

---

### **Call to Order**

Chairperson Dr. Nash called the meeting to order at 6:08pm.

The Quincy Community Redevelopment Agency Regular Board met for an Emergency Meeting on Monday, January 12, 2026, with the following other members present at roll call: Member Dr. Wood and Member Knight.

***Motion by Member Knight to excuse Member Harris and Stephens, seconded by Chairperson Dr. Nash, motion carried 3-0.***

### **Also in attendance:**

Interim CRA Manager Davis, Attorney Brown, Transcriptionist Pam Tribue

### **Meeting Purpose**

Chairperson Dr. Nash stated the purpose of the meeting was to approve the FY 2024 CRA financial statement and independent audit report for the period ending September 30, 2024. The meeting was deemed an emergency to comply with a January 15th deadline from the Joint Legislative Auditing Committee (JLAC), which was escalated due to missed email notices.

Mr. Moran of auditing firm presented the following:

### **CRA Audit Report Overview (FY 2024)**

- The CRA is fund #2 for the City, but a separate report is now required by statute as its revenue exceeds \$100,000.
- The audit report for the year ending September 30, 2024, received an unqualified opinion. A management discussion and analysis (pages 4-8) is recommended for review.
- Statement of Net Position
  - The CRA ended the year with \$1,481,116 in cash.
  - Accounts payable stood at \$63,608.
  - A lease liability for a copier of \$1,037 is on the books and will be paid off this year.
- Fund 2 Financial Statements
  - Aligned with in-house books, showing \$1.4 million in cash and accounts payable.
- Statement of Revenue and Expenditures
  - Property tax (incremental tax revenue) was \$1,028,835 against a budgeted \$1,033,000.
  - Total expenditures were \$455,517, resulting in a net gain of \$573,318.
- Fund Balance

The year began with a fund balance of \$840,000 and ended with \$1,417,508.

### **Audit Findings and Compliance Issues**

- Budgeting for Fund Balance Carryover: A major finding was the failure for the last four or five years to properly budget the entire fund balance from the previous year. The budget did not account for the existing \$840,067 fund balance, which is a compliance issue. Unspent funds must be specifically allocated to projects, pledged for debt, or returned.
- CRA Plan Compliance: The adopted CRA plan from 1999 was found to be insufficiently detailed, lacking specific projects with associated budgets and timelines, as now emphasized by the Auditor General. The board noted the plan was intentionally general for flexibility and will draft a formal response to this effect.
- Expenditure Compliance: Several CRA expenditures were for projects not specifically addressed in the adopted plan.
- Discrepancy in Adopted Budget: A key issue is the discrepancy between the budget the CRA board approved (which they believe included the fund balance) and the budget the city advertised and adopted.

### **CRA's Relationship with the City and Employee Status**

- The CRA is a component unit of the city. CRA staff are on a city W-2, though their salaries may come from CRA funds.
- It was noted that the CRA manager needs to work more closely with the finance department and city manager to ensure proper documentation.

### **Budget Process and Reporting**

- Budget Amendments: Past fiscal year budgets cannot be amended, but the current year's budget can be. An amendment increasing total expenditures requires a new public hearing.
- County Reporting: The CRA must submit its annual budget to the Board of County Commissioners within 10 days of adoption and retain documentation of this submission.
- Public Notice: A "lesson learned" was for board members to verify the CRA's full budget is correctly included in the city's public notices before final approval. The auditor requires the legally adopted and advertised budget.

***Motion by Member Knight to accept and authorize the submission of the audit report for the year ending September 30, 2024, to meet the January 15<sup>th</sup> deadline and avoid potential funding cuts, including preparing a letter of response stating non-concurrence with each audit finding, seconded by Member Dr. Wood, motion carried 3-0.***

### **Other Compliance and Reporting Items**

- The CRA is not in a state of financial emergency.
- Compensation to six independent contractors in the last month of the fiscal year was \$282,935.
- The ad valorem tax rate was 6.4037 mil, and total taxes collected were \$1,028,000. The CRA has no outstanding bonds.
- Under law, a properly addressed and sent letter is considered delivered; proof of receipt is not required.

The board, manager and attorney shared their thoughts on the audit and findings presented by the auditor:

Finding 2024-001: It was noted that the CRA Plan was approved by the State and did not include budgets and timelines and was vague on specific projects. They also explained how some projects are carried over for several years and how the cost associated may change.

Finding 2023-002: It is believed that all expenditures are within the parameters of the CRA guidelines and CRA Plan.

Finding 2024-003: The budget that was approved by the CRA board included carry-forward funds and is reflected on the website and in the approved minutes. Unsure what was posted in the newspaper or included in the City's final budget but has proof of what was actually approved and it included carry-forward funds and the corresponding projects.

Finding 2004-004: Noted that there is no requirement for the City to get a written confirmation from the County indicating receipt of audit. The City/CRA is only responsible for sending it within 10 days of adoption. Attorney Brown is willing to provide a letter attesting to such.

Auditor Moran agreed that if information was provided to support comments made by the board, manager and/or attorney, that he would make the necessary changes/corrections to the findings.

#### **Action Items**

- Prepare and submit the audit report for the year ending September 30, 2024.
- The CRA manager and attorney are to prepare a response letter stating non-concurrence with each audit finding to be included with the submission.
- The board will draft a formal response to the audit finding regarding the CRA plan's lack of specificity.
- The CRA manager is to work more closely with the finance department to ensure information is documented properly.
- The board will ensure future CRA-approved budgets are accurately reflected in the city's published budget before final adoption.
- The CRA needs to provide documentation showing the annual budget was presented to the county within 10 days of adoption.
- The board will consider a budget amendment for the current fiscal year to properly account for and authorize the spending of the fund balance carryover.
- Mr. Moran will review the budget documents received from the city to see if the fund balance carryover was included and will update the report if necessary.

***Motion by Member Knight to adjourn the meeting, seconded by Chairperson Dr. Nash, motion carried 3-0.***

Meeting adjourned at 7:34p.m.