

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

We have audited the financial statements of the Community Redevelopment Agency (CRA), a blended component unit of the City of Gainesville, Florida (the City), for the year ended September 30, 2019. Professional standards require that we provide you with the 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 letter to you dated December 27, 2019. Professional standards also require that we communicate to you the following information related to our audit:

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City 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, 2019.

We noted no transactions entered into by the governmental unit 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**

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 estimates meeting this criteria were identified.

### **Financial Statement Disclosures**

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statement was:

- **Community Redevelopment Agency (CRA)/Gainesville Community Reinvestment Area (GCRA)**  
Effective October 1, 2019, the City Commission, in collaboration with the Alachua County Board of County Commissioners (BOCC), dissolved the CRA and replaced it with a City Department, the GCRA. The CRA formerly had four distinct districts with restricted funding for each. Under the GCRA, the four districts are combined into a single reinvestment area. The City and BOCC agreed upon a funding plan whereby each party has a predetermined contribution identified over a ten-year period, with funding available for projects within the new single reinvestment area without regard to the boundaries of the original four districts.

## CERTIFIED PUBLIC ACCOUNTANTS

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Honorable Mayor and City Commissioners  
City of Gainesville, Florida

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

**Difficulties Encountered in Performing the Audit**

The completion of our audit was delayed because of delays in receiving necessary support to schedules to complete the audit and the draft financial statements. The delays are attributed to limited staffing in the finance department and allocation of some of those resources to the implementation of WorkDay.

**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. A listing of such corrected audit adjustments and uncorrected misstatements is attached.

**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 September 10, 2020.

**Management Consultations with Other Independent Accountants**

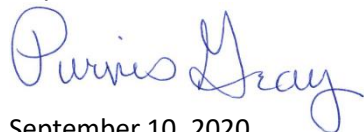
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination 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 City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Restriction on Use**

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



September 10, 2020  
Gainesville, Florida

CITY OF GAINESVILLE, FLORIDA  
 LISTING OF AUDIT ADJUSTMENTS - CRA  
 SEPTEMBER 30, 2019

Number	Name	Account No	Debit	Credit
1	Equity In Treasury Fund	111-01-1040 111		(301,096.11)
1	Adv from Other Funds	111-02-2302 111	256,586.59	
1	Interest - Commerce Bldg Note	111-44-790-6510-5520-7252 111	4,487.67	
1	Interest - SW 2nd St Parking Garage Note	111-44-790-6510-5520-7255 111	13,446.98	
1	Interest - 5th Ave Note	111-44-790-6530-5520-7254 111	6,650.00	
1	Interest - W Univ Ave Lofts Note	111-44-790-6550-5520-7253 111	8,934.63	
1	Interest - 2nd Ave Note (CP/UH)	111-44-790-6550-5520-7257 111	7,992.90	
1	Interest - Eastside District Note	111-44-790-6570-5520-7256 111	2,997.34	
<b>To record current year activity for interfund loans.</b>				
2	Allowance for Doubtful Billed Receivables	111-01-1198 111		(3,042.52)
2	Allowance for Doubtful Billed Receivables	610-01-1198 610		(12,892.48)
2	Bad Debt Expense	111-44-000-0000-0000-5100 111	3,042.52	
2	Bad Debt Expense	610-44-000-0000-0000-5100 610	12,892.48	
<b>To record allowance for billed receivables for old outstanding A/R.</b>				