869,311
2026	1,524,629	343,453	1,868,082
2027	1,567,444	298,262	1,865,706
2028	1,611,266	251,787	1,863,053
2029	1,663,133	203,922	1,867,055
2030-2033	6,031,353	347,907	6,379,260
	<u>\$ 13,879,723</u>	<u>\$ 1,832,744</u>	<u>\$ 15,712,467</u>

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – DEPOSITS AND WITHDRAWALS

Pursuant to Florida Statue 163.387, listed below is a summary of the activity and available funding for future projects of the CRA funds at year end:

	<u>Revenues</u>	<u>Expenditures</u>
Source of Revenues		
Ad valorem taxes	\$ 4,463,872	\$ -
Intergovernmental	5,199,195	-
Interest	711,096	-
Other revenues	46,378	-
 Purpose of Expenditures		
Public safety	-	66,076
Economic environment	-	394,629
Culture and recreation	-	1,176,116
Capital outlay	-	576,579
Debt service	-	2,742,753
	<u>\$ 10,420,541</u>	<u>\$ 4,956,153</u>
 Fund available for projects at September 30, 2023:		7,375,358
Total Funds available for future projects at September 30, 2024:		<u>\$ 12,839,746</u>

Florida Statute 163.387 Excess Reserve Allocation Summary as of September 30, 2024

<u>Fiscal Year</u>	<u>District 328</u>	<u>District 327</u>	<u>Total</u>
2022	\$ 5,787,528	\$ -	\$ 5,787,528
2023	1,383,295	204,535	1,587,830
2024	5,205,618	258,770	5,464,388
Total	<u>\$ 12,376,441</u>	<u>\$ 463,305</u>	<u>\$ 12,839,746</u>
 Statute Option (c) Reduce Future Debt	\$ 6,214,607	\$ 305	\$ 6,214,912
Statute Option (d) Specific Projects	6,161,834	463,000	6,624,834
	<u>\$ 12,376,441</u>	<u>\$ 463,305</u>	<u>\$ 12,839,746</u>

NOTE 7 – CONTINGENT LIABILITIES

The CRA receives revenues from various federal grants. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in disallowed expenditures under the terms of the grants. Based upon prior experience, CRA management believes such disallowances, if any, would be immaterial.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – RISK MANAGEMENT

The CRA is exposed to various risks of loss, including general liability, personal injury, workers compensation, and errors and omissions. To manage its risks, the CRA has purchased commercial insurance.

NOTE 9 – SUBSEQUENT EVENTS

The CRA has evaluated all subsequent events through April 29, 2025 the date the financial statements were available to be issued.

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 and Executive Director
Haines City Community Redevelopment Agency
Haines City, 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 Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, 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 April 29, 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 29, 2025

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, 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 X No

Significant deficiencies identified not considered
to be material weaknesses?

____ Yes X None reported

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards and State Financial Assistance Projects

The Haines City Community Redevelopment Agency 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.

**HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)**

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

None.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Directors and Executive Director
Haines City Community Redevelopment Agency
Haines City, Florida

Report on the Financial Statements

We have audited the financial statements of the Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, Florida) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 29, 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 April 29, 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. There were seven employees compensated in the last pay period of the CRA's fiscal year.
- b. There were no independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal.
- c. There was \$22,073 compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- d. There were no compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
- e. There were ten construction projects with a total cost of at least \$65,000 approved by the CRA that began on or after October 1 of the fiscal year being reported.
- 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 15 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 29, 2025



INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors and Executive Director
Haines City Community Redevelopment Agency
Haines City, Florida

We have examined the Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, 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
April 29, 2025

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