Ocala Community Redevelopment Agency (CRA)

FISCAL YEAR 2023-2024 (FY24)

CRA ANNUAL REPORT

REVITALIZING OUR COMMUNITY



ON THE FRONT COVER

The District Bar & Kitchen (DBK) redevelopment project is located in the City of Ocala's historic downtown. The 0.07-acre property was developed into a 6,700 sq. ft. high-energy restaurant and bar. The property was previously the location of Pi on Broadway (Pi) at 110 SW Broadway St. According to local newspaper, the Ocala Gazette, Pi opened its doors for business in 2009 and closed in 2021. The building was deemed not feasible or possible for renovation. It was therefore demolished to make room for a new restaurant. Even though the building is not located within the Ocala historic district, all efforts were made to preserve the historic essence of the site and surrounding area. Rehabilitation was thoroughly explored before other alternatives were considered. This challenge presented an opportunity for the architectural and design team to find ways to integrate the property's history in the redevelopment. Some of the brick from the original structure was integrated in the new building materials, forming a bridge between historic Ocala and renaissance of recent years. DBK now provides a full dining experience with an elevated sports bar/food concept, live music, and other entertainment.

- The building embodies the Form Based Code zoning classification of Ocala's downtown, with its placement in relation to the street, floor plan, and facade treatments.

- The City and CRA, recognizing the significant benefits resulting from the redevelopment of the project, has granted funds to the developer to offset development costs.

- The Downtown CRA also covered the cost of streetscape improvements in the right-of-way adjacent to the project, this included widening the sidewalk, redesigning on street parking, installing planters, and decorative street lighting.

Cover photo credits: Maven Photo + Film and The District Bar & Kitchen

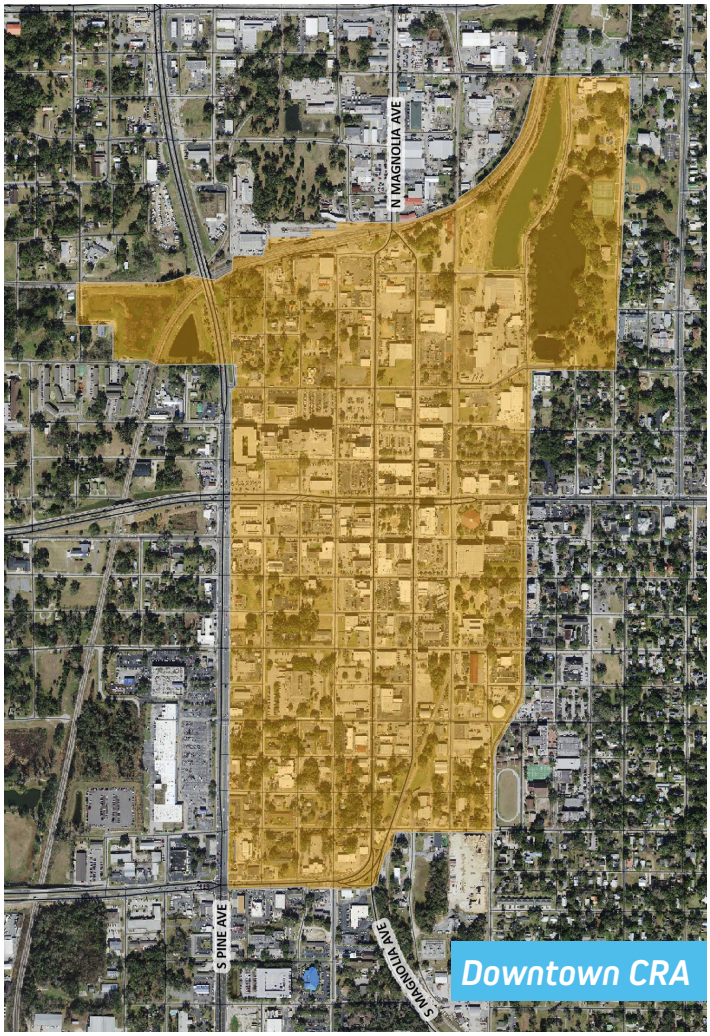
TABLE OF CONTENTS



What is a Community Redevelopment Agency (CRA)? 04
Financing a CRA 06
CRA Reporting Requirements 06
CRA Agency Board 07
CRA Advisory Committees 07
Summary - Fiscal Year 2023-24 09
Consistency of CRA Activities with Redevelopment Plans 10
Grant Programs 16
Capital Improvement Projects 20
Completed Grant Projects 28
Financials 38
Heat Maps 43
Glossary of Terms 45
Appendix A 46

Fiscal Year 2024 CRA Auditor's Report

WHAT IS A COMMUNITY REDEVELOPMENT AGENCY?



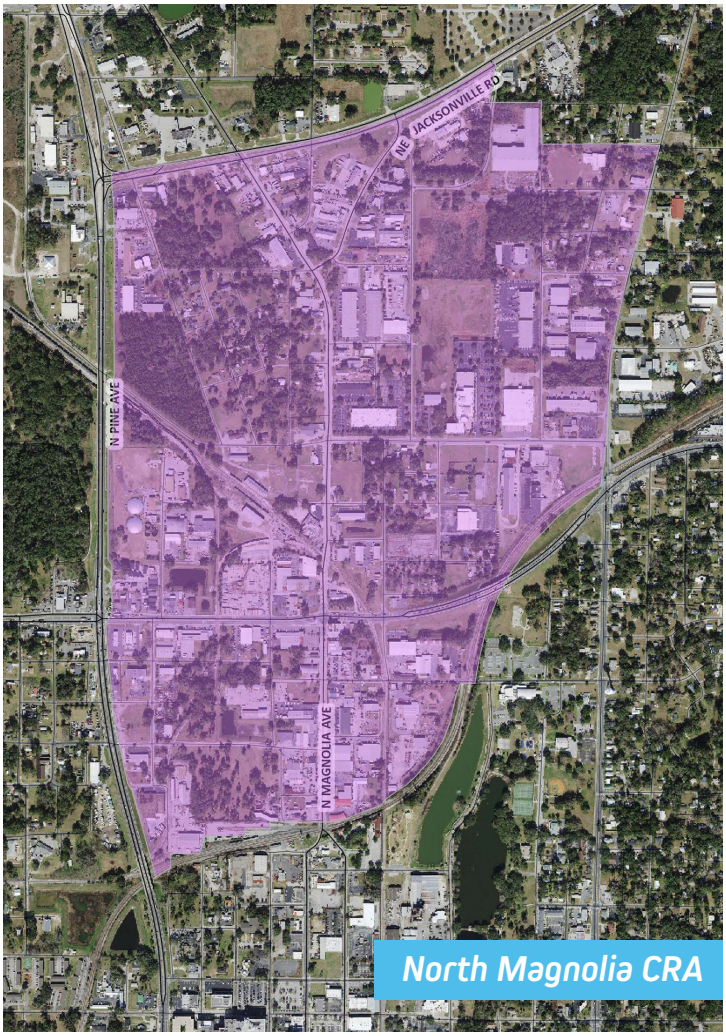
A community redevelopment agency (CRA) is a special district created by a local (city or county) government to carry out redevelopment activities in a specifically defined geographic area. There are over 220 community redevelopment agencies currently operating in Florida. The enabling legislation giving a city the authority to create a CRA is found in Chapter 163 Part III of the Florida Statutes. As prescribed in the statute, CRA activities focus on making improvements to the physical environment within the redevelopment area – buildings and sites, streets and sidewalks, parks, and infrastructure.

These physical improvements are accomplished by CRAs funding capital improvement projects and partnering with the private sector. Redevelopment agencies invest public funds in redevelopment activities with the intent of encouraging private investment into properties. CRAs reinvest tax increment financing funds to attract private investment into economically distressed areas. The end product, resulting from these redevelopment efforts, is the transformation of underutilized properties and facilities into productive assets of the various communities within the CRA, as well as the city as a whole. A CRA can only expend funds to conduct redevelopment activities within the legally described CRA area. CRAs are also regulated under Chapter 189 as a 'Special District'.

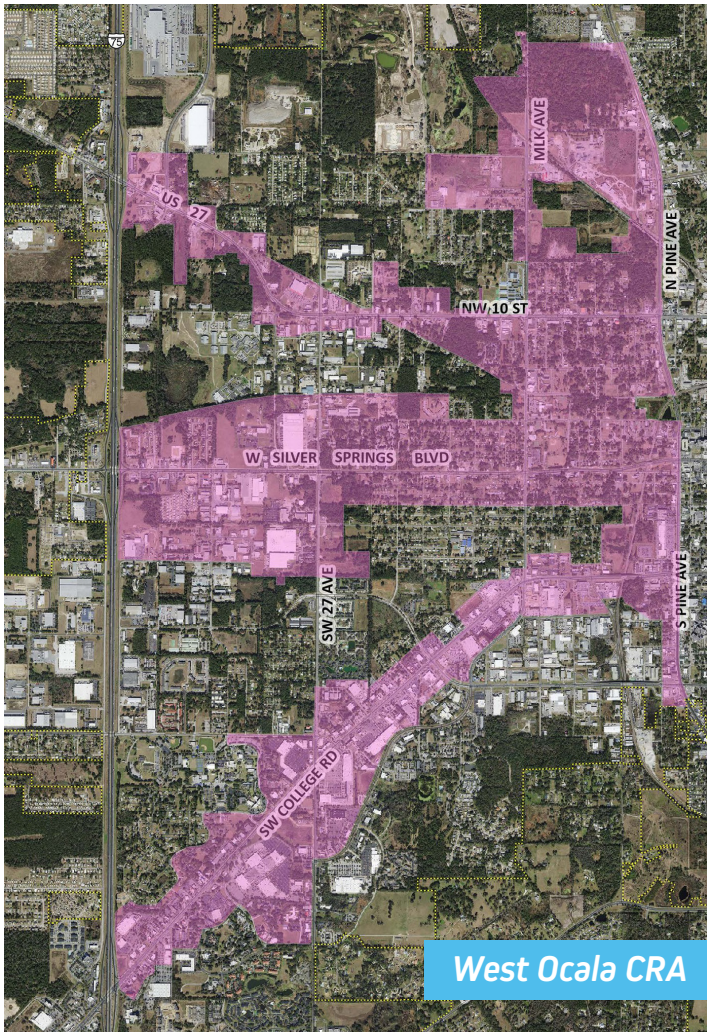
ABOUT THE OCALA CRA

The Ocala CRA is divided into four subareas: Downtown, North Magnolia, West Ocala, and East Ocala. There are four advisory committees, one dedicated to each subarea, which make recommendations to the CRA board on projects and programs. Each of the four subareas has its own redevelopment plan that reflects the unique challenges and goals within their respective areas.

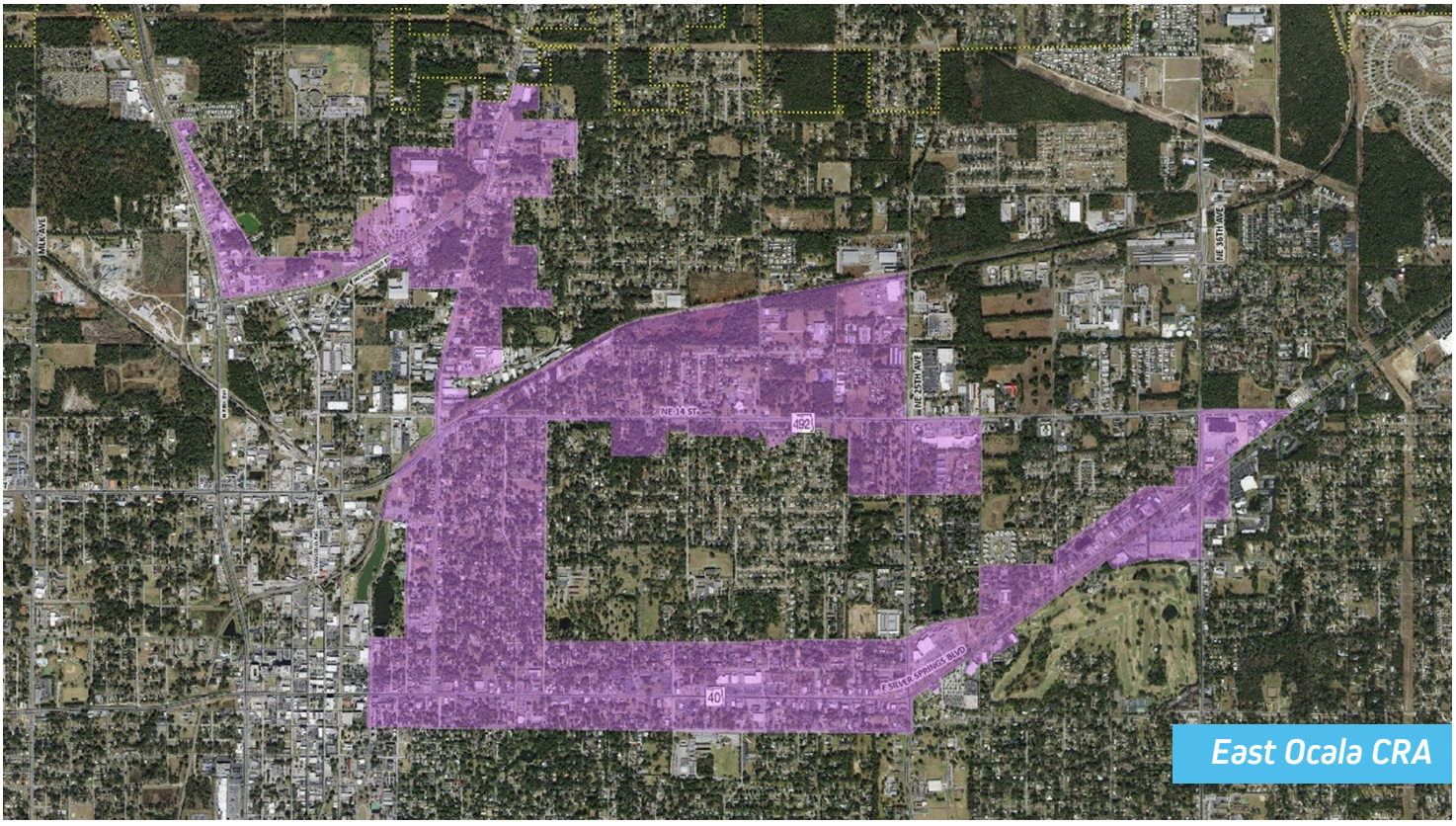
SUBAREA	Establishment Year	Expiration Year
Downtown	1988	2038
North Magnolia	1999	2038
West Ocala	2015	2045
West Ocala (Expansion Area)	2017	2045
East Ocala	2016	2045



North Magnolia CRA



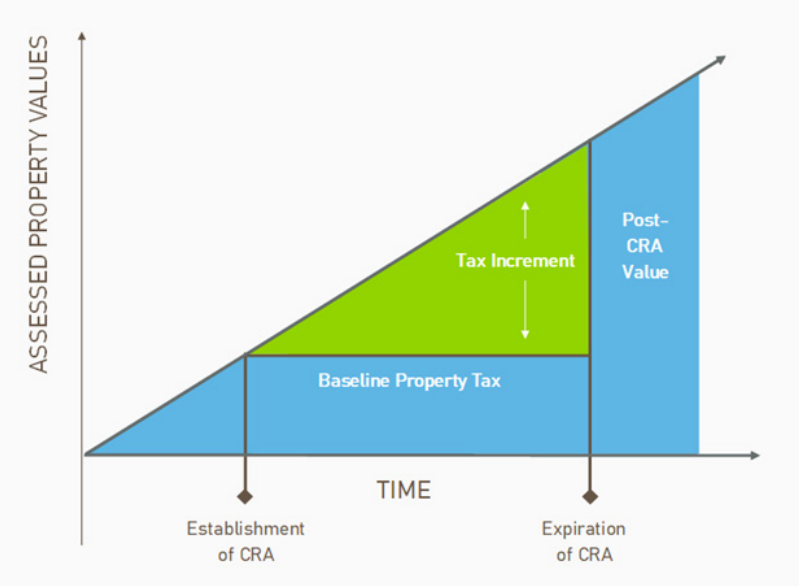
West Ocala CRA



East Ocala CRA

FINANCING A CRA

Community redevelopment agencies receive their funds through tax increment financing. Tax increment financing is a mechanism that utilizes increases in property taxes from a base year (the creation of the CRA) and holds them in a redevelopment trust fund. Ideally the CRA, through its activities, induces greater increases in property values. In this way, CRAs can bring back economically distressed areas, and their future funding will hinge on the success of their redevelopment plans.



CRA REPORTING REQUIREMENTS

Section 163.371 of the Florida Statues specifies the annual reporting requirements for CRAs.
A community redevelopment agency must file an annual report with the county or municipality that created the agency and publish the report on the agency's website. The report must include the following information:

1. **Audit** - The most recent complete audit report of the redevelopment trust fund as required in s. 163.387(8)
2. **Performance data** for the CRA including the:
   - Total number of projects started and completed and the estimated cost for each project
   - Total expenditures from the redevelopment trust fund
   - Original assessed real property values within the community redevelopment agency's area of authority as of the day the agency was created
   - Total assessed real property values of property within the boundaries of the community redevelopment agency as of January 1 of the reporting year
   - Total amount expended for affordable housing for low-income and middle-income residents
3. **Plan Goals & Objectives** - A summary indicating the extent to which the community redevelopment agency has achieved the goals and objectives set out in its community redevelopment plan

The above three items are addressed in two separate documents.

Document 1 - Audit
In previous years, the CRA audit and financial statements were done as a part of the City's Comprehensive Annual Financial Report (CAFR). Beginning in FY 2020, the CRA had a stand-alone independent audit performed.

Document 2 – Performance Data & Plan Goals & Objectives
These items are contained in this report, which highlights the CRA activities and achievements.

CRA BOARD

The City of Ocala City Councilmembers also serve as the CRA Board:



Barry Mansfield
Chair | District One



Kristen Dreyer
Vice Chair | District Four



Ire J. Bethea, Sr.
District Two



Jay A. Musleh
District Three



James P. Hilty, Sr.
District Five



Ben Marciano
Mayor

CRA STAFF

Peter Lee, City Manager
Jeff Shrum, Growth Management Director
Aubrey Hale, Planning Director
Tye Chighizola, City Projects Director
Roberto Ellis, Economic Development Manager
Gabriela Solano, Administrative Coordinator
Eric Smith, Senior Transportation Project Administrator
David Williams, Sr. Buyer
Holly Lang, Fiscal Manager
Carol McKeever, Financial Analyst I
Yiovanni Santiago, Administrative Specialist III
Marie Mesadieu, Economic Development Specialist
Charlita Whitehead, Economic Development and Cultural Arts Project Coordinator

CRA ADVISORY COMMITTEES

Downtown
Tom McDonald
TaMara York
Ted Schatt
Rachel Laxton
Dr. Rhella Murdaugh
Summer Gill
Kendall Drake

North Magnolia
Angie Clifton
David McCollister
Mike Needham
Clark Yandle
Floyd Hershberger
Frank Zadnik III
Darian Mosley

West Ocala
Dr. Barbara Brooks
Ruth Reed
Reginald Landers, Jr.
Dwan Thomas
Carolyn Adams
Antoinette Hunt
Elgin Carelock

East Ocala
Rachel Perez
Van Akin
Greg Blair
Tito Comas
John Gamache
Karl Kunz
Ronnie Santana



Bird's Eye View of Downtown Ocala

SUMMARY
FISCAL YEAR 2023-2024

The City of Ocala Community Redevelopment Agency (CRA) is delighted to present the annual report for Fiscal Year 2023-24. The Ocala CRA continues to champion redevelopment by enhancing key areas within the city. The CRA implements its various programs, projects, and initiatives, in alignment with the respective CRA redevelopment plans and City Council's strategic priorities:

Priority 1: Economic hub
Priority 2: Fiscally sustainable
Priority 3: Engaged workforce
Priority 4: Operational excellence
Priority 5: Quality of place



Between FY19 and FY24, every dollar provided through the grant programs has leveraged approximately six dollars of private investment towards property improvements. The revitalization impacts are evident through the improved residential and commercial built environment. In the wider macroeconomic environment, favorable real estate valuations, along with strategic CRA reinvestment, have had a positive impact on revenues allocated to the CRA subareas. The North Magnolia CRA subarea saw the largest year-over-year change in property values, rising by 11 percent, while the Downtown and West Ocala CRA subarea values increased by five percent each. East Ocala CRA property values increased by nine percent.

Thanks to our community partners, interest in CRA grants has grown, with applications doubling compared to the previous year. Overall, the CRA approved approximately $1 million in incentives, to be paid out in the fiscal year when projects are completed. The CRA continues its debt servicing obligations for financing the Mary Sue Rich Community Center at Reed Place, making an annual payment of $480,000.

The CRA hosted an opening event for the Heritage Trail Park in West Ocala on Sept. 3, 2024. The linear park features impressive artwork from local artist Charles Eady and plaques recognizing community leaders who have made significant contributions to West Ocala. The Imagine North Magnolia Park officially opened on June 5, 2024, providing a much-needed recreation space for residents to enjoy. Property acquisition aimed at redevelopment will continue to be a target for the CRA, identifying sites at critical locations to stimulate growth. Two major capital improvement projects were completed in FY24: the NW 7th Avenue Subdivision and Marion Heights infrastructure improvements. These projects accounted for a significant share of the $1,078,120 expended on capital improvement initiatives during the year.

In the coming year, the CRA aims to further promote the diverse incentives available to properties in the CRA. Interest in programs offered has remained stable despite increasing construction costs and a changing economic climate. Affordable housing, arts and culture, historic preservation, and creating beneficial partnerships in the community will all be areas of focus in the coming years. Primary corridors and gateways will remain at the heart of the CRA's revitalization activities to attract new businesses, retain current business operations, and promote economic growth. The development of key opportunity sites through solicitations will also be at the forefront of plans for FY25.



CONSISTENCY OF CRA ACTIVITES WITH REDEVELOPMENT PLANS

PLAN COMPLIANCE

To show consistency, the following tables cite the applicable plan sections for each CRA activity. The tables also indicate progress to achieving the goals and objectives. Each CRA subarea has its own redevelopment plan.

S. 163.387(6) states moneys in the redevelopment trust fund may be expended for undertakings of a community redevelopment agency as described in the community redevelopment plan only pursuant to an annual budget adopted by the board of commissioners of the community redevelopment agency.

S. 163.371(2) (c) F.S. states a community redevelopment agency shall file an annual report and the report must include a summary indicating to what extent the community redevelopment agency has achieved the goals set out in its community redevelopment plan.

Mary Sue Rich Community Center Ribbon Cutting

Downtown CRA		
CRA Activity	**Progress/Status**	**CRA Plan Compliance**
Grant Programs 	The intent of these grants is to target projects that undertake a comprehensive restoration of facades and /or renovations that make the building more in compliance with form-based code design and development requirements.	**Strategy 4.1.4:** Facilitate adaptive re-use opportunities and the creation of flexible and convertible spaces in Downtown/Midtown. Strategy 6.2.8: Enhance and promote the façade improvement and/or design assistance program to assist owners of existing structures in improving the aesthetics and exterior function of their buildings and surrounding amenities. *Downtown Master Plan (2004), Midtown Master Plan (2017)*
Redevelopment Agreements 	Ongoing agreements supporting catalytic projects. Incentive packages are based on return of investment (ROI) of City and CRA funding. The incentives may be provided in the form of cash contributions, tax-based grants and permit fee contributions.	**Strategy 4.1.4:** Facilitate adaptive re-use opportunities and the creation of flexible and convertible spaces in Downtown/ Midtown. *Downtown Master Plan (2004), Midtown Master Plan (2017)*
Streetscape Improvements 	Focuses on improving the quality of the streets and other public spaces in the CRA subareas. Providing safety and comfort in the form of dedicated spaces for different modes of transportation, wayfinding, seating, lighting, landscaping, and other amenities and furnishings.	**Strategy 1:** Linkages and Connections. Physical streetscape and mid-block connections that link key activity nodes within the city center and connect the Downtown to nearby districts and the greater region. The Downtown Master Plan recommends addressing streetscape, pedestrian and bike connections and traffic calming to improve the quality of the public realm. *Downtown Master Plan (2004), Midtown Master Plan (2017)*

North Magnolia CRA

CRA Activity	Progress/Status	CRA Plan Compliance
Grant Programs 	The purpose of the North Magnolia CRA Residential Property Improvement Grant is to encourage homeowners to make exterior facade improvements, addressing trends of deterioration in some neighborhoods while adding value to the CRA.	**Goal 4:** ECONOMIC DEVELOPMENT – To maintain and economically sound industrial/business area in Ocala. **Objective 4.1:** Enhance the commercial tax base, promote business development, by encouraging the reuse of vacant and underutilized buildings. **Strategy 4.1.2:** Develop Incentive and grant programs to encourage property improvements. Grants programs may be established to improve building conditions both interior and exterior, for business expansion, and for the change of use of a building. *North Magnolia CRA Plan (2019)*
Imagine North Magnolia Community Redevelopment Project 	Activities involved land development planning; publishing and processing Invitations to Negotiate (ITN) for redevelopment opportunities. These activities will continue through to the next fiscal year. The construction of the Neighborhood Park was completed in 2024. Road, water and sewer infrastructure improvements were also completed in 2024.	**Goal 2:** Property Redevelopment. To encourage private sector investment to redevelop undeveloped properties. **Objective 2.1:** Ensure undeveloped properties are development-ready to increase their feasibility for redevelopment. **Strategy 2.1.1:** Purchase, assemble, and prepare sites for redevelopment. Prepare sub-area conceptual development beginning with the Imagine North Magnolia subarea. *North Magnolia CRA Plan (2019)*
Streetscape Improvements 	A streetscape project was installed approximately 20 years ago. Some of the trees, mostly the Burford Pears, have reach the end of their life span and are in decline. The grass areas are problematic for maintenance and are not attractive. The objective of the project is to improve the appearance of the corridor to make it more inviting for pedestrians and motorists. All plantings will be hardy, drought tolerant, low-maintenance varieties.	**Priority #1:** Develop the following key streets to create good traffic flow and accommodate growth: • 8th Street Magnolia to Pine • Old Jacksonville Rd from Magnolia to 20th • 14th Street from Magnolia to 8th Avenue • 9th Street from Magnolia to CRA Boundary Each street should have lighting to deter crime, landscaping, paving, sidewalks, and trees. *North Magnolia Redevelopment Corridor CRA Plan (1999)* **Strategic Beautification:** Install landscaping, hardscape, lighting along streets throughout the North Magnolia CRA neighborhood. *North Magnolia CRA Plan (2019)*

North Magnolia CRA (continued)

CRA Activity	Progress/Status	CRA Plan Compliance
Affordable Housing Program 	The program will assist with easing the cost burden of low-income households and improve their ability to meet housing needs. The CRA is offering this incentive to offset development costs, preserve existing housing stock, and provide affordable housing solutions. The program was made available to the CRA in March 2024.	**Priority #4:** Solve homeless problem. **Priority #5:** Create means for residential growth to include more owner-occupied Residents. *North Magnolia Redevelopment Corridor CRA Plan (1999)* **GOAL – HOUSING:** To contribute to a balanced mixed-use neighborhood by allowing for a variety of housing in appropriate areas. *North Magnolia CRA Plan (2019)*

West Ocala CRA

CRA Activity	Progress/Status	CRA Plan Compliance
Grant Programs 	The purpose of the West Ocala Community Redevelopment Area (CRA) Residential Property Improvement Grant is to encourage homeowners to make exterior facade improvements, addressing trends of deterioration in some neighborhoods while adding value to the CRA. The grant was made available in the West Ocala CRA subarea in March 2024.	**Goal 1:** Coordinate public and private resources to increase private capital investment on commercial corridors. **Objective 4:** Expand the city's business revitalization grant program. **Strategy:** Provision of grants for property improvements and property redevelopment. *West Ocala CRA Plan (2015), West Ocala Vision & Community Plan (2011)*
Mary Sure Rich Community Center at Reed Place 	Construction of the Center was completed during December 2022 and the building was officially opened in January 2023. The newly created 41,750 square foot, two-story building includes designated indoor space for senior, youth, and family programs; a banquet/event space; fitness equipment and indoor walking track; two full basketball courts; a library and multi-purpose studio rooms.	**Goal 1:** Coordinate public and private resources to increase private capital investment. **Objective 5:** Encourage the location of a Competitive Intelligence Center (Library) and assist in the development of a and a new multi-purpose center in West Ocala. *West Ocala CRA Plan (2015), West Ocala Vision & Community Plan (2011)*

West Ocala CRA (continued)		
CRA Activity	**Progress/Status**	**CRA Plan Compliance**
Heritage Trail 	Construction started March 2021. Site work has been completed. The final art installation and grant opening of the park were completed in 2024.	**Goal 2:** Enhance gateways, corridor segments and crossroads. **Objectives 1 & 2:** Design and construct streetscape improvements at neighborhood entrances *West Ocala CRA Plan (2015), West Ocala Vision & Community Plan (2011)*
Tucker Hill Affordable Housing Project 	Properties purchased, rezoning, platting, site plan, and infrastructure plan completed. Water, sewer and road infrastructure improvements were completed in 2024.	**Goal 3:** Improve vacant, dilapidated and nuisance properties which are barriers to corridor and neighborhood redevelopment. **Objective 7**. Identify suitable areas of West Ocala for development of new housing opportunities *West Ocala CRA Plan (2015), West Ocala Vision & Community Plan (2011)*
Affordable Housing Program 	The intent of this program is to provide funding to supplement the Community Development Services (CDS) ongoing affordable housing, mainly, the State Housing Initiatives Partnership (SHIP), Home Investment Partnership Program (HOME), and Community Development Block Grant (CDBG) in applicable CRA subareas. The program will assist with easing the cost burden of low-income households and improve their ability to meet housing needs. The CRA is offering this incentive to offset development costs, preserve existing housing stock, and provide affordable housing solutions. The funds allocated have been committed to various projects include the Saving Mercy Village which will be constructing 59 new one- bedroom affordable housing units.	**Goal 3, Objective 4:** Establish programs to remediate dilapidated and nuisance properties for reuse and resale opportunities. **Goal 3, Objective 6:** Seek additional funding opportunities and partnerships with community affordable housing providers to upgrade blighted housing and remove unsafe/unsanitary conditions for low-income individuals and families. **Goal 3, Objective 7:** Identify suitable areas of West Ocala for the purposes of the development of new housing opportunities which incorporate energy efficient materials and appliances. *West Ocala CRA Plan (2015), West Ocala Vision & Community Plan (2011)*

East Ocala CRA		
CRA Activity	**Progress/Status**	**CRA Plan Compliance**
Grant Programs 	The purpose of the East Ocala CRA Residential Property Improvement Grant is to encourage homeowners to make exterior facade improvements, addressing trends of deterioration in some neighborhoods while adding value to the CRA.	**Goal 3:** Improve vacant, dilapidated and nuisance properties which are barriers to corridor and neighborhood redevelopment. **Objective 4:** Establish programs to remediate these conditions for property reuse. *East Ocala CRA Plan (2016)*
Affordable Housing Program 	The program will assist with easing the cost burden of low-income households and improve their ability to meet housing needs. The CRA is offering this incentive to offset development costs, preserve existing housing stock, and provide affordable housing solutions. The program was made available to the CRA in March 2024.	**Objective 6:** Seek additional funding opportunities and partnerships with affordable housing providers to upgrade blighted housing and remove unsanitary conditions for low-income individuals and families. **Objective 7:** Identify suitable areas of East Ocala for the purpose of the development of new housing opportunities which incorporate energy efficient materials and appliances. *East Ocala CRA Plan (2016)*
Streetscape Improvements 	A Goal of the East Ocala CRA Plan is to restore value and prominence to gateways and corridors by enhancing their physical appearance. The objectives call for designing and constructing streetscape improvements to improve pedestrian movement and include amenities such as lighting.	**Objective 1:** Design and construct streetscape improvements to include pedestrian crossings, pedestrian-scale lighting, and other amenities at key crossroads. *East Ocala CRA Plan (2016)* The Midtown Master Plan strategies include ensuring safe and continuous pedestrian and bicycle connectivity to Tuscawilla Park and surrounding neighborhoods. *Midtown Master Plan (2017)*



GRANT PROGRAMS

Historically, the CRA Commercial Property Improvement Grants are the largest activity in the CRA work program in terms of staff time. In Fiscal Year 2023-24, the CRA commenced the review of all CRA grant programs, resulting in changes to reflect the demands of each CRA subarea. The framework of each program was developed based on the needs and budget of each subarea. The programs address key statutorily defined blight conditions that currently exist in the CRA including vacant or underutilized commercial space, obsolete or substandard interior spaces, inadequate life safety and/or accessibility provisions, and deteriorating or inappropriate facades. The intention of all CRA grant programs is to encourage private investment into blighted properties located in CRA subareas.



District Bar & Kitchen

Residential		
Program/ Subarea	**Framework**	**Grant Max/Match**
Residential Property Improvement Grants (West Ocala, East Ocala and N. Magnolia CRA subareas)	Priority work elements include: 1. Exterior painting/paint (color(s) must be approved by Committee) removal for the entire building, including exterior cleaning and/or repair/replacement of facade details/materials - doors, walls, trim and exterior lighting. 2. Repair and replacement of windows, and doors (Exterior Improvements only). 3. Demolition of irreparable damaged houses or structures for the construction of affordable housing. 4. New landscaping area (trees and shrubs) visible from the street/sidewalk (Including removal of hazardous trees). 5. Fencing 6. Reroofing 7. Weatherization (HVAC installation and insulation etc.). 8. New construction; and 9. Conversion from septic system to City sanitary sewer service* *Match varies in the North Magnolia CRA.	**$20,000 / 75%**
Affordable Housing Program (West Ocala, East Ocala and N. Magnolia CRA subareas)	Priority work elements include: 1. Rental assistance 2. Down-payment assistance; and 3. Home improvements. Grant recipients are community members from low-moderate income households.	**Max (varies) / 100%**

Commercial		
Program/ Subarea	**Framework**	**Grant Max/Match**
Downtown Commercial Building	Priority work elements include: 1. Facades: Painting (only as a component of a major restauration); Canvas Awnings (not eligible in any type of project), Mental Awnings (eligible in any type of project, Doors and/or windows (only as a component of a major restoration or renovation, and Signage (cannot be a stand-alone item and must be consistent with Form Based Code); and 2. Interior Renovations: Structural, Improvements to meet Building Codes for Accessibility; Fire Protection; and Life Safety, HVAC, Plumbing, electric, Conversion of upper floor space to residential; Other fixed improvements related to build-out or additions.	**$50,000 / 50%**
West Ocala Commercial Building	Priority work elements include: 1. Vacant buildings being converted to active use. 2. ADA Accessibility 3. Removal of bars from doors and windows. 4. Security system, including lighting, cameras, and fencing. 5. Façade improvements (visible from the street) include doors, windows and signage. 6. Demolitions; and 7. Creation of new surface parking lot.	**$20,000 / 60%**
East Ocala Commercial Building	Priority work elements include: 1. Vacant buildings being converted to active use. 2. New signs following CRA design guidelines, including removal of inappropriate signs. 3. Façade improvements – windows, doors, awnings, exterior security and safety lighting, painting (colors must be approved by Committee). 4. New wall sign (must meet sign code). 5. New landscaping; and, 6. Parking lot pavement resurfacing or resealing and restriping.	**$20,000 / 60%**

Commercial (continued)		
Program/ Subarea	**Framework**	**Grant Max/Match**
North Magnolia Commercial Building	Priority work elements include: 1. Exterior painting/paint removal for the entire building. 2. Exterior cleaning of the property/masonry repair/parking lot coating and striping. 3. Repair or replacement of front, side, rear, façade details including doors, windows, lighting. 4. Repair or replace windows for the entire building. 5. New landscaping (trees and shrubs) visible from the street/ sidewalk. 6. New or replacement of wall signage. 7. New or replacement of awnings for the entire building; and 8. Fencing.	**$10,000 / 50%**
East Ocala Historic Building	Priority work elements include: 1. Improvements to meet Building Codes for Accessibility, Fire Protection, and Life Safety. 2. Roof 3. Removal and replacement of inappropriate or incomplete exterior restoration of original façades, including installation of appropriate windows; must meet requirements of Historic Preservation Code. 4. Other fixed improvements related to interior build-out.	**$40,000 / 60%**
New Construction Incentive	Priority work elements include: 1. New construction; and 2. major renovations. Eligible projects must: 1. Prove the potential for catalytic impact. 2. Exceed $1,000,000 in total capital investment; and 3. Receive a score of 80 points or more.	**$300,000/ 10%**

CAPITAL IMPROVEMENT PROJECTS



West Ocala Heritage Trail Park

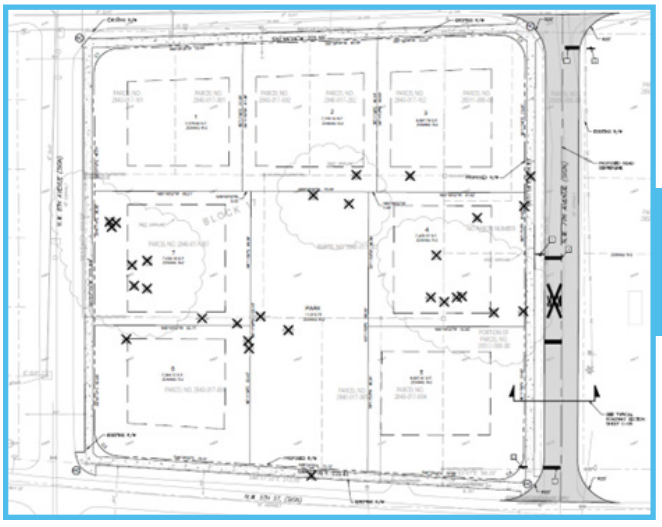


NW SEVENTH AVE. / SUBDIVISION (TUCKER HILL)

Newly constructed road

PROJECT DESCRIPTION

This project provided the infrastructure for affordable infill housing on the west side of Ocala and will convert currently undeveloped/vacant lots to new housing. The City acquired the properties through code enforcement foreclosures and property acquisition for the remainder of the block. The properties were required to be subdivided due to existing ROW conflicts and the extension of utilities to the newly created parcels. The extension of utilities and the return of City property to the tax rolls will provide ad valorem tax revenue and customers to the City utilities. Now that the infrastructure improvements are complete, the plat will be finalized and properties made available for redevelopment.



Plat of the NW Seventh Ave. subdivison

PROJECT COSTS

(Infrastructure Improvements)

CRA: $147,518



Tucker Hill Aerial View



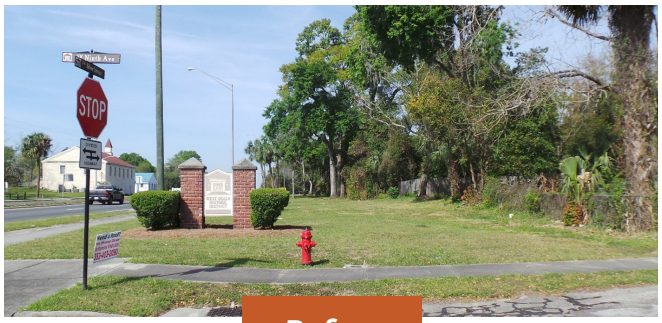
Road construction in progress



WEST OCALA HERITAGE TRAIL PARK

PROJECT DESCRIPTION

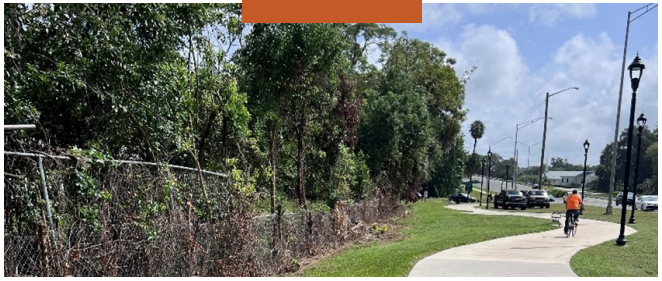
The West Silver Springs Heritage Trail Park (Heritage Trail), was conceptualized in 2018 through the Community Redevelopment Agency's West Ocala Advisory Committee. This impactful project is situated on the north side of West Silver Springs Boulevard (State Road 40), between NW 9th and NW 11th Avenues. The park features a decorative sidewalk, benches, public art and landscaping. Its primary features are a series of panels and plaques displaying historic images and honoring prominent West Ocala citizens who contributed to the community. The West Ocala Vision and Community Plan (2011), emphasizes the need to create a high quality and desirable public realm through the connectivity of safe and accessible streets, multi-modal pathways, and trails. The CRA contributed $287,778, while Ocala Electric Utility (OEU) provided lighting improvements in the amount of $25,513.

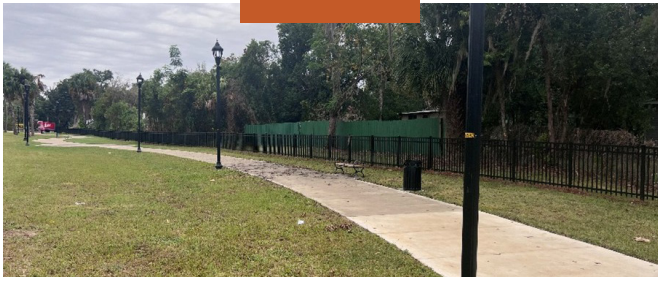


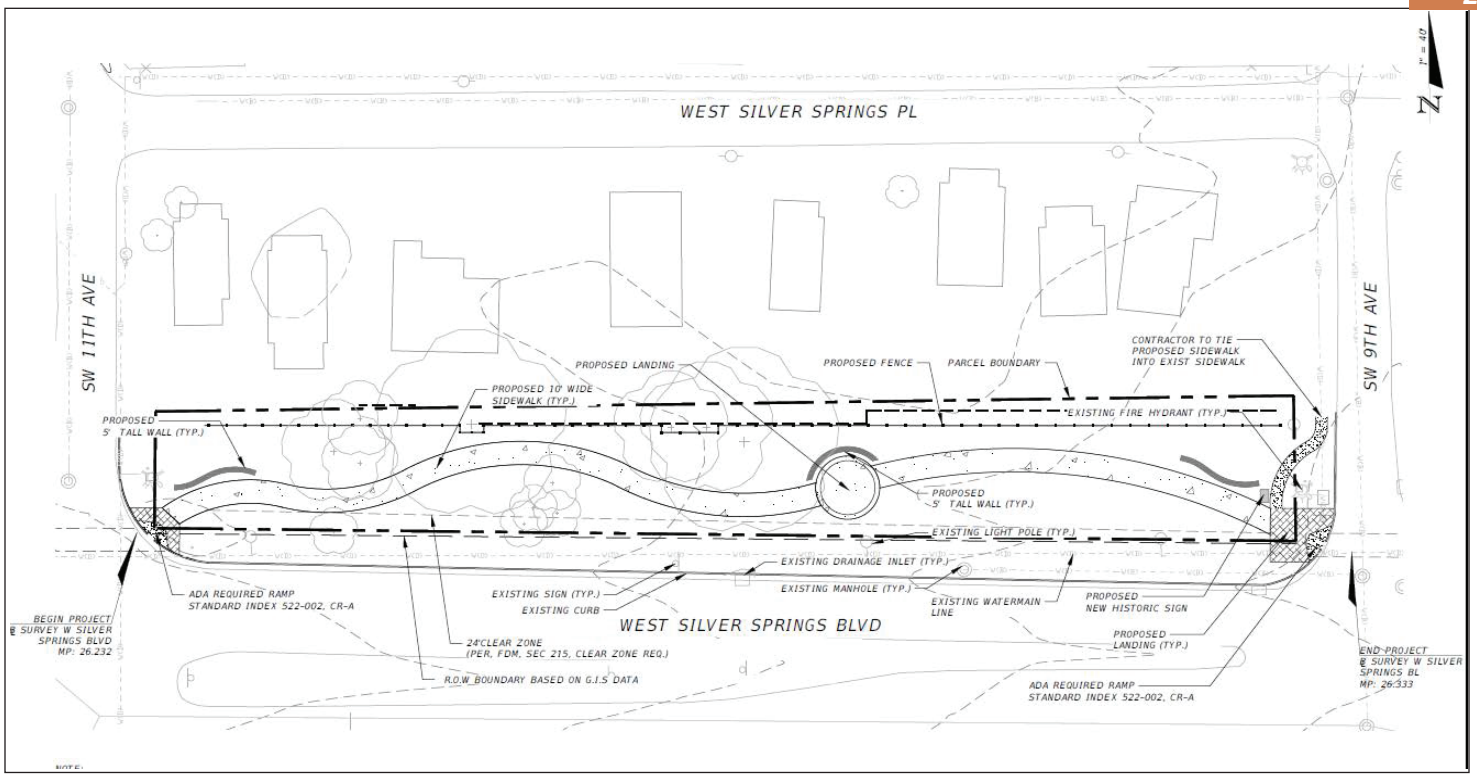
Before



After







Heritage Trail Site Plan



Rendered Conceptual Plan

PROJECT COSTS

Total: $313,291







IMAGINE NORTH MAGNOLIA

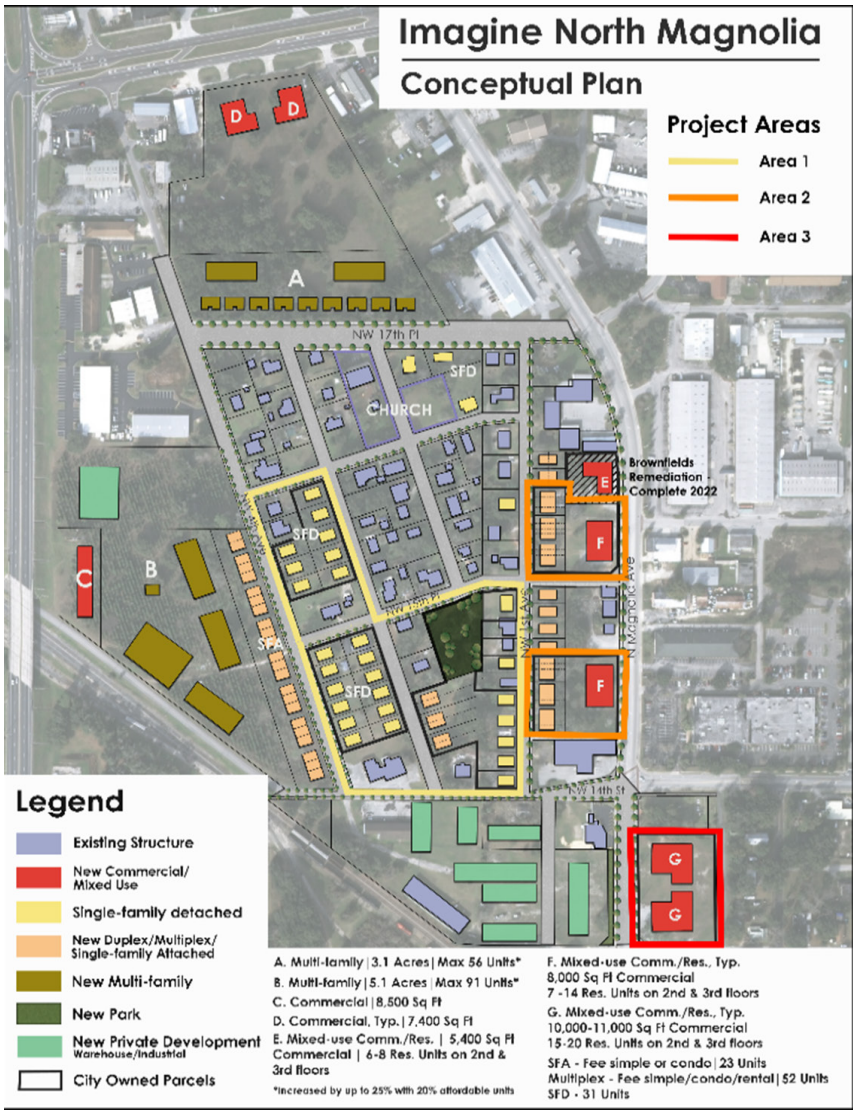
PROJECT DESCRIPTION

In 2012, the CRA identified the Imagine North Magnolia area as a redevelopment project. The intent of the project was to create a balanced, mixed-use community with a focus on re-establishing the residential neighborhood.

The CRA has acquired deteriorating properties to assemble into redevelopment sites. The City, through the CRA, intends to sell the properties and enter into development agreements with builders and developers to redevelop the properties.

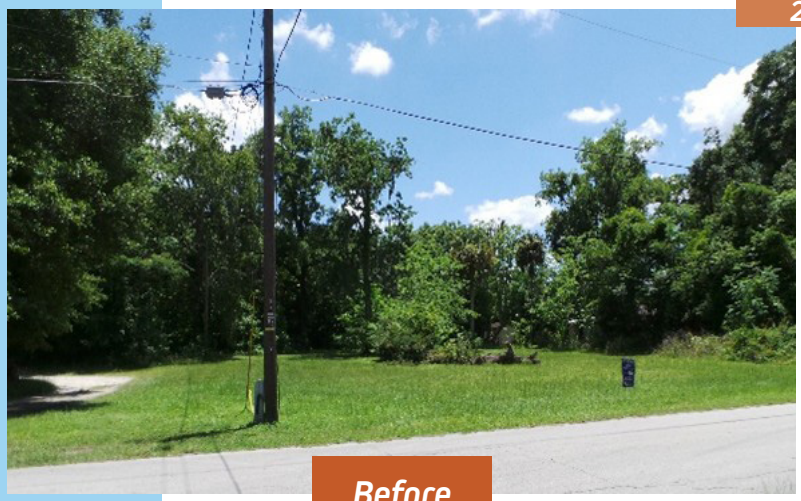
CRA funded infrastructure improvements include:

- street resurfacing
- water
- sewer
- neighborhood park



Neighborhood Park

This project was funded by the CRA and the Recreation and Parks Department. The park will not only provide a much-needed recreation space for the residents in the area, but it also assists in revitalizing the surrounding environment and properties in the Marion Heights communities. The park was officially opened on June 5, 2024, and featured the Ocala Police Department's Polar Patrol and City of Ocala Ranger Urban Wildlife Program.



Before

PROJECT COSTS

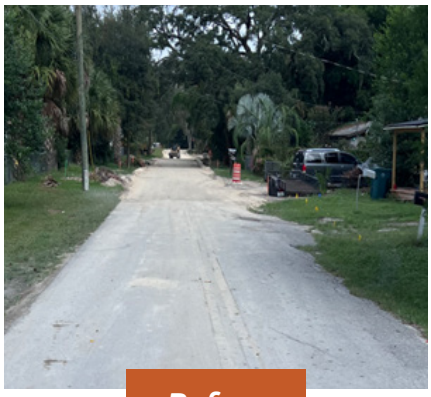
Total: $33,582



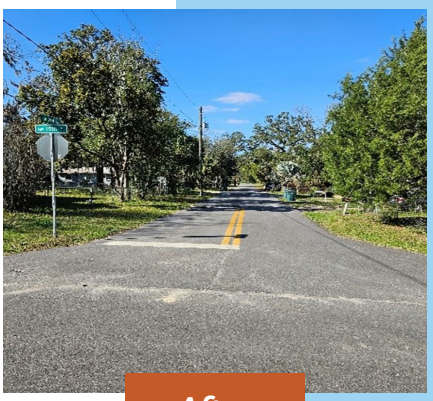


After

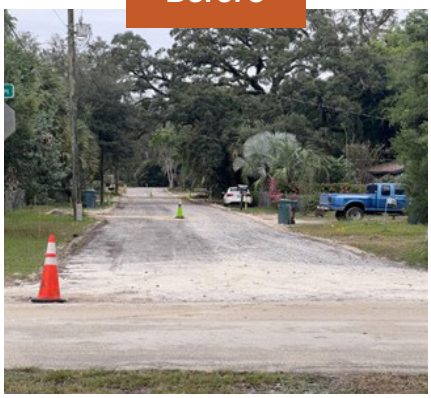


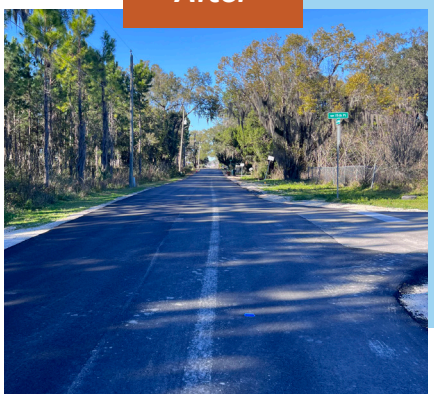


Before



After





Infrastructure Improvements

This project was implemented by the CRA and the Capital Projects Division. The improvements included new sanitary sewer lines, new potable water lines, street widening, street resurfacing, and upgraded street lighting.

PROJECT COSTS

Total: $538,416

Property Acquisition

Parcel 25803-001-00 was acquired in September 2023 at a cost of $15,796, and parcel 25803-001-01 was acquired in August 2024 at a cost of $51,682.

These parcels will be made available for the construction of single-family residential units in the Marion Heights neighborhood.

PROJECT COSTS

(Property Acquisition)

Total: $67,478



Parcel 25803-001-00



Parcel 25814-001-00



DOWNTOWN AND EAST OCALA CRA STREETSCAPE

Intersection of NE Watula Ave. and NE Third St.

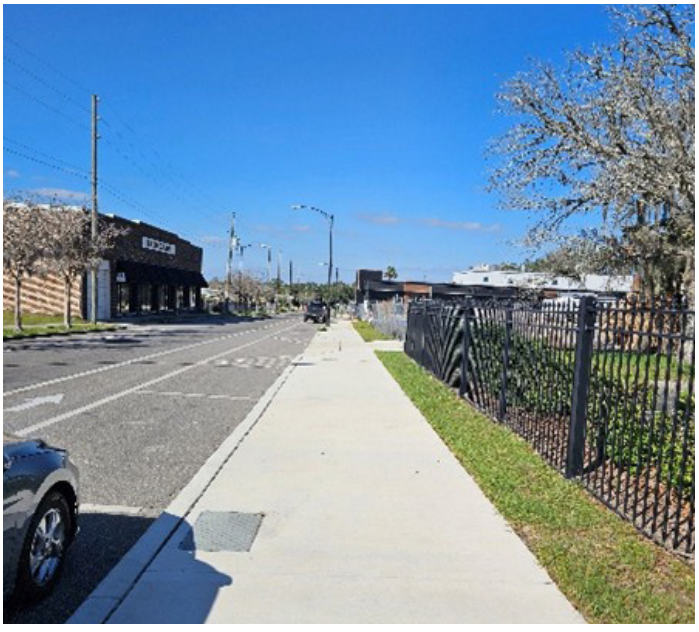
PROJECT DESCRIPTION

This project is part of the continual effort to enhance the East Ocala Downtown and Midtown streetscapes by making pedestrian friendly improvements such as sidewalk widening, lighting, and aesthetic hardscape and landscape. This project aids in economic vitality by supporting new developments with enhanced pedestrian environments. In 2024, projects were completed along NE First Ave. and NE Third St.

PROJECT COSTS

East Ocala CRA: $242,855

Downtown CRA: $112,137

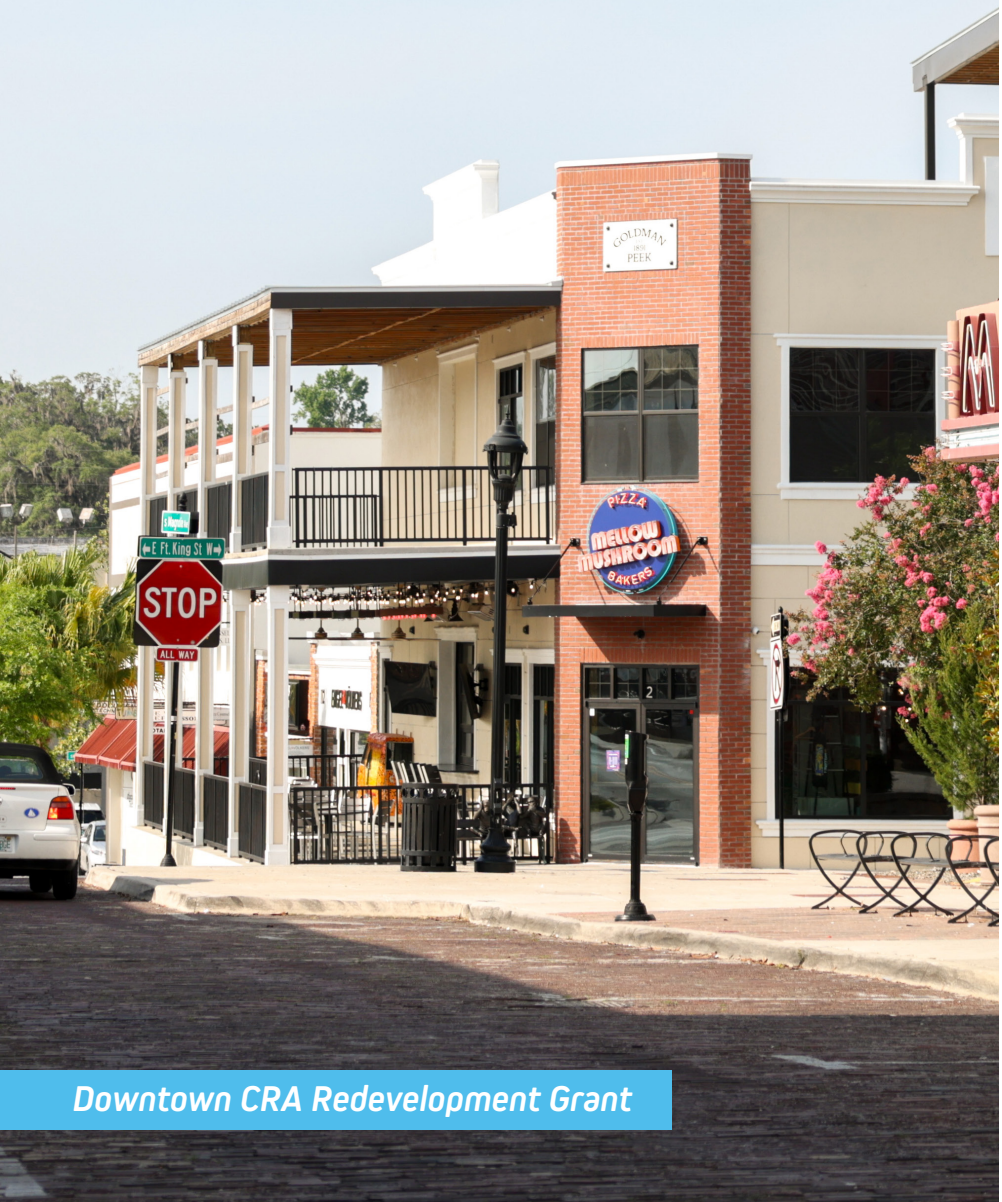


Sidewalk improvements along NE First Ave.



Sidewalk improvements along NE Third St.

COMPLETED GRANT PROJECTS



Downtown CRA Redevelopment Grant

"The CRA program is a blessing to me. I needed repairs on my wooden house, which had been built in 1985, because of the wear and tear of everyday living. This program has provided me with a new house from all the repairs I have undertaken in the last year. I want to thank the CRA Staff (Roberto E., Marie M., and Charlita W.) for all their attention along with the information given through this process. Truly, I feel the staff cares about helping get results from start to finish. God sent to my family this blessing to remain in my home for many many more years because of my new roof, exterior paint, windows, and door replacements."

- North Magnolia CRA Residential Grant Recipient

EAST OCALA CRA

937 NE Seventh St.





Grant Amount: $16,375
Project Description: Property owner replaced the roof, pressure washed, and repainted the building exterior.

948 NE Fourth St.









Grant Amount: $2,000
Project Description: Property owner pressure washed and repainted the exterior of the building.

NORTH MAGNOLIA CRA

1224 N Magnolia Ave.





Grant Amount: $10,000
Project Description: Bay doors were replaced with windows and knee wall. The building was pressure washed and repainted. Exterior doors and windows were replaced.

314 NW 14th St.









Grant Amount: $10,000
Project Description: Parking lot improvements, including adding ADA accessible parking

NORTH MAGNOLIA CRA

1618 NW First Ave.









Grant Amount: $7,362
Project Description: Property owner replaced the shingle roof and made improvements to the building façade, including repairing siding, pressure washing, and repainting.

909 NW Fourth Ave.





Grant Amount: $5,626
Project Description: Property owner completed parking lot improvements and installed exterior LED lights for safety and security.

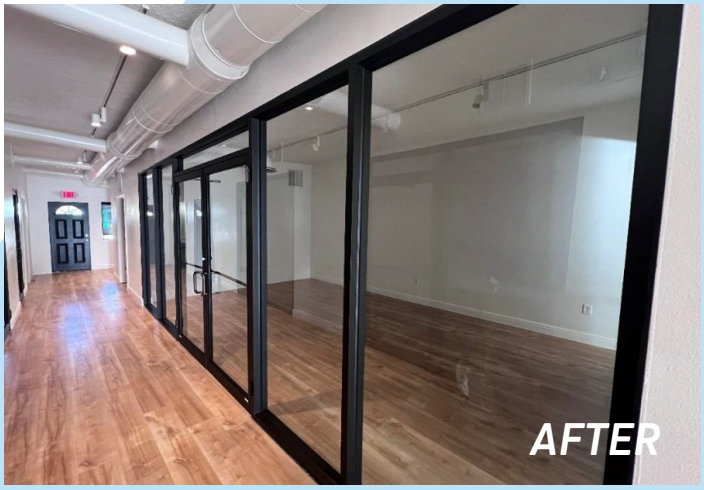
DOWNTOWN CRA

112 S Magnolia Ave.













Grant Amount: $50,000
Project Description: This project was approved for CRA grants across two fiscal years and was completed in phases. The comprehensive improvements included facade improvements and a full interior renovation.

DOWNTOWN CRA

521 S Magnolia Ave.





Grant Amount: $18,150
Project Description: Property owner completed façade improvements including adding a metal awning, repainting, and adding new signage.

DOWNTOWN CRA
REDEVELOPMENT GRANTS

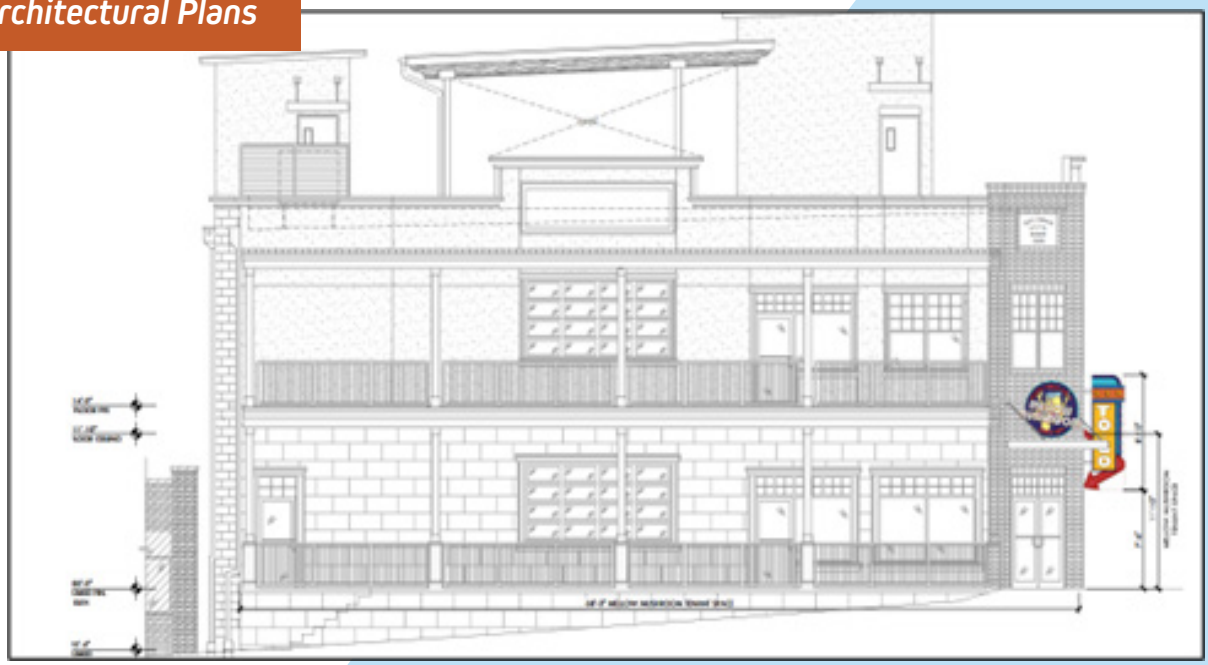
PFLOZ, LLC (Mellow Mushroom)

Project Description: Initially, this project aimed to renovate the building located on the property for retail and commercial purposes, including related improvements and the construction of a shell for a restaurant of approximately 4,700 sq. ft. However, due to significant structural issues, the building was deemed unsafe for renovation. The developer agreed to demolish the building and construct a new structure. Additionally, the City provided streetscape improvements along S. Magnolia Ave.

Development Costs: $2,250,531

Incentives: CRA Grant - $180,000 to be paid over three years
City Fee Contributions - $32,919

Architectural Plans



East Elevation



North Elevation

DOWNTOWN CRA
REDEVELOPMENT GRANTS



East Elevation



North Elevation

DOWNTOWN CRA
REDEVELOPMENT GRANTS

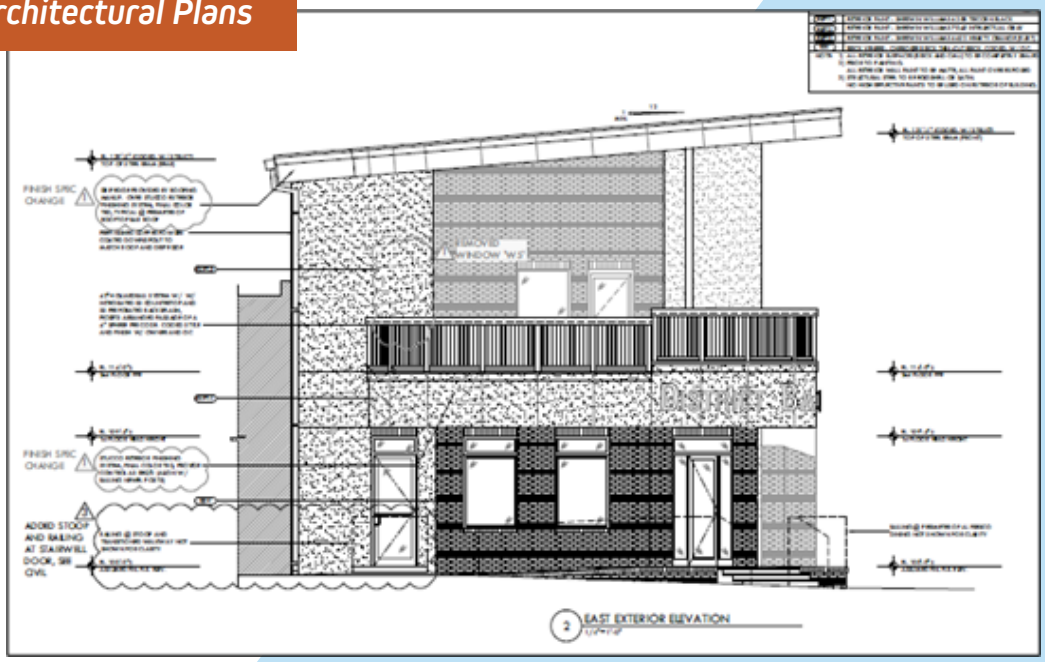
MRL Restaurant Holdings, LLC (District Bar and Kitchen)

Project Description: MRL Restaurant Holdings redeveloped the former Pi on Broadway property by demolishing the previous building and constructing a new one for retail and commercial purposes. The new building includes a finished space for a restaurant of approximately 6,500 sq. ft. The project received a City review contribution and a City grant, which includes Tax Increment Financing (TIF), utility extensions, and other improvements. This project will enhance and activate an additional place of interest and is expected to further stimulate economic development in Downtown Ocala.

Development Costs: $4 million

Incentives: CRA Grant - $150,000 to be paid over 2 years
Tax-Based Incentive - Not to exceed $55,000 over 5 years
Fee Contributions - $18,632

Architectural Plans



East Elevation



North Elevation

DOWNTOWN CRA
REDEVELOPMENT GRANTS

"While our project presented many unique challenges, it was the open communication and guidance from both the public and private sector that helped us build our beautiful restaurant, District Bar and Kitchen..."

- Matthew Larmoyeux, Downtown CRA Commercial Grant Recipient







FINANCIALS

The performance data for the Community Redevelopment Agency (CRA) includes several key metrics. It encompasses the total number of projects initiated and completed, along with the estimated cost for each project. Additionally, it details the total expenditures from the redevelopment trust fund. The data also highlights the original assessed real property values within the CRA's area of authority at the time of its creation, as well as the total assessed real property values within the boundaries of the CRA as of January 1 of the reporting year. This section outlines the total amount spent on affordable housing for both low-income and middle-income residents.



Tuscawilla Park

Property Taxes (Marion County Property Appraiser)

Downtown			
	Base Year	Previous Year	Current Year
Year	1987	2023	2024
Taxable Value	$16,868,783	$125,717,794	$137,185,322

North Magnolia			
	Base Year	Previous Year	Current Year
Year	1987	2023	2024
Taxable Value	$22,392,439	$70,907,869	$79,277,658

West Ocala			
	Base Year	Previous Year	Current Year
Year	2015	2023	2024
Taxable Value	$475,687,550	$697,114,487	$731,209,319

East Ocala			
	Base Year	Previous Year	Current Year
Year	2015	2023	2024
Taxable Value	$208,290,128	$342,305,061	$373,764,081

Tax Increment Revenue

CRA Subarea	FY23	FY24
Downtown	$722,883	$852,213
North Magnolia	$425,537	$514,172
West Ocala	$1,345,227	$1,838,532
East Ocala	$797,927	$1,119,205
Total	**$3,291,574**	**$4,324,122**

Capital Improvement Project Expenditures		
Project Description	**FY23**	**FY24**
Downtown		
Streetscape Improvements	$79,872	$126,030
Wayfinding Downtown Parking Garage	-	$24,220
East Ocala		
Streetscape Improvements	-	$242,855
North Magnolia		
Infrastructure Improvements	-	$538,416
Imagine North Magnolia Park	-	$10,250
Land Acquisition	$16,871	$51,682
West Ocala		
Tucker Hill Affordable Housing Project, Infrastructure improvements Property Purchase, & Platting	$9,000	$60,134
Heritage Trail	-	$24,533
Total	**$105,743**	**$1,078,120**

Debt Servicing	
West Ocala CRAMary Sue Rich Community Center at Reed Place	
Principal	$400,000
Interest	$80,000

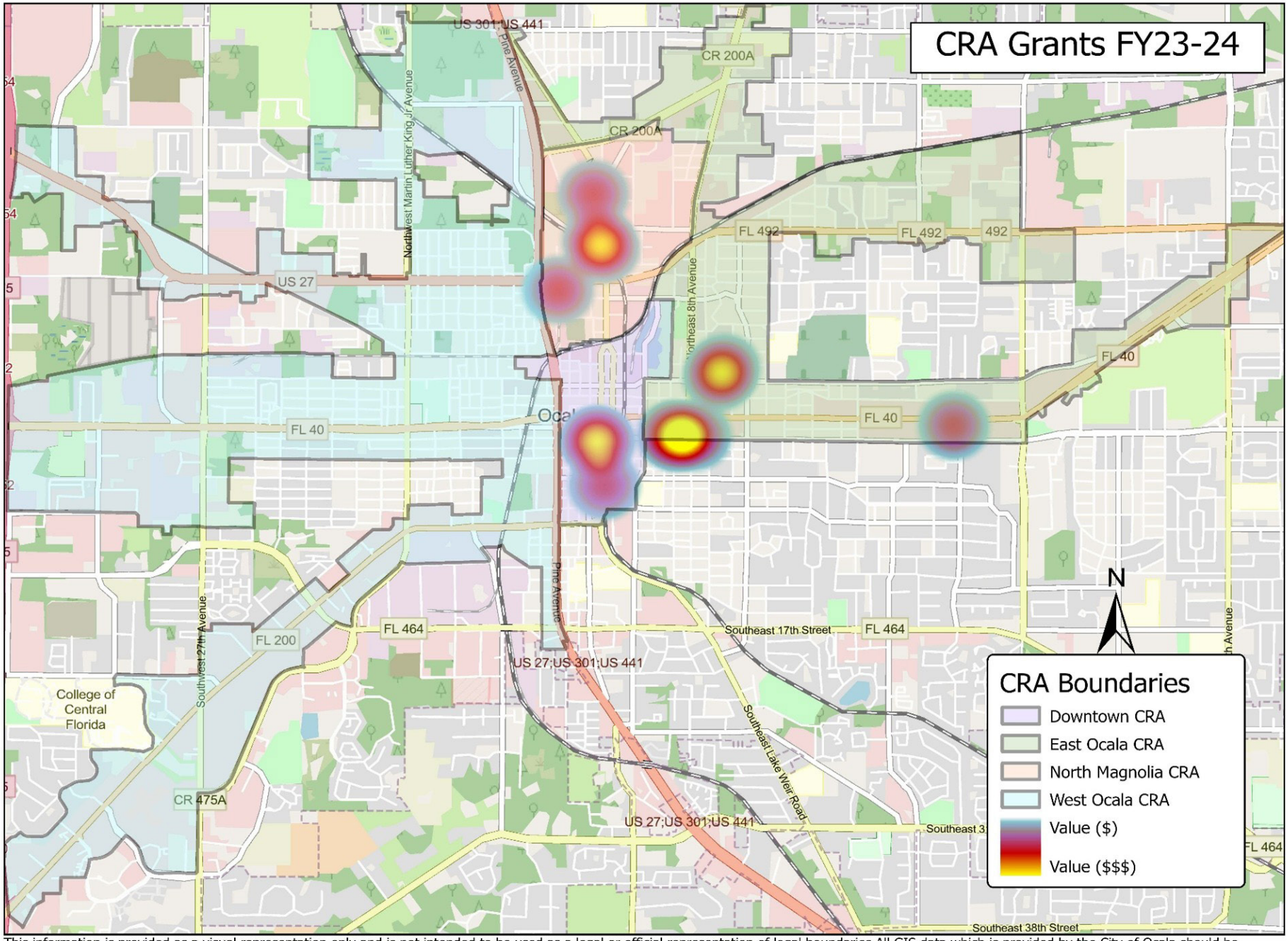
Operating Expenses		
CRA Subarea	**FY23**	**FY24**
Downtown	$41,474	$75,445
North Magnolia	$48,412	$56,648
West Ocala	$30,565	$76,771
East Ocala	$16,091	$50,591
Total	**$136,542**	**$259,455**

Summary of Property Improvement Grants					
CRA Subarea	Approved	Amount	Completed	Grant Amounts Reimbursed	Project Investment Completed
Commercial					
Downtown	2	$64,977	3	$68,150	$161,883
East Ocala	-	-	1	$3,635	$10,000
North Magnolia	3	$25,626	3	$25,626	$68,064
West Ocala	-	-	-	-	-
Residential					
East Ocala	3	$36,048	3	$18,375	$27,293
North Magnolia	2	$25,151	1	$7,362	$9,817
West Ocala	6	$66,370	-	-	-
Affordable Housing					
West Ocala	3	171,928	-	-	-
Historic Building					
East Ocala	1	$17,414	3	$48,228	$92,106
New Construction Incentive					
West Ocala	3	$572,853	-	-	-
Redevelopment Agreement					
Downtown	1	$81,000	1	$60,000	$2,250,531
TOTAL	**24**	**$1,061,367**	**15**	**$231,377**	**$2,619,694**

Note: Grant projects typically extend into the next fiscal years. For example, grants approved in FY 2024 may not be completed until FY 2025 and grants completed FY 2024 may have started in FY 2023.

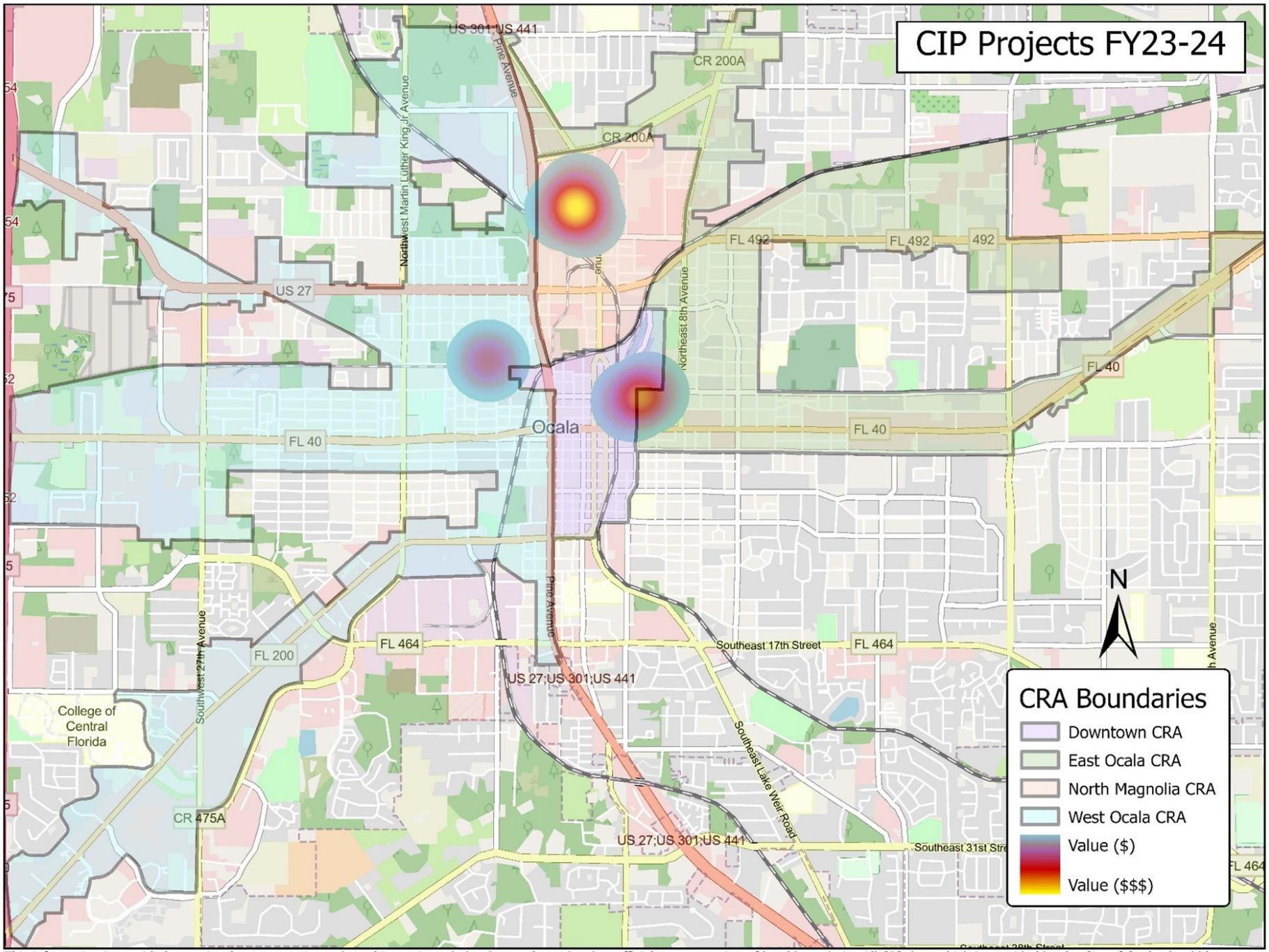
Cumulative Summary of Completed Property Improvement Grants			
CRA Subarea	**FY19-FY24**	**Grant Amounts Reimbursed**	**Total Project Investment (Completed)**
Commercial			
Downtown	29	$558,150	$2,865,582
East Ocala	18	$100,400	$717,177
N Magnolia	33	$179,504	$349,017
West Ocala	10	$83,476	$153,327
Residential			
East Ocala	6	$20,875	$33,328
North Magnolia	2	$10,961	$14,616
West Ocala	-	-	-
Historic Building			
East Ocala	5	$90,496	$170,106
Redevelopment Agreement			
Downtown	1	$60,000	$2,250,531
TOTAL	**104**	**$1,103,862**	**$6,553,684**

M:\GIS\Department\IT\Evan\EconomicDev\CRAS\HeatMaps



This information is provided as a visual representation only and is not intended to be used as a legal or official representation of legal boundaries.All GIS data which is provided by the City of Ocala should be considered a generalized spatial representation which may be subject to revisions. The feature boundaries are not to be used to establish legal boundaries.

M:\GIS\Department\IT\Evan\EconomicDev\CRAS\HeatMaps



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GLOSSARY OF TERMS

Architectural Character: Regards buildings, the features, and design elements of the building that creates a particular style or function.

Building facades: The exterior walls of a building that occur along a lot frontage on a public street or park that define the public realm.

Capital improvement or "capital project expenditure: Those activities relating to the acquisition, restoration, public access, and recreational uses of such lands, water areas, and related resources deemed necessary to accomplish redevelopment. Eligible activities include but are not limited to: the initial removal of invasive plants; the construction, improvement, enlargement or extension of facilities' signs, fire lanes, access roads, and trails; or any other activities that serve to restore, conserve, protect, or provide public access, recreational opportunities, or necessary services for land or water areas.

Community Redevelopment Agency: A special district created by a local (city or county) government to carry out redevelopment activities in a specifically defined geographic area.

Community Redevelopment Area: A slum area, a blighted area, or an area in which there is a shortage of housing that is affordable to residents of low or moderate income, including the elderly, or a coastal and tourist area that is deteriorating and economically distressed. This term may be used to reference one or more designated areas.

Infill development: Structures placed in a vacant area or on a vacant parcel between existing structures, especially in urban settings or city centers.

Streetscape: The beautification of a roadway that may include landscaping and improved pedestrian facilities.

Special District: A unit of local government created for a special purpose, as opposed to a general purpose, which has jurisdiction to operate within a limited geographic boundary and is created by general law, special act, local ordinance, or by rule of the Governor and Cabinet.

Tax increment Financing: A mechanism that utilizes increases in property taxes from a base year (the creation of the CRA) and holds them in a redevelopment trust fund. Ideally the CRA, through its activities, induces greater increases in property values.



APPENDIX A

FISCAL YEAR 2024 CRA AUDITOR'S REPORT

2024

Ocala Community Redevelopment Agency

Financial Statements and Independent Auditor's Report

September 30, 2024

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

OCALA COMMUNITY REDEVELOPMENT AGENCY
OCALA, FLORIDA

SEPTEMBER 30, 2024

TABLE OF CONTENTS

Independent Auditor's Report 1-3

Management's Discussion and Analysis 4-8

Financial Statements
Statement of Net Position and Governmental Fund Balance Sheet 9
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance 10
Notes to Financial Statements 11-20

Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual 21

Other Reports
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* 22-23
Independent Accountant's Report on Compliance with Sections 163.387(6) and (7), Florida Statutes 24
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes 25
Management Letter 26-32

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, Florida

Opinions
We have audited the accompanying financial statements of the governmental activities and the major fund of the Ocala Community Redevelopment Agency (the CRA), a component unit of the City of Ocala, Florida (the City) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA's 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 CRA as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 (MD&A) and the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and the budgetary comparison 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 MD&A and the budgetary comparison information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 26, 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 the CRA's internal control over financial reporting and compliance.

Purvis Gray

March 26, 2025
Ocala, Florida

OCALA COMMUNITY REDEVELOPMENT AGENCY
CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

This supplement to the Independent Auditor's Report and Financial Statements has been developed in accordance with Governmental Accounting Standards Board Statement No. 34. It is intended to provide the readers of this report with a general overview of the financial activities of the Ocala Community Redevelopment Agency (the CRA). The CRA provides the following discussion and analysis of the CRA's financial activities for the fiscal year ended September 30, 2024. Management's Discussion and Analysis is designed to: (a) assist the reader to focus on significant financial issues, (b) provide an overview of the CRA's financial activities, (c) identify changes in the CRA's financial position, (d) identify material deviations from the financial plan, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

The CRA

The CRA is comprised of four subareas: Downtown, North Magnolia, West Ocala, and East Ocala. The CRA was created pursuant to Chapter 163.356, Florida Statutes, City Ordinance 2009, and City Resolutions 88-37, 88-52, and 89-44. The West Ocala and East Ocala subareas were created by the revised City Ordinance 2016-2 and City Resolutions 2016-1 and 2016-4. The Governing Board of the CRA is the City Council (the Council). The City of Ocala, Florida (the City) is responsible for the CRA's operations; therefore, the City exercises significant influence over its operations and fiscal management. The CRA is considered a component unit for financial reporting purposes and is presented as a blended major governmental fund within the City's overall basic financial statements.

The financial statements are presented for the purpose of complying with state law, specifically Florida Statutes, Section 163.387(8)(a), which requires separate audited financial statements for each Ocala Community Redevelopment Agency that has revenues or expenditures that exceed $100,000.

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by $5,110,233.
- The CRA's fund balance increased by $3,375,511 as a result of 2024 operations.
- Revenues for fiscal year 2024 were $2,528,453, while expenditures totaled $1,650,123. In addition, the CRA transfers funds to the City's general fund to cover the payroll-related expenditures and liabilities, which are allocated to the CRA based on the actual work performed by the City employees. Transfers for fiscal year 2024 totaled $91,573.
- For the period ended September 30, 2024, actual revenues were more than budgeted revenues by $863,227, while actual expenditures were $7,561,851 less than budgeted expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of the following four (4) components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information

Government-Wide Financial Statements

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

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

The *Statement of Activities* presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements listed above distinguish functions of the CRA that are principally supported by ad-valorem taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activity of the CRA is community redevelopment.

The government-wide financial statements include only the activities of the CRA. However, the CRA is considered a blended component unit the City and, as such, the financial information of the CRA is included in the City's Annual Comprehensive Financial Report for each fiscal year.

Fund Financial Statements
A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

Special Revenue Funds
Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The CRA's expendable financial resources and the related liabilities are accounted for through a special revenue fund.

Restricted Fund Balance
Fund balance should be reported as *restricted* when constraints are placed on the use of resources such as enabling legislation, which authorizes the government to access, levy, charge, or otherwise mandate payment of resources.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information
Included in this section of the report is the Budgetary Comparison Schedule.

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the CRA's financial position. In the case of the CRA, assets exceeded liabilities by $5,110,233 (net position) as of the close of the most recent fiscal year, an increase of $3,375,511 compared to the prior year. This increase was primarily due to significant budgeted project expenditures not occurring in the prior year.

The following table reflects a summary of the *Statement of Net Position* for the current and prior year:

Ocala Community Redevelopment Agency

	2024	2023
Assets		
Equity in Pooled Cash and Investment Fund	$ 11,156,930	$ 8,144,131
Accrued Interest Receivable	44,855	23,941
Prepaids	395	1,435
Total Assets	11,202,180	8,169,507
Liabilities and Fund Balances		
Liabilities		
Accounts Payable and Accrued Liabilities	91,947	34,785
Due to Primary Government	400,000	400,000
Interfund Advances Payable to Primary Government	5,600,000	6,000,000
Total Liabilities	6,091,947	6,434,785
Net Position		
Restricted	7,063,236	5,541,151
Unrestricted	(1,953,003)	(3,806,429)
Total Net Position	$ 5,110,233	$ 1,734,722

Statement of Activities
The following table reflects the *Statement of Activities* for the current and prior year:

Ocala Community Redevelopment Agency

	2024	2023
Revenues		
Property Tax	$ 1,665,227	$ 1,268,761
Investment Income (Loss)	843,231	315,911
Miscellaneous	19,995	70,216
Total Revenues	2,528,453	1,654,888
Expenses		
Current:		
Economic Environment	596,223	329,183
Total Expenses	596,223	329,183
Excess of Revenues Over Expenses	1,932,230	1,325,705
Transfers and Capital Contributions		
Transfers In from Primary Government	2,588,754	1,957,175
Transfers Out to Primary Government	(91,573)	(79,161)
Capital Outlay Contributed to Primary Government	(1,053,900)	(320,302)
Total Transfers and Capital Contributions	1,443,281	1,557,712
Net Change in Net Position	3,375,511	2,883,417
Net Position, Beginning of Year	1,734,722	(1,148,695)
Net Position, End of Year	$ 5,110,233	$ 1,734,722

As of the end of the fiscal year 2024, the CRA's net position was $5,110,233, an increase of $3,375,511 from the prior year. This increase was attributed to various construction projects that were expected, but the related expenses did not occur yet in the current year and are expected to be completed in future years.

Financial Analysis of the CRA's Funds

Governmental Funds

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

The CRA's fund balance of $7,062,841 is restricted for redevelopment projects within the CRA district. Additionally, $395 is reported as non-spendable. The deficit fund balance of $1,953,003 is unrestricted.

Property taxes totaling $4,253,981 represented approximately 83% of all revenues. This amount includes both Marion County and the City's portion of the tax increment financing revenues, which amounts to $1,665,227 and $2,588,754, respectively. Property tax revenue increased $1,028,045, or 32% from the previous year. The increase in tax increment financing revenues received by the CRA in the current year resulted from increased property values within the CRA district.

Capital Assets and Debt Administration

The CRA's capital assets are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements. Capital asset activity for the year ended September 30, 2024, can be found in the City's audited financial statements.

The CRA has two interfund advances payable, involving the West Ocala and Downtown subareas and multiple funds of the City. The interfund advances payable are related to redevelopment projects within each subarea's boundaries. Additionally, both interfund advances payable were approved through City Budget Resolutions. For further detail regarding the CRA's interfund advances payable, see Note 5.

Budgetary Highlights

An annual budget is prepared for the CRA and approved by the Council and adopted through a Budget Resolution. The legal level of control is maintained at the fund level. During 2024, the Council approved a supplemental budget appropriation to provide for unanticipated requirements of the period. This appropriation caused an increase from the original budget of $5,427,192 for expenditures, and a decrease of $82,690 for total revenues. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of the fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles.

Economic Factors and Future Developments

The CRA will continue to plan projects and infrastructure improvements that align with its redevelopment priorities for the designated subareas within the district. The CRA will continue to implement the community's shared development goals through its redevelopment strategies and critical tasks.

Request for Information

This financial information is designed to present users with a general overview of the CRA's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 201 SE 3rd Street, Ocala, Florida 34471, or telephone (352) 629-2489.

FINANCIAL STATEMENTS

OCALA COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2024

	Special Revenue Fund	Adjustments (Note 2)	Statement of Net Position
Assets			
Equity in Pooled Cash and Investment Fund	$ 11,156,930	$ -	$ 11,156,930
Accrued Interest Receivable	44,855	-	44,855
Prepaids	395	-	395
Total Assets	11,202,180	-	11,202,180
Liabilities			
Accounts Payable and Accrued Liabilities	49,326	-	49,326
Due to Primary Government	400,000	-	400,000
Interfund Advances Payable to Primary Government	5,600,000	-	5,600,000
Retainage on Contracts	42,621		42,621
Total Liabilities	6,091,947	-	6,091,947
Fund Balance			
Non-Spendable	395	(395)	-
Restricted	7,062,841	(7,062,841)	-
Unassigned	(1,953,003)	1,953,003	-
Total Fund Balance	5,110,233	(5,110,233)	-
Total Liabilities and Fund Balance	$ 11,202,180		
Net Position			
Restricted for:			
Community Redevelopment Projects		7,063,236	7,063,236
Unrestricted		(1,953,003)	(1,953,003)
Total Net Position		$ 5,110,233	$ 5,110,233

See accompanying notes.

OCALA COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SEPTEMBER 30, 2024

	Special Revenue Fund	Adjustments (Note 2)	Statement of Activities
Revenues			
Property Taxes	$ 1,665,227	$ -	$ 1,665,227
Investment Income	843,231	-	843,231
Miscellaneous	19,995	-	19,995
Total Revenues	2,528,453	-	2,528,453
Expenditures/Expenses			
Current:			
Economic Environment	516,223	-	516,223
Capital Outlay	1,053,900	(1,053,900)	-
Debt Service:			
Interest	80,000	-	80,000
Total Expenditures/Expenses	1,650,123	(1,053,900)	596,223
Excess of Revenue Over Expenditures/Expenses	878,330	1,053,900	1,932,230
Other Financing Sources (Uses)			
Capital Outlay Contributed to Primary Government	-	(1,053,900)	(1,053,900)
Transfers In from Primary Government	2,588,754	-	2,588,754
Transfers Out to Primary Government	(91,573)	-	(91,573)
Total Other Financing Sources (Uses)	2,497,181	(1,053,900)	1,443,281
Net Change in Fund Balance/Net Position	3,375,511	-	3,375,511
Fund Balance/Net Position, Beginning of Year	1,734,722	-	1,734,722
Fund Balance/Net Position, End of Year	$ 5,110,233	$ -	$ 5,110,233

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
OCALA COMMUNITY REDEVELOPMENT AGENCY
OCALA, FLORIDA
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

The Ocala Community Redevelopment Agency's (the CRA) financial statements are prepared in accordance with generally accepted accounting principles, as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

The CRA was created pursuant to Chapter 163.356, Florida Statutes, City Ordinance 2009, and City Resolutions 88-37, 88-52, and 89-44. The West Ocala and East Ocala subareas were created by the revised City Ordinance 2016-2 and City Resolutions 2016-1 and 2016-4. The purpose of the CRA is to establish the redevelopment priorities and carry out the activities for the designated geographic boundaries within the CRA subareas. The Governing Board of the CRA is the City Council (the Council). The City of Ocala, Florida (the City) is responsible for the CRA's operations; therefore, the City exercises significant influence over its operations and fiscal management. The CRA is considered a component unit for financial reporting purposes and is presented as a blended major governmental fund within the City's overall basic financial statements.

Financial Statements

The financial statements are presented for the purpose of complying with state law, specifically Florida Statutes, Section 163.387(8)(a), which requires separate audited financial statements for each Community Redevelopment Agency that has revenues or expenditures that exceed $100,000.

Entity-wide financial statements are prepared at the City-wide level by the City and include the CRA. Copies of that report can be obtained from the City's Office of Budget and Finance.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

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

Considering that the fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

Tax increment financing revenue, when levied, for and interest associated with the current fiscal period, are both considered to be measurable and have been recognized as revenues of the current fiscal year, if available.

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

The special revenue fund is used to account for all financial resources received by the CRA. The special revenue fund serves as the primary operating fund of the CRA. The CRA does not have any non-major funds.

Budgetary Requirements

An annual budget is prepared for all funds of the City, including the CRA. The budget amounts presented in the accompanying financial statements are as originally adopted, or as legally amended, by the Council during the year ended September 30, 2024. The City Manager is authorized to transfer budgeted amounts within the fund; however, any budget amendments that alter the total expenditures of the fund must be approved by the Council. During 2024, the Council approved supplemental budget appropriations to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles. The budgetary comparisons reflect only those activities for which legally adopted budgets are prepared. For the year ended September 30, 2024, no expenditures exceeded the budget at the fund level for the CRA.

Assets, Liabilities, and Net Position

Equity in Pooled Cash and Investments

The CRA participates in the City's pooled cash investment fund, which allows the CRA to pool monies with the various funds of the City for investment purposes. Interest income earned as a result of pooling is allocated to the CRA based on its equity in the pool at the end of each month. All investments are stated at fair value, based on quoted market prices at the end of the fiscal year.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). The CRA's capital assets are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements. Capital asset activity for the year ended September 30, 2024, can be found in the City's audited financial statements. As the capital assets are retained by the City, the CRA contributes capital to the general fund for capital outlay related to the CRA's redevelopment and infrastructure projects.

Interfund Activity and Contributions

During the course of normal operations, the CRA has various transactions with other funds. Interfund transactions are reflected as loans or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Interfund payables and receivables are non-interest bearing. Interfund advances are liquidated in accordance with the Council's resolution and

may bear interest. All other interfund transactions are treated as transfers. Transfers between the CRA and other governmental or proprietary funds are netted as part of the City's reconciliation to the government-wide presentation. For further detail, see Note 5.

The CRA transfers funds to the general fund to cover a portion of payroll-related expenses and liabilities incurred by City employees for work performed for the CRA.

Capital outlay is contributed by the CRA to the general fund for capital outlay incurred for the CRA's redevelopment and infrastructure projects.

Nature and Purpose of the Fund Balance

In the fund financial statements, the governmental fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. 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 Council through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the CRA's intent to be used for specific purposes, but are neither restricted nor committed, are classified as assigned fund balances. Assignments are made by the Council or the City Manager. 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 fund balance that is not restricted, committed, or assigned to specific purposes within the CRA.

Unspent tax increment financing revenues are restricted for future redevelopment projects and are reported as restricted fund balance in the financial statements. Unassigned fund balance, if any, represents fund balance that has not been restricted, committed, or assigned to specific purposes within the CRA.

Net Position

The government-wide statements utilized a net position presentation. Restricted net position are unspent tax increment financing revenues that are restricted for future redevelopment projects. Unrestricted net position represents the net position of the CRA that is not restricted for any project or purpose.

Other Significant Accounting Policies

Use of Estimates

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

Payroll-Related Expenses and Liabilities

The employees that manage or are involved in day-to-day operations of the CRA are employees of the City. The actual payroll-related expenses and liabilities of these employees are covered by the CRA through a transfer of funds to the general fund. The payroll expenses for the fiscal year ended September 30, 2024, are reported in the City's audited financial statements.

Note 2 - Explanation of Certain Differences Between the Government-Wide and Fund Financial Statements

Statement of Net Position and Governmental Fund Balance Sheet

The statement of net position and governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position.

Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance

The statement of activities and governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between the capital outlay of the governmental fund and the capital outlay contributed to the primary government as reported in the government-wide statement of activities.

Note 3 - Cash, Cash Equivalents, and Investments

Equity in Pooled Cash and Investments

The CRA participates in the City's cash and investment pool. At September 30, 2024, the carrying amount of the CRA's deposits was $11,156,930. The City's deposits, consisting of interest and non-interest-bearing accounts, are entirely insured by federal deposit insurance or by collateral held by the City's agent pursuant to the *Florida Security for Public Deposits Act* (the Act) as required by Chapter 280, Florida Statutes. Additionally, the City's deposits are held by a bank that qualifies as a public depository, pursuant to the same Act. All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. Qualified public depositories are required to assume mutual responsibility against loss caused by default or insolvency of other qualified public depositories.

Cash equivalents consist of:

- Amounts placed with the State Board of Administration (SBA) for participation in the Local Government Surplus Funds Trust Fund are reported at net asset value (NAV). As of September 30, 2024, the Florida PRIME investment pool had a weighted average maturity of 39 days and is reported at amortized cost under Governmental Accounting Standards Board (GASB) Statement No. 79. There are no withdrawal restrictions, but the executive director may temporarily limit transactions for up to 48 hours in the event of liquidity or operational disruptions.

- Investments in the Florida Fixed Income Trust (FL-FIT) and Florida Surplus Asset Fund Trust (FL SAFE) follow Florida Investment Statutes and aim to provide stable returns with low volatility. FL SAFE investments qualify for amortized cost measurement under GASB Statement No. 79 and are not subject to fair value hierarchy under GASB Statement No. 72. The Trustees may temporarily suspend redemptions under specific conditions, such as national emergencies or market disruptions, but this does not affect ownership or accrued interest. Participants may withdraw redemption requests or receive payment based on the post-suspension NAV.

Investments

The CRA's investments follow the City's investment guidelines, as defined by the City Ordinance and the written investment policy that is approved by the Council. The investment policy specifies limits by instrument and issuer (within instrument) and establishes a diversified investment strategy, minimum credit quality, and authorized institutions available as counterparties. Implementation and direction of investment strategies, within policy limits, are established by an internal investment committee and managed by external financial manager.

The fair values of the CRA's fixed maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest rate-sensitive instruments may also be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, duration of the instrument, and other general market conditions.

A. Derivatives

The CRA has no derivative instruments in its portfolio at September 30, 2024. Pursuant to the City's investment policy guidelines, derivative instruments are authorized, but limited in use if only the Chief Financial Officer has sufficient understanding or expertise.

B. General Investment Guidelines

The City's comprehensive investment policy was adopted on December 8, 1992, and amended on September 5, 1995 and September 17, 2013. Pursuant to Section 218.415, the investment policy establishes permitted investments, asset allocation limits, issue limits, credit rating requirements, and maturity limits to protect the cash and investment assets. The City's investment policy allows for the following investments: local government investment pools, United States government securities, United States government agency securities, federal instrumentalities, interest bearing time certificates of deposit or saving accounts, repurchase agreements, commercial paper, bankers' acceptances, state and/or local government taxable and/or tax exempt debt, money market mutual funds, intergovernmental investment pools, corporate obligations or corporate notes, collateralized mortgage obligations, mortgage-backed securities, asset-backed securities, Yankee securities, Eurodollar securities, money market mutual funds, bond funds, and any investment security authorized by Florida Statute 218.415.

The City's investment policy also requires that investments be rated as follows: corporate notes, state and local government debt, general obligation or revenue bonds rated BBB by Standard & Poor's (S&P) or Moody's Rating Services (Moody's); commercial paper rated at least Prime-2 by Moody's or A-3 by S&P; mortgage and ABS rated AAA or equivalent by Moody's or S&P; or money market mutual funds comprised of only those investment instruments authorized in the policy. The City's policy does not require a minimum rating for U.S. Government securities, agencies, or federal instrumentalities.

C. Third-Party Portfolio Managers

Pursuant to the City's investment policy, third-party managers were set up in the following investment pool tiers:

- Pool I (short-term investments) duration of one to three years.
- Pool II (short intermediate investments) duration of one to five years.
- Pool III (intermediate investments) duration of one to ten years.

The City's independent advisors provide performance measurement services, which: (a) compares individual manager performances to their respective monthly index, (b) compares manager performance to their respective industry peer group quarterly, and (c) reviews portfolio compliance. Each manager has a goal of exceeding their respective benchmark, net of fees, over a market cycle. Each manager has an individual policy limitation that, when combined, does not exceed 10% for each sector. The effective duration of the portfolio shall not exceed 120%, nor be less than 50% of the target benchmark.

The benchmarks for each portfolio were chosen to better reflect the investments held in the account. Pool I is measured against Bank of America Merrill Lynch 1-3 Year Unsubordinated U.S. Treasury/Agencies index, Pool II is benchmarked against Bank of America Merrill Lynch 1-5 Year Government/Corporate index, and Pool III is compared to the Bank of America Merrill Lynch 1-10 Year Domestic Master index.

Security Type	Average Rating	Fair Value	Effective Duration
Carrying Value of Cash	N/A	$ 1,655,418	N/A
Treasury Investment Portfolio	AA+	5,720,667	2.66 years
SBA Florida PRIME	AAAm	1,646,833	81 days
FL-FIT	AAAf/S1	1,650,436	305 days
FL SAFE	AAAm	483,576	57 days
Total		$ 11,156,930	1.43 years

The CRA utilizes "effective duration" as a measurement of interest rate risk and as of September 30, 2024, the Treasury investment portfolio had an overall effective duration of 1.43 years. The Treasury investment portfolio had the following investment types and effect duration presented in terms of years at September 30, 2024.

Security Type	Average Rating	Fair Value	Weighted Average Maturity Years
U.S. Treasury Bond/Note	AA+	$ 2,409,039	2.5
Federal Agency Bond/Note	AA	286,941	0.69
Mortgage Backed Pass-Through Security	AA+	724,763	6.18
Corporate Notes	A+	1,851,239	1.81
ABS/CMBS	AAA	398,146	0.62
GSE Collateralized Mortgage Obligations	AA	5,755	0.00
Municipal Bond/Note	AA+	4,158	0.75
Money Market Mutual Fund	A-1	40,626	0.00
Total Treasury Portfolio - Pools I, II, and III		$ 5,720,667	2.50

D. Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value.

The City's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of bond reserves, construction funds, and other non-operating funds, "core funds," shall have a term appropriate to the need for the funds and in accordance with debt covenants, but in no event shall exceed seven years. No more than 50% of the City's total investment portfolio shall be placed in securities maturing more than three years.

E. Credit Risk

Credit risk is the risk that an issuer of a debt security will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating to each debt security by a nationally recognized credit rating agency. The City's investment policy limits investments to those described above.

F. Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the CRA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, except for certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the federal government, the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts, and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

As of September 30, 2024, the CRA's investment portfolio was held with a third-party custodian as required by the City's investment policy.

G. Concentration of Credit Risk

Assets held are diversified to control the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, a specific instrument, a class of instruments, or a dealer through whom these instruments are bought and sold.

The City's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the CRA's investment portfolio and must be observed by investment managers.

	Sector Allocations		Individual Issue/
	Minimum	Maximum	Fund Limit
U.S. Treasury and Federal Agencies	35%	None	None
Corporate Debt Obligations	None	50%	5%
Mortgage/Asset Backed Securities	None	30%	5%
Municipal Securities	None	20%	5%
Certificates of Deposit	None	20%	5%
Repurchase Agreements	None	25%	15%
Local Government Investment Pools	None	25%	25%
Participation in Collateral or Otherwise Collateralized Debt Instruments (Issuer Level)	None	20%	5%
Participation in Collateral or Otherwise Collateralized Debt Instruments (Security Level)	None	None	5%
Money Market Mutual/Trust	None	30%	15%
Yankee and Euro Dollars Securities	None	15%	3%

As of September 30, 2024, the CRA's investment portfolio was in compliance with all diversification requirements of the City's investment policy.

H. Foreign Currency Risk

The CRA is not exposed to this type of risk.

I. Fair Value Measurement

The CRA measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The GASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- **Level 1:** Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the CRA has the ability to access.

- **Level 2:** Investments whose inputs – other than quoted market prices – are observable either directly or indirectly.

- **Level 3:** Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The CRA does not have any investments that are measured using Level 3 inputs.

The following table summarizes the CRA's investments within the fair value hierarchy at September 30, 2024:

	Fair Value	Level 1	Level 2
U.S. Treasury Bond/Note	$ 2,409,039	$ 2,409,039	$ -
Federal Agency Bond/Note	286,941	-	286,941
Mortgage Backed Pass-Through Security	724,763	-	724,763
Corporate Notes	1,851,239	-	1,851,239
ABS/MBS	398,146	-	398,146
GSE Collateralized Mortgage Obligations	5,755	-	5,755
Municipal Bond/Note	4,158	-	4,158
Total Investments at Fair Value	$ 5,680,041	$ 2,409,039	$ 3,271,002
Investment Measured at NAV			
Money Market Mutual Fund	40,626		
	$ 5,720,667		

Debt securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

Note 4 - Tax Increment Financing Revenue

The CRA is primarily funded through tax increment financing revenue. The tax increment revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations within the designated CRA districts, using the year in which they were established as the "base year." The City and Marion County are required to contribute the following percentages of the incremental property taxes levied each year to the four subareas:

	City of Ocala	Marion County
Downtown	95%	95%
North Magnolia	95%	95%
West Ocala	75%	75%
East Ocala	75%	75%

Note 5 - Interfund Activity

As of the close of the most recent fiscal year, the CRA had three interfund advances payable. These advances, between the West Ocala subarea and the City's General Fund, Water Resources Fund, and Electric Fund, were approved by Budget Resolution 2019-180 for the construction of the Ocala Community Center at Reed Place, which is located within the West Ocala subarea. Annual principal and interest payments of $480,000 are to be made over 20 years at a 2% interest rate.

The following tables reflect the interfund advances payable and amounts due to the primary government for the current year:

Interfund Advances Payable to Primary Government

Subarea	Project Description	September 30, 2024 Balance	Interest Rate
West Ocala	Community Center Construction	$ 5,600,000	2.0%
		$ 5,600,000	

Due to Primary Government

Subarea	Project Description	September 30, 2024 Balance
West Ocala	Community Center Construction	$ 400,000
		$ 400,000

Note 6 - Deficit Net Position

As of September 30, 2024, the CRA had a deficit unrestricted net position of $1,953,003. This is related to construction projects within the West Ocala Redevelopment subarea.

REQUIRED SUPPLEMENTARY INFORMATION

OCALA COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 1,747,915	$ 1,665,226	$ 1,665,227	$ 1
Investment Income	-	-	843,231	843,231
Miscellaneous	-	-	19,995	19,995
Total Revenues	1,747,915	1,665,226	2,528,453	863,227
Expenditures				
Current:				
Economic Environment	1,074,782	3,028,003	516,223	2,511,780
Capital Outlay	2,230,000	5,703,971	1,053,900	4,650,071
Debt Service:				
Principal	400,000	400,000	-	400,000
Interest	80,000	80,000	80,000	-
Total Expenditures	3,784,782	9,211,974	1,650,123	7,561,851
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,036,867)	(7,546,748)	878,330	8,425,078
Other Financing Sources (Uses)				
Transfers In from Primary Government	2,576,207	2,568,755	2,588,754	19,999
Transfers Out to Primary Government	-	-	(91,573)	(91,573)
Total Other Financing Sources (Uses)	2,576,207	2,568,755	2,497,181	(71,574)
Net Change in Fund Balance	539,340	(4,977,993)	3,375,511	8,353,504
Fund Balances, Beginning of Year	1,734,722	1,734,722	1,734,722	-
Fund Balances, End of Year	$ 2,274,062	$ (3,243,271)	$ 5,110,233	$ 8,353,504

OTHER REPORTS

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*

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, 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 Ocala Community Redevelopment Agency (the CRA) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA's financial statements and have issued our report thereon dated March 26, 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 auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on 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 over financial reporting 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 have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, Florida

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*

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 non-compliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Purvis Gray

March 26, 2025
Ocala, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 163.387(6) AND (7), FLORIDA STATUTES

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, Florida

We have examined the Ocala Community Redevelopment Agency's (the CRA) compliance with the requirements of Sections 163.387(6) and (7), Florida Statutes, as of and for the year ended September 30, 2024, as required by Section 10.556(10)(f), *Rules of the Auditor General*. Management 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 requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specific requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

This report 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, the CRA, its management, and the Council of Directors of the City of Ocala, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

March 26, 2025
Ocala, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, Florida

We have examined the Ocala Community Redevelopment Agency's (the CRA) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2024, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management 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 requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specific requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

This report 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, the CRA, it's management, and the City of Ocala City Council, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

March 26, 2025
Ocala, Florida

MANAGEMENT LETTER

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, Florida

Report on the Financial Statements
We have audited the financial statements of the Ocala Community Redevelopment Agency (the CRA) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 26, 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 Standards;* and Independent Accountant's Report on examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 26, 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 annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority
Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in the Management Letter, unless disclosed in the notes to the financial statements (see Note 1 of the CRA's financial statements as of and for the year ended September 30, 2024, for this information).

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 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.

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, Florida

MANAGEMENT LETTER

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 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*, the CRA states that a PACE program, authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the CRA's geographical boundaries during the fiscal year under audit.

As required by Sections 10.554(1)(i)6.b. and 10.554(1)(i)6.c., *Rules of the Auditor General*, the following are the program administrators and their contact information:

Program Administrator	Address	Phone Number	Third-Party Administrators
Florida Green Finance Authority	2501A Burns Rd., Palm Beach Gardens, Florida 33410	(561) 630-4922	**Petros Pace Finance, LLC** 300 Colorado St., Ste 2000 Austin, Texas 78701 Attn: Tommie Deavenport, COO (512) 599-9037 **Renew Financial Group LLC** 555 12th St., Ste 1650, Oakland, California 94607 Attn: Todd Wodraska (844) 736-3934
Green Corridor Pace District	5385 North Nob Hill Rd., Sunrise, Florida 33351	(786) 271-9208	**Ygrene Energy Fund** 6303 Blue Lagoon Dr., Ste 400, Miami, Florida 33126 (866) 634-1358 **Willdan Financial Services** 2401 E Katella Ave., Ste 300, Anaheim, California 92806 (866) 807-6864

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, Florida

MANAGEMENT LETTER

Program Administrator	Address	Phone Number	Third-Party Administrators
Florida Development Finance Corp		(407) 712-6352	**Allectrify** Colin Bishopp - CEO (202) 550-7570 colin@allectrify.com Fran Faulknor - CIO (240) 393-5569 fran@allectrify.com Aaron Jordan - Director (202) 550-7570 aaron@allectrify.com Colin Kalvas - Counsel (202) 550-7570 ckalvas@brickergraydon.com **Bayview PACE** Victoria DaSilva - Investment Associate victoriadasilva@bayview.com Danny Roberts - Asst. VP (844) 518-2343 dannyroberts@bayview.com **Ebee Management Group** Teresa Smith - Strategic Growth (419) 340-0420 tsmith@ebeeco.com **Enhanced Capital** Ian McCulley imcculley@enhancedcapital.com **FBRT Green Capital, LLC** Lain Gutierrez - Managing Director (212) 588-1420 l.gutierrez@benefitstreetpartners.com

MANAGEMENT LETTER

Program Administrator	Address	Phone Number	Third-Party Administrators
Florida Development Finance Corp			**Forbright Bank** Martin Gitlin - Attorney (203) 557-3894 martin@cleanenergycounsel.com Omayra Rodriguez - Director (301) 299-8810 orodriguez@forbrightbank.com **Imperial Ridge** Joel Poppert - Managing Director (303) 390-1655 jpoppert@imperialridgecap.com Kevin Morse - Managing Director (303) 390-1655 kmorse@imperialridgecap.com **Lord Capital LLC** Stephen Ceurvorst (212) 400-7150 sceurvorst@lordcap.com Joseph Lau - President (212) 400-7150 jlau@lordcap.com **Nuveen Green Capital** Robert Dimatteo (917) 968-0948 robert.dimatteo@nuveen.com Alicia Helgans (203) 875-9501 alicia.helgans@nuveen.com Tara Crotty (917) 208-4016 tara.crotty@nuveen.com

MANAGEMENT LETTER

Program Administrator	Address	Phone Number	Third-Party Administrators
Florida Development Finance Corp			**PACE Equity** Shay Harold (407) 227-4275 sharold@pace-equity.com **PACE Loan Group** Rafi Golberstein - CEO (612) 355-2606 rafi@paceloangroup.com Matthew McCormack - Junior Originator (612) 355-2630 matthew@paceloangroup.com **Peachtree Group** Robert Loeb (770) 299-2516 rloeb@stonehillsc.com Allison Neary (470) 298-3715 aneary@stonehillsc.com **Petros PACE Finance** John Gamm - VP Legal (512) 599-9027 john@petrospartners.com Andy Meyer - SVP (636) 577-0378 andy@petrospartners.com **Poppy Bank** Andrew Fuller (888) 636-9994 afuller@poppy.bank **Rockwood** Todd Velnosky - Principal (314) 380-5999 tvelnosky@rockwoodam.com

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, Florida

MANAGEMENT LETTER

Program Administrator	Address	Phone Number	Third-Party Administrators
Florida Development Finance Corp			**Sustainable Equity, LLC** Byron DeLear (314) 445-7911 byron@sustainableequity.org **Twain Financial Partners** Ammie Minton - Asst. Director (314) 300-4202 ammie.minton@twainfinancial.com Jela Dilber - Director (314) 300-4183 jela.dilber@twainfinancial.com

Special District Component Units
Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the CRA reported the following information that was not subject to auditing procedures:

- The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year as 0.
- All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $0.
- All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as $0.
- Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:

Projects	Proposed Budget	2024 Expenditures
Marion Heights Pavement Widening	$ 805,005.00	$ 538,415.83
Downtown Brewery Sidewalks/On-Street Parking	$ 415,325.42	$ 253,861.41
Forge Site Sidewalk	$ 115,023.63	$ 115,023.63

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, Florida

MANAGEMENT LETTER

- A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes; see schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual as presented in the financial statements for the year ended September 30, 2024.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General,* requires us to communicate non-compliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Honorable Mayor, and City of Ocala City Council and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

March 26, 2025
Ocala, Florida

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

PURVIS GRAY

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, Florida

We have audited the financial statements of the governmental activities and the major fund of the Community Redevelopment Agency (the CRA), a component unit of the City of Ocala, Florida (the City) for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our required communication letter to you dated August 27, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the CRA are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended September 30, 2024. We noted no transactions entered into by the CRA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. No significant accounting estimates were noted during our audit.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated March 26, 2025.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the CRA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the CRA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The following is an audit matter that we would like to bring to the attention of the CRA Board of Directors and management of the CRA:

- **Governmental Accounting Standards Board Statement No. 102, *Certain Risk Disclosures***, which will become effective for the year ending September 30, 2025. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more-likely-than-not to begin to occur within 12 months of the date the financial statements are issued.

Other Matters

We applied certain limited procedures on the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

The Honorable Members of the City Council
Ocala Community Redevelopment Agency
Ocala, Florida

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the CRA, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

March 26, 2025
Ocala, Florida

Ocala Community Redevelopment Agency
City of Ocala, Growth Management Department

201 SE Third St., Second Floor
Ocala, Florida, 34471
cra@ocalafl.gov