



FORT PIERCE

REDEVELOPMENT AGENCY

(A Component Unit of the City of Fort Pierce, Florida)

ANNUAL REPORT

For the Fiscal Year ended September 30, 2020




 LINCOLN PARK



 FISHERMAN'S WHARF/PORT



 DOWNTOWN/EDGARTOWN



 SOUTH BEACH

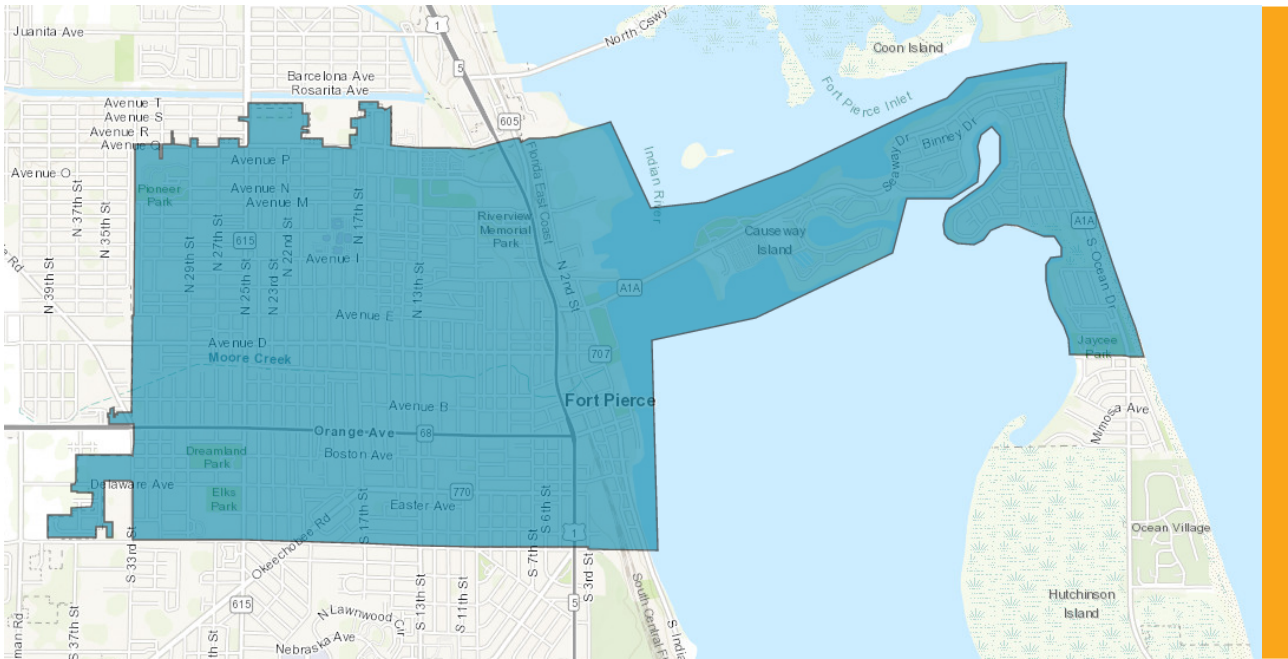


 PEACOCK ARTS DISTRICT



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About the FPRA

WHAT IS A CRA?

A Community Redevelopment Agency (CRA) is a dependent district established by City government for the purpose of carrying out redevelopment activities that include reducing or eliminating blight, improving the economic health of an area, and encouraging public and private investments in a CRA district. The CRA is governed by State Statutes, Chapter 163, Part III.

HISTORY OF THE FPRA

To guide the City in its efforts to redevelop both the physical and economic environment of its Downtown, the City established the Fort Pierce Redevelopment Agency (FPRA) in 1982 with the adoption of Ordinance No. H-239. Noting that other areas of the community also need targeted redevelopment activity as well, the City Commission expanded the boundaries of the Redevelopment Area in 1995 & 1996 to include the areas south of Atlantic Avenue to Citrus Avenue and Delaware Avenue. Seeing the success of the FPRA in encouraging redevelopment within the City's core and noting the state of decline for other areas of the City, the Commission substantially expanded the boundaries of the Redevelopment Area again in 2000 to include the neighborhoods west of 7th Street, the Port, and South Beach. The current boundary of the redevelopment area can be found on the map above.

FPRA Leadership

FPRA BOARD

The Fort Pierce Redevelopment Agency Board consists of five (5) members who also serve as the Mayor and City Commission. The purpose of the Agency is to revitalize both the physical and economic environment of the redevelopment area. The FPRA Board meets on the second Tuesday of every month.



Linda Hudson
Chair



Rufus J. Alexander
Board Member



Curtis Johnson, Jr.
Board Member



Jeremiah Johnson
Board Member



Thomas K. Perona
Board Member

CRA ADVISORY COMMITTEE

Charlie Frank Matthews, Chair
Michael Brown, Jr.
Plythe Freedman
Kristina Gibbons
Al Johnson
Ellen Mancini
Carolyn Mann-Lurry
Hoyt Murphy, Jr.
Sabrina Taylor



THE PURPOSE AND FUNCTION OF THE **CRA ADVISORY COMMITTEE** IS TO STUDY, REVIEW AND PROVIDE RECOMMENDATIONS, GUIDANCE AND ADVICE AS TO MATTERS RELEVANT TO THE PURPOSES AND GOALS OF THE FORT PIERCE REDEVELOPMENT AGENCY; AND TO SERVE AS A LIAISON BETWEEN THE COMMUNITY WITHIN THE FORT PIERCE REDEVELOPMENT DISTRICT BOUNDARIES AND THE FORT PIERCE REDEVELOPMENT AGENCY BOARD.

STAFF



Nicholas C. Mimms
City Manager/FPRA Director



Shyanne Harnage
Economic Development Manager



Audria Moore-Wells
Special Projects Coordinator



FPRA PLAN UPDATE

The 2020 FPRA Community Redevelopment Plan was officially adopted in August 2020 and builds upon the previous accomplishments of the Fort Pierce Redevelopment Agency. These successes include the restoration of the Fort Pierce Marina, the beautification and development of Moore's Creek, restoration of the Sunrise Theatre and the rehabilitation for redevelopment of the former HD King Power Plant site. The 2020 FPRA Plan addresses contemporary challenges to investment and redevelopment within the Fort Pierce Redevelopment Area, identifies targeted investment areas and provides a vision for the continuing redevelopment of the Fort Pierce Redevelopment Area.

The Fort Pierce Community Redevelopment Plan presents a four-point Action Plan that focuses on the following:

Restore Neighborhoods

The vision for the neighborhoods within the Fort Pierce Redevelopment Area includes improving the public areas within the neighborhoods and connecting the neighborhoods with multi-modal streets and tree-lined sidewalks. The FPRA will encourage and enable increased home ownership and encourage and enable private sector development of new residential units and neighborhood supporting uses.

Connect

The vision for the Fort Pierce Community Redevelopment Area includes connecting the neighborhoods, amenities and destinations with streetscape improvements, trail-heads, multi-modal roadways, multi-use paths and tree-lined sidewalks. The positive economic benefits associated with these improvements and redevelopment programming will benefit current residents and encourage future residents and investors to the area. The vision includes the anticipated development of additional residential units, small businesses and private sector investment along these connections and near destinations.



Foster Arts & Culture

The vision for the Fort Pierce Redevelopment Area includes improving the public art areas and outdoor gathering and performance spaces, connecting cultural assets and neighborhoods through complete streets. The vision includes a vibrant Peacock Arts District, whose vacant storefronts, homes and buildings become galleries, residences for artists, performance and creator spaces.

The Sunrise Theatre, the Historic Lincoln Theatre and the Peacock Arts District become destinations along activated streets with restaurant, boutique and hospitality uses. The future arts and cultural activities within the Redevelopment Area will be a key component of “Re-Setting” the economic base of the Fort Pierce Redevelopment Area.

Re-Set Economic Base

The vision for the Fort Pierce Redevelopment Area includes connecting neighborhoods to jobs downtown, and along the waterfront and connecting neighborhoods to businesses, galleries, restaurants and boutiques, Beachside, in Lincoln Park and the Peacock Arts District through multi-modal streetscape improvements. The FPRA will support the development and growth of local businesses, entrepreneurs and small businesses within the Redevelopment Area through public infrastructure investments and programming.

The “Re-Set” of the Fort Pierce Redevelopment Area’s economic base will include the industrial component of the reactivated Port and Wharf areas (Derecktor Fort Pierce), complemented with a growing citywide tourism and cultural/hospitality related business component (HD King Site) and a burgeoning local small business and professional services component in the downtown and Peacock Arts District.



KING'S LANDING

A CREATIVE AND CONTEMPORARY WATERFRONT ARTS,
ENTERTAINMENT AND LIVING DISTRICT IN FORT PIERCE.



Ten years ago, the City demolished the old H.D. King Power Plant and spent the last decade cleaning up the 7-acre site. The City of Fort Pierce and Fort Pierce Redevelopment Agency worked tirelessly for years to find the right redevelopment project for the former H.D. King Plant site in Downtown Fort Pierce and in 2019, history was made. Following a competitive bid process, the FPRA Board selected Audubon Development as the highest ranked bidder in June 2019.



The redevelopment of the former H.D. King Power Plant Site remains a top priority for the City of Fort Pierce and FPRA. The development agreement with Audubon Development for the \$85-million-dollar King's Landing mixed-use development was executed in November 2019. However, in March 2020, all deadlines set forth in the development agreement were suspended due to the COVID-19 pandemic and the Governor's State of Emergency. Although all time provisions are on hold in the agreement, both parties are working diligently to move this project forward. The site plan approval process is currently underway and this monumental project continues to move forward.



FISHERMAN'S WHARF

The Fort Pierce Redevelopment Agency embarked upon a two-phase solicitation process -- Request for Qualifications and Request for Proposals -- for the redevelopment of Fisherman's Wharf in early 2020. The goal of the FPRA is to create a unique place where people will visit and gather to shop, dine, work, and live. Retaining waterfront accessibility to all residents and visitors and enhancing the waterfront for public use is a top priority while also achieving redevelopment of the parcels that will add to the tax base and stimulate the economic activity in the redevelopment area. The FPRA looks forward to entering negotiations for the redevelopment of Fisherman's Wharf in 2021.



MEANS COURT PLAZA

The City and Fort Pierce Redevelopment Agency held a community input meeting in September 2020 at Percy Peek Gymnasium to share ideas and feedback regarding the Lincoln Park District with emphasis on the Avenue D corridor and the former Means Court School. Topics of discussion included: beautification, activity generation, economic development, and community revitalization. This meeting was held in preparation for the redevelopment of Means Court Plaza which the FPRA acquired from St. Lucie Public Schools in July 2020. A request for proposals for

the utilization of this catalytic development is expected to be released in May 2021. The RFP will be seeking proposals that adheres to the CRA Plan and captures ideas and suggestions received during community engagement meetings held in 2019 and 2020. Based on some of the responses, citizens envision upscale restaurants, vibrant nightlife, youth activities, grocery and retail stores in the immediate area.



OAKS AT MOORE'S CREEK - PHASE II



The City of Fort Pierce and the Fort Pierce Redevelopment Agency successfully collaborated to create aesthetically appealing and affordable housing in the area now known as The Oaks at Moore's Creek. Phase I of The Oaks at Moore's Creek encompassed the construction of twelve single family homes, ranging from 1,200-1,800 square feet. The homes feature a pleasant integration of traditional architectural styles and features, providing a basis for future infill projects and new home construction. The collection of homes completed have been sold and are predominantly owner-occupied with professionals of essential services. This foundation of new housing stock offers tremendous potential for initiation of the next phase of redevelopment. The development area is located in the Lincoln Park District and is bounded to the north by the beautiful Moore's Creek Linear Park.

After receiving several requests for the utilization and acquisition of agency owned property from private developers, the Fort Pierce Redevelopment Agency issued a request for proposals for Oaks at Moore's Creek Phase II and entered into negotiations with Stuart and Shelby Development and East to West Development for the development of Oaks at Moore's Creek Phase II. We look forward to seeing Phase II come to fruition.



THE ROOT



RECOGNIZING OURSELVES IN OTHERS TOGETHER



The Lincoln Park Young Professionals (LPYP) formed October 2017 by a group of young professionals with a common interest to invoke change in the community to address various community issues and/or concerns. The Lincoln Park Council for the Common Good invited applications for a Building On Our Momentum (BOOM!) project. Approximately 20 organizations submitted proposals and LPYP's plan was selected to receive the \$500,000 grant for The Root. Allegany Franciscan Ministries Common Good Initiative has partnered with the LPYP to develop The Root concept, which is based on an open space venue utilizing temporary structures

to engage the community through food, pop-up spaces for small business owners and entertainment. After ranking the highest in response to RFP 2020-013 for the redevelopment of 1134 and 1136 Avenue D, the FPRA Board executed an agreement with the organization. LPYP received approval of its application for a variance and a Certificate of Appropriateness from the Historic Preservation Board. The project is on schedule and expected to open December 2021.



LINCOLN THEATER

The Historic Lincoln Theater, built in 1948 by local residents Dr. Clem C. Benton and Dr. Harry Center was one of a few Black-owned theaters in the nation during the 1950s and '60s. Before closing in the late 1960s, the theater was the center of activity and entertainment for local families. At the March 9, 2021 FPRA meeting, the board approved the Dr. Martin Luther King, Jr. Commemorative Committee's request for funding in the amount of \$30,000 to have REG ARCHITECTS, INC. Architectural, Planning & Interior Design develop a revised Lincoln Theater Restoration Project Proposal with program and fees for master planning phase. Completion of

the plan will enable the committee to launch a fundraising campaign and be eligible to apply for state and federal grants to assist with restoring of the historic theater. Previously in 2007, REG completed exterior renovations, including the stabilization of the building and completion of roof and façade repairs. For the past 14 years, efforts to complete the project have stalled. With the recent support of the FPRA, the project has ignited excitement and renewed the hope of residents, who have long awaited to see the project completed.

REVITALIZATION

OF THE OLD ST. ANASTASIA CATHOLIC SCHOOL

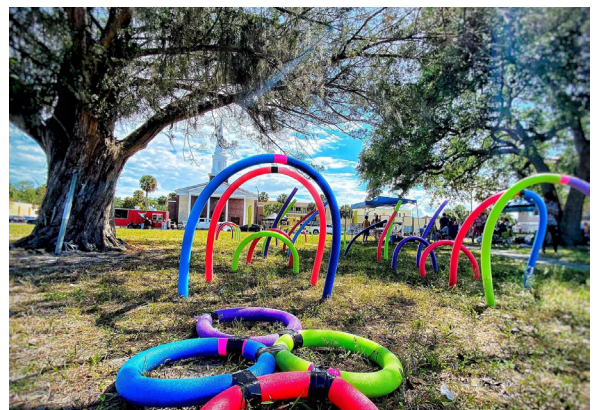


Following a request for proposals, the Fort Pierce Redevelopment Agency approved the lease agreement between the Fort Pierce Redevelopment Agency and The Lindsay School of the Arts to lease and improve the Old St. Anastasia School.

Built in 1914, the historic St. Anastasia Catholic School is located prominently on the corner of Orange Avenue and 10th Street, the western gateway to the new Peacock Arts District. In 2000 the building was added to the U.S. National Register of Historic Places and in 2007 the Fort Pierce Redevelopment Agency was able to acquire the property.

On March 26, 2020, the Fort Pierce Redevelopment Agency and The Lindsay School of the Arts, Inc. executed a Memorandum of Understanding to suspend all deadlines set forth in the development agreement due to the COVID-19 Pandemic. The pandemic constituted a catastrophic Force Majeure Event therefore tolling all of the deadlines associated with the lease agreement.

However, LSA and the FPRA have been actively working together to make the vision for this project become a reality. Architectural designs have been completed and a plan for the resurgence of this historic structure is underway. LSA has hosted several community events since taking over the property including a monthly 'Build Up The Block' community arts festival. There are plans for the installation of a community garden and outdoor event space in the interim as well.



RETAIL STUDY & PLAN

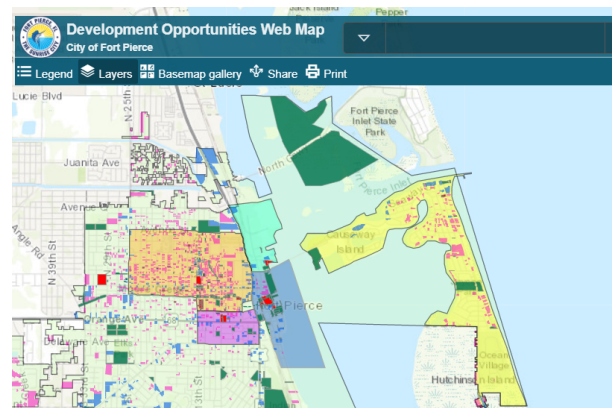
Colliers International was selected as the FPRA's real estate consultant in response to a request for proposals for a Retail and Business Recruitment Plan in July 2020. Colliers completed a Comprehensive Market and Retail Feasibility Study evaluating the retail needs by understanding the demographic and psychographic trends of the community, identifying spending patterns of local consumers, conducting a retail void (or "GAP") analysis, peering Fort Pierce against comparable cities with viable

success stories, and cataloging opportunities for the City's redevelopment districts. This information is vital to assist staff with recruiting new businesses to the area and help existing businesses better understand their market. Phase II of the project will be completed in 2021 which will include a robust plan to achieve the goals identified in the study.

CHOOSE FORT PIERCE



Completed in 2020, the new ChooseFortPierce.com website is a one stop shop for all things economic development and redevelopment. It features the newly created GIS Hub which hosts a series of applications that categorize and map development opportunities, FPRA districts, FPRA-owned surplus property and more. Site selectors have consistently reported that they conduct approximately 70% of initial research on communities via the internet so it was vitally important for the City and FPRA to have a greater web presence.



BEAUTIFYING THE FPRA

The City of Fort Pierce continues to prioritize the beautification of our neighborhoods. In 2020, the City completed the design and installation of new street signs in Downtown Fort Pierce and the historic Edgartown neighborhood. The new street signs are consistent with the signs recently installed in Lincoln Park and the Peacock Arts District. Each neighborhood has its own distinct color scheme to differentiate the districts yet complementing each other with one cohesive design. New street pole banners were also installed in Downtown Fort Pierce that pay tribute to the heritage while freshening up our streetscape with contemporary, bright designs.

Phase 3 of the traffic signal box wraps has been completed, bringing the total number of decorative boxes to 41. Artwork is printed onto four vinyl panels and placed onto the traffic boxes which hold all the equipment that operates the traffic signals. The goal is to beautify the community, instill pride in neighborhoods and create art in unexpected public places.



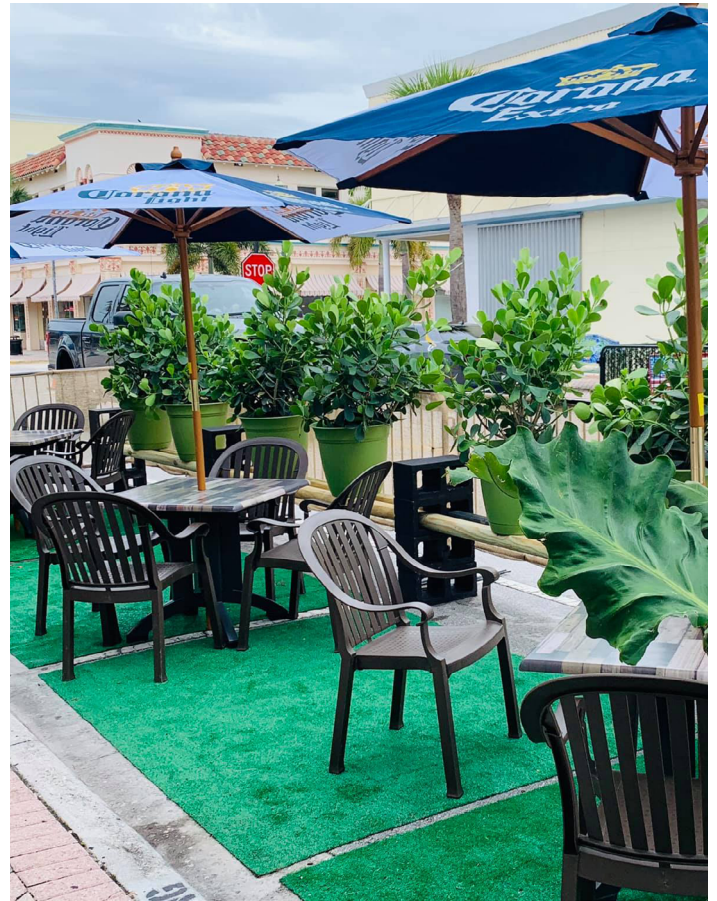
COVID-19 RECOVERY

GRANTS

In April 2020, the Fort Pierce City Commission approved the COVID-19 Recovery Assistance Plan which included a series of grants supporting residents, businesses, and community-based efforts. The FPRA business assistance grant program was adjusted to meet the needs of the community during the pandemic. The grants aimed to provide immediate assistance to residents and businesses directly impacted by COVID-19. The City's goal was to help offset the loss of income or revenue during the pandemic. For residents, the City of Fort Pierce offered mortgage and rental assistance of 2 months' rent/mortgage up to \$3,000. For businesses, the City offered two small business relief grants. Businesses with 25 employees or less were eligible for a one-time grant of \$3,000 and businesses with 26 to 100 employees were eligible for a one-time grant for \$7,500.

PARKLETS

After engaging with local business owners regarding their needs due to the ongoing pandemic, the concept of creating a parklet program was formed. Parklets are public platforms that convert curbside parking spaces into vibrant community spaces. The program was created to allow businesses temporary use of on-street parking to offset the capacity restrictions due to COVID-19. Each business activated and appropriately defined their own space and barriers were installed to separate pedestrian and vehicular traffic. The program was widely successful according to the businesses who utilize the parklets by creating a more comfortable space for patrons in this new environment.



FPRA IMPACT FEE MORATORIUM

The City Commission passed an ordinance to provide a moratorium on the imposition and collection of City impact fees within the Fort Pierce Redevelopment Area for a period of 12 months. The concept of this moratorium was presented to the Fort Pierce Redevelopment Board on July 15, 2019 as part of the FPRA's overall economic development strategy, and subsequently adopted by the City Commission via Ordinance 20-007 on March 16, 2020.

Urban infill and redevelopment projects are intended to improve existing neighborhoods and encourage investment within these areas. The intent of this moratorium is to assist businesses in the Fort Pierce Redevelopment Agency boundaries reduce their startup costs and to contribute to the sense of vitality that occurs when buildings are occupied. It is our hope that this moratorium will encourage and entice development within the FPRA boundaries. Since infill locations are within the urban core of our community, typically they already have much of the needed infrastructure. Unless extraordinary capital improvements are required, infrastructure costs can be substantially lower for infill development relative to a similar project in an undeveloped area.

In addition, the COVID-19 pandemic continues to impact all aspects of the community and encouraging economic development is vital to a successful postpandemic economic recovery.



301 S. Ocean Drive is a project to watch...

The FPRA's lease with the current tenant will expire in August 2021. The FPRA Board directed staff to draft an RFQ/P within the next 12 months for a possible public/private partnership for the development of a parking structure with a retail component.

SCHOOL RESOURCE OFFICERS

Thanks to funding from the FPRA, the Fort Pierce Police Department was able to reimplement School Resource Officers in August 2019. The FPPD provides SROs to two schools with one alternate. All SROs have been certified by the Florida Department of Law Enforcement as School Resource Officers.

Aside from their daily law enforcement duties, School Resource Officers cultivate relationships with students and the community. Their role is not limited to safety, but also of support and mentorship for students.

The SROs facilitate road patrol and other divisions of the city to attend school events such as -- Tunnel of Hope, Literacy Day, Dads Take their Kids to School Day, See Something Say Something and Courageous Kids at First Step Park among others.

School Resource Officers take the initiative in creating opportunities to enhance the school experience for the students and the community. School Resource Officers lead programs such as, Safety Patrol, Sandy Promise: Say Something Week, Great American Clean Up -restoring the school garden, Buddy Bench – promoting Anti Bullying in schools.

In March 2020 Public Schools were closed Due to COVID-19. Even though the Saint Lucie County School Board closed campus attendance, students still continued with their education via virtual school. The School Resource Officers assisted by helping with laptop deployment. SROs conducted welfare checks when schools advised students where not logging into the virtual system. The checks were done in order to assist the household with navigating the system or providing information for resources; such as, free internet provided by the School Board. In addition the School Board had a lunch program for families.

The SRO's assisted in feeding their students and maintaining relationships with them. When not fulfilling SRO duties, the SRO's were assigned to the Patrol Division within the FPRA boundary.

SROs are now back on campus! This school year, SROs are not only assisting and making sure students are staying safe they assist with the Virtual Learning. Additionally, thanks to FPRA funded Segways, SROs are able to travel around school expediently. Segways improve student and staff safety by reducing SRO response times and increasing the efficiency of campus patrol students.





SUNRISE THEATRE

Like all live performance venues, the Sunrise Theatre was among the first businesses to close and will be one of the last to reopen due to the COVID-19 Pandemic. On March 12th, 2020, the doors were closed to the public, and operations on what was proving to be a financially successful season came to a sudden halt. In an effort to provide entertainment, a semblance of normalcy, and to keep our community engaged, the Sunrise Theatre offered different activities such as virtual streaming concerts, coloring contest for children, pre-recorded acoustic mini performances, guitar raffles and offered online

full-length pre-recorded concerts -all to benefit our community. Venue procedures, policies and codes of conduct have all been revisited to include new health and safety measures that are essential for safe operations. The Sunrise Theatre is also seeking federal grant funding to offset operational costs. The Sunrise Theatre reopened to the public in January 2021.

SURPLUS PROPERTY

The restoration of Fort Pierce's neighborhoods is a key strategy to revitalizing the Fort Pierce Redevelopment Area and has been identified in the updated FPRA Plan. One way to accomplish this goal is to dispose of surplus property owned by the City/FPRA. Several properties were successfully placed out for bid in 2020 and we look forward to their redevelopment.



BOYS & GIRLS CLUB @PERCY PEEK

In 2020, the FPRA Board approved a 10-year lease with the Boys & Girls Clubs of St. Lucie County to offer youth programming out of the HDRC Percy Peek Gymnasium. The FPRA is pleased to offer a facility for youth activities in Fort Pierce and supports the mission of the Boys and Girls Club to enable all young people to reach their full potential as productive, caring, responsible citizens.





FORT PIERCE

REDEVELOPMENT AGENCY

(A Component Unit of the City of Fort Pierce, Florida)

FINANCIAL STATEMENTS

For the Fiscal Year ended September 30, 2020

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Independent Auditors' Report

To the Board of Directors
Fort Pierce Redevelopment Agency
Fort Pierce, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund, of the Fort Pierce Redevelopment Agency (the "CRA"), a component unit of the City of Fort Pierce, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements which collectively comprise the CRA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of the CRA as of September 30, 2020, and the respective changes in financial position thereof and the respective budgetary comparisons for the Community Redevelopment Agency Fund, for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021 on our consideration of the CRA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

A. Bartolomeo, M. Bee, Hartley & Barred

Certified Public Accountants

City of Fort Pierce

March 22, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Fort Pierce Community Redevelopment Agency (the "CRA"), we offer readers of the CRA financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2020. Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial positions (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns. Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes, and currently known facts, we encourage readers to consider the information presented here in conjunction with the independent auditor's report and the financial statements which follow this section.

Financial Highlights

- The assets and deferred outflows of the CRA exceeded its liabilities at the close of the fiscal year by \$21,623,481.
- The CRA's revenues for Governmental Activities at year end were \$7,505,762 a 5.65% increase, and expenses were \$5,977,125 a 3.77% decrease. Revenues exceeded expenses by \$1,528,637. The revenue increase from 2019 was \$401,212; this can be attributed to increases in the following: charges for service of \$502,458 and unrestricted investment earnings of \$4,652 offset by the \$105,898 decrease in miscellaneous revenues. The decrease in expenses in comparison to last year was \$233,968, resulting from a decrease in interest in long-term debt of \$315,214 off set up an increase in economic environment of \$81,246.
- At the close of the fiscal year, the CRA's governmental funds reported combined ending fund balances of \$2,018,941, an increase of \$699,732. The special revenue fund increased \$692,739. The debt service fund increased \$6,993.

The long-term debt, net of current portion, of the CRA on 9/30/20 was \$21,275,000, a decrease of \$1,775,000 or 7.70%. The debt services requirements were met financially.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The CRA's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 information on all the CRA's assets plus deferred outflows of resources and liabilities plus deferred inflow of resources, with the difference between the two 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected liens).

Both of the government-wide financial statements distinguish functions of the CRA that are principally supported by 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 activities of the CRA are comprised of economic environment and interest on long-term debt. The CRA does not engage in business-type activities and as such, no business-type activities are reported in the financial statements. The governmental-wide financial statement can be found by referencing the table of contents of this report.

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, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the CRA are governmental funds.

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 a government'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The CRA maintains 2 major governmental funds designated as the special revenue fund and the debt service fund.. The basic governmental fund financial can be found by referencing the table of contents or this report.

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. The notes to the financial statements can be found by referencing the table of contents or this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the CRA’s compliance with its Special Revenue Fund budget. Supplementary information can be found by referencing the table of contents or this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the CRA, asset and deferred outflows of resources exceeded liabilities by \$21,623,481 at the close of the most recent fiscal year.

Approximately 91% of the CRA’s net position reflects its investment in capital assets (e.g., land, buildings, improvements, and equipment); less any related debt used to acquire those assets that is still outstanding. The CRA uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Fort Pierce Redevelopment Agency		
(A Component Unit of the City of Fort Pierce)		
Statement of Net Position (Summary) as of September 30,		
	Governmental	
	<u>Activities</u>	
	<u>2020</u>	<u>2019</u>
Current and other Assets	2,166,029	1,457,252
Capital Assets	42,504,570	43,363,344
Total Assets	44,670,599	44,820,596
Deferred Outflows	283,957	340,506
Long-term Liabilities O/S	21,275,000	23,050,000
Other Liabilities	2,056,075	2,016,158
Total Liabilities	23,331,075	25,066,158
Net Position:		
Net Invested in Capital Assets	19,738,527	18,933,850
Restricted	1,884,954	1,160,994
Unrestricted	-	-
Total Net Position	21,623,481	20,094,844

The CRA’s Governmental Funds net position increased by \$1,528,637 during the fiscal year. Assets of the Governmental Funds decreased \$149,997 and liabilities decreased by \$1,735,083. Deferred outflows of the Governmental Funds decreased by \$56,549.

**Fort Pierce Redevelopment Agency
(A Component Unit of the City of Fort Pierce)
Statement of Activities - FY 2020 and 2019**

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Revenues		
Program Revenues		
Charges for Services	6,824,121	6,321,663
Operating grants and Contributions	-	-
Capital Grants and Contributions	-	-
General Revenues:		
Miscellaneous	651,740	757,638
Unrestricted investment earnings	29,901	25,249
	7,505,762	7,104,550
Expenses		
Economic Environment	5,203,994	5,122,748
Interest on long-term debt	773,131	1,088,345
	5,977,125	6,211,093
Changes in net position	1,528,637	893,457
Net Position - Beginning	20,094,944	19,201,387
Net Position – Ending	21,623,481	20,094,844

Governmental activities. Governmental activities accounted for a positive increase of \$1,528,637 in net position of the CRA.

Revenues increased \$401,212 million or 5.65% in Fiscal Year 2020. The increase in revenues relates to the following: charges for service increased by \$502,458, relating to the increase in tax incremental financing and unrestricted investment earnings increased \$4,562. These increases in revenues were off set by a decrease in miscellaneous revenues of \$105,898 relating to a decrease in rental revenues of \$52,352 due to the pandemic and in FY 19 the CRA reported a gain on the sale of land of \$58,000. The 3.77% or \$233,968 decrease in expenses was attributed to the \$315,214 decrease in interest on long-term debt off set by the \$81,5246 increase in economic environment.

Financial Analysis of the CRA’s Funds

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the CRA's *governmental fund (general fund)* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the CRA's financing requirements.

The CRA maintains 2 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and the changes in fund balance for special revenue fund, Community Redevelopment Agency, and the debt service fund, Ft. Pierce Redevelopment Refunding. As of the end of the current fiscal year, the CRA's governmental *funds* reported combined ending fund balance of \$2,018,941 an increase of \$699,732 in comparison with the prior year. The non-spendable portion is \$9,992, and restricted is \$2,008,949. The activity in these funds represents redevelopment activities for certain areas existing in the City of Fort Pierce and the repayment of debt related to those activities. The increase in fund balance is reflective in the restricted, which represents the increase in the tax incremental financing and other income relating to the sale of tax credits.

Special Revenue Fund Budgetary Highlights

The Special Revenue Fund 2020 budget revenue was \$6,905,034; the amount realized was \$7,492,649, an increase of \$587,615 or 8.51%. The expenditure budget was \$6,905,034, and the actual amount was \$6,799,910, a decrease of \$105,124 or 1.52%. All the budget numbers are presented without the netting of transfers in this section. Differences between the original and final revenue and expenditure budget increased fund balance by \$692,739; listed below are the major notable amendments:

- \$123,184 or 1.84% increase in intergovernmental revenue relating to the increase in property tax incremental revenue.
- \$464,134 or 227.41% increase in other revenue; \$21,764 increase in investment income, \$442,370 increase in miscellaneous income relating to the receipt of funds for the sale of tax credits.
- \$105,124 or 1.52% decrease in expenditures from community activities. The major decreases were: Other grant & aids \$177,163 primarily relating to decreases in aid for school resource officer and youth activities related to the closure of schools and activities during the pandemic, \$162,131 decrease in other expenses relating unused budgeted contingency funds. These decreases were offset by increases in insurance of \$14,905, contractual fees of \$188,587 and capital outlay of \$32,753.

Capital Asset and Debt Administration

Capital assets. The CRA's investments in *capital assets* for its governmental activities as of September 30, 2020 amounts to \$42,504,570 (this is net of accumulated depreciation). Additions during the year consisted of roof improvements on the parking structure and additions to the HD Kind project. There were no notable disposals. See Note D for detail information on the primary government's Capital Assets.

Fort Pierce Redevelopment Agency (A Component Unit of the City of Fort Pierce) Capital Assets - FY 2020 and 2019 (net of Depreciation)		
	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Land & CIP	12,726,038	12,726,038
Buildings	17,020,434	17,379,232
Improvements Other than Buildings	12,752,709	13,248,704
Machinery & Equipment	5,389	9,370
Total	<u>42,504,570</u>	<u>43,363,344</u>

Debt. At the end of the current fiscal year, the CRA had total long-term debt outstanding, net of current portion of \$21,275,000.

Fort Pierce Redevelopment Agency (A Component Unit of the City of Fort Pierce) Outstanding Debt- Revenue Refunding Notes		
	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Revenue Refunding Notes	23,050,000	24,770,000
Less current portion	<u>(1,775,000)</u>	<u>(1,720,000)</u>
Long-term debt, net of current portion	<u>21,275,000</u>	<u>23,050,000</u>

The CRA's long-term debt, net of current portion debt decreased during the year by a net \$1,775,000. The Notes to the Financial Statements (Note E) has additional information on all debt activity.

All bonded debt is insured and carries ratings from Moody's of A/1 issuer rating, as of September 30, 2020. No direct ad valorem tax-supported debt exists currently.

Economic Factors and Next Year's Budgets and Rates

The budget process for the 2021 budget began with an 8.40% increase or \$633,583 in the Special Revenue Fund Budget; expenditures exceed revenues by \$71,907, fund balance was used to fund the shortfall.

Some of the significant factors considered in preparing the CRA's Annual Special Revenue Fund Budget for Fiscal Year 2021, that caused and closed the budget gap are listed below:

- The CRA's tax increment financing (TIF) continues to increase. The increase in property tax values and maintaining the millage rate resulted in an increase of \$511,158; from \$6.7 million to \$7.2 million. In the past, the budget was unable to support a number of special projects under historic preservation and restoration; funding for neighborhood and business grants; and other cultural and community events and functions. In prior years, to help balance the budget, transfers from The City's General Fund were used. In FY 2021, because of the increase in tax revenues, no transfer was budgeted but \$71,907 was allocated from fund balance to the budget. The increase also enables the CRA to continue allocating \$350,000 to fund school resources officers in schools within City boundaries. The 2021 budget also includes an increase of \$149,000 in contractual fees relating to projects.

Requests for Information

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest in the CRA's finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Finance Director, 100 North US 1, P. O. Box 1480, Fort Pierce, Florida 34954.

Fort Pierce Redevelopment Agency
STATEMENT OF NET POSITION
September 30, 2020

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 2,018,845
Receivables (net of allowance for Uncollectibles)	137,192
Prepaid items	9,992
Total current assets	<u>2,166,029</u>
Noncurrent assets:	
Land	12,726,038
Capital assets (net of accumulated depreciation):	
Buildings	21,926,648
Improvements other than buildings	25,023,603
Equipment	424,000
Accumulated depreciation	(17,595,719)
Total noncurrent assets	<u>42,504,570</u>
Total assets	<u>\$ 44,670,599</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	283,957
Total deferred outflows of resources	<u>283,957</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 8,420
Due to the primary governments	22,691
Notes and revenue bonds-current	1,775,000
Accrued interest payable	249,964
Total current liabilities	<u>2,056,075</u>
Noncurrent liabilities:	
Notes and bonds payable, net	<u>21,275,000</u>
Total noncurrent liabilities	<u>21,275,000</u>
Total liabilities	<u>23,331,075</u>
NET POSITION	
Net Invested in capital assets	19,738,527
Restricted for:	
Redevelopment Projects	1,373,912
Debt service	511,042
Total net position	<u>\$ 21,623,481</u>

The accompanying notes are an integral part of this statement.

Fort Pierce Redevelopment Agency
STATEMENT OF ACTIVITIES
Year ended September 30, 2020

Functions/Programs	Program Revenues				Net (expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position
					Governmental Activities
Governmental activities:					
Economic environment	5,203,994	6,824,121	-	-	1,620,127
Interest on long-term debt	773,131	-	-	-	(773,131)
Total governmental activities	5,977,125	6,824,121	-	-	846,996
General revenues:					
Miscellaneous					\$ 651,740
Unrestricted investment earnings					29,901
Total general revenues, and transfers					681,641
Change in net position					1,528,637
Net position - beginning					20,094,844
Net position - ending					\$ 21,623,481

The accompanying notes are an integral part of this statement.

Fort Pierce Redevelopment Agency
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

	Special Revenue Fund <u>Community Redevelopment Agency</u>	Debt Service Fund <u>Ft. Pierce Redevelopment Refunding</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 1,507,803	\$ 511,042	\$ 2,018,845
Accounts receivables	300,888	-	300,888
Prepaid items	9,992	-	9,992
Total assets	<u>\$ 1,818,683</u>	<u>\$ 511,042</u>	<u>\$ 2,329,725</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 8,420	\$ -	\$ 8,420
Due to primary governments	22,691	-	22,691
Total liabilities	<u>31,111</u>	<u>-</u>	<u>31,111</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>279,673</u>	<u>-</u>	<u>279,673</u>
Total Deferred Inflows	<u>279,673</u>	<u>-</u>	<u>279,673</u>
FUND BALANCES			
Nonspendable	9,992	-	9,992
Restricted for:			
Redevelopment Projects	1,497,907	-	1,497,907
Debt service	<u>-</u>	<u>511,042</u>	<u>511,042</u>
Total fund balances	<u>1,507,899</u>	<u>511,042</u>	<u>2,018,941</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,818,683</u>	<u>\$ 511,042</u>	<u>\$ 2,329,725</u>

The accompanying notes are an integral part of this statement.

Fort Pierce Redevelopment Agency

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES**

September 30, 2020

Total fund balance per this statement	\$	2,018,941
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are reported in the funds. The cost of the assets is \$60,100,289 and the accumulated depreciation is \$17,595,719		42,504,570
Long-term liabilities (intergovernmental notes) are not due and payable and therefore, are not reported in the funds.		(23,050,000)
Governmental funds do not report a liability for accrued interest until it is due and payable. Accrued interest must be reported as a liability in the government-wide financial statements.		(249,964)
Deferred charges on refundings are financial uses in the fund statement; for full accrual, however these expenses are reported as non-current assets in the government-wide financial statements.		283,957
Various receivables, (liens receivable, and loans receivable) are not financial resources in the current period and therefore, are reported as unavailable revenue in the funds.		115,977
Net position of governmental activities	\$	<u>21,623,481</u>

The accompanying notes are an integral part of this statement.

Fort Pierce Redevelopment Agency
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
GOVERNMENTAL FUNDS
Year ended September 30, 2020

	Special Revenue Fund <u>Community Redevelopment Agency</u>	Debt Service Fund <u>Ft. Pierce Redevelopment Refunding</u>	<u>Totals</u>
Revenues			
Licenses and permits	\$ 1,048	\$ -	\$ 1,048
Intergovernmental	6,824,121	-	6,824,121
Investment income	22,264	7,637	29,901
Other	645,216	-	645,216
Total revenues	<u>7,492,649</u>	<u>7,637</u>	<u>7,500,286</u>
Expenditures			
Current			
Economic environment	4,254,517	-	4,254,517
Capital outlay	32,753	-	32,753
Debt service			
Principal	-	1,720,000	1,720,000
Interest and fees	-	791,784	791,784
Other	-	1,500	1,500
Total expenditures	<u>4,287,270</u>	<u>2,513,284</u>	<u>6,800,554</u>
Excess of revenues over (under) expenditures	3,205,379	(2,505,647)	699,732
Other financing sources (uses)			
Transfers in	-	2,512,640	2,512,640
Transfers out	<u>(2,512,640)</u>	<u>-</u>	<u>(2,512,640)</u>
Total other financing sources (uses)	<u>(2,512,640)</u>	<u>2,512,640</u>	<u>-</u>
Net change in fund balances	692,739	6,993	699,732
Fund balances - beginning of year	<u>815,160</u>	<u>504,049</u>	<u>1,319,209</u>
Fund balances - end of year	<u>\$ 1,507,899</u>	<u>\$ 511,042</u>	<u>\$ 2,018,941</u>

The accompanying notes are an integral part of this statement.

Fort Pierce Redevelopment Agency

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES**

Year ended September 30, 2020

Net change in fund balances-total governmental funds	\$	699,732
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$891,528) exceeds capital outlay (\$32,753) in the current period.		(858,775)
Repayment of bond and note principal (\$1,720,000) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		1,720,000
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds interest expenditures are reported when due. This is the net amount between the prior and current year.		18,653
Deferred charges on refunding are reported as expenditures when realized. In the Statement of Net Position these costs are amortized. Current year amortization expense was (\$56,549)		(56,449)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net amount between the prior and current year.		5,476
Change in Net position of governmental activities	\$	<u><u>1,528,637</u></u>

The accompanying notes are an integral part of this statement.

Fort Pierce Redevelopment Agency

**STATEMENT OF SPECIAL REVENUE FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY**

Year ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 6,700,934	\$ 6,824,121	\$ 6,824,121	\$ -
Investment income	500	22,264	22,264	-
Other	203,600	646,264	646,264	-
Total revenues	<u>6,905,034</u>	<u>7,492,649</u>	<u>7,492,649</u>	<u>-</u>
Expenditures				
Current				
Economic environment	871,338	4,254,517	4,254,517	-
Capital outlay	-	32,753	32,753	-
Total expenditures	<u>871,338</u>	<u>4,287,270</u>	<u>4,287,270</u>	<u>-</u>
Excess of revenues over expenditures	6,033,696	3,205,379	3,205,379	-
Other financing sources (uses)				
Transfers out	<u>(6,033,696)</u>	<u>(2,512,640)</u>	<u>(2,512,640)</u>	<u>-</u>
Total other financing sources (uses)	(6,033,696)	(2,512,640)	(2,512,640)	-
Net change in fund balances	-	692,739	692,739	-
Fund balance - beginning of year	<u>815,160</u>	<u>815,160</u>	<u>815,160</u>	<u>-</u>
Fund balance - end of year	<u>\$ 815,160</u>	<u>\$ 1,507,899</u>	<u>\$ 1,507,899</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Fort Pierce Redevelopment Agency (CRA) have been prepared in conformity with United States Generally Accepted Accounting Principles (“GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”).

1. REPORTING ENTITY

The Fort Pierce Redevelopment Agency was established in 1982 by the City of Fort Pierce, Florida (the City) under the provisions of Section 163.330, Florida Statutes. City Ordinance No. H-239 created the Fort Pierce Redevelopment Agency and delegated powers to the CRA in accordance with Florida Law and State Statutes Chapter 163.

The board of directors of the CRA is comprised of five (5) members of the City Commission of the City and is separate, distinct, and independent from the governing body of the City.

For financial reporting purposes, the CRA is a component unit of the City and is thus included in the City’s comprehensive annual financial report as a blended component unit. This report is not a complete presentation of the City of Fort Pierce.

The CRA encompasses the older central core of the city and extends eastward across Seaway Drive and Hutchinson Island. The City Commission extended the boundaries of the CRA in 1995, 1996, and 2000 to include additional neighborhoods that were in a state of economic as well as physical decline.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide financial statements (based on the CRA as a whole) and fund financial statements. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the CRA. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The CRA does not have any business-type activities and has only governmental activities. The accounts of the CRA are reported as special revenue, and debt service funds.

The Government-wide Statement of Activities reports the degree to which the gross expenses, including depreciation, of the significant governmental functions provided by the CRA, are financed by the program revenues and the operating and capital grants directly related to the costs of providing each function. The statement then reports the extent to which the resulting net costs of these functions (gross expenses less directly-related program revenues and grants) are financed by general revenues of the CRA (i.e. taxes, interest income, etc.) This statement is prepared using the full accrual basis of accounting, which determines the timing of the recording of revenues and expenses. Under this basis of accounting, revenues are recorded when earned, and expenses are recorded when an obligation is incurred.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When present, the CRA chooses to eliminate the general and administrative charges between governmental activities to avoid a “doubling up” effect.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. For purposes of this report all of the CRA’s funds are classified as major governmental funds.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The measurement focus of the governmental funds (in the Fund Financial Statements) is upon determination of financial position and changes in financial position rather than upon net income.

These 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 considered property taxes as available if they are collected within 60 days after year-end. A six-month availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The CRA reports the following major governmental funds:

The *community redevelopment agency-special revenue fund* accounts for the redevelopment of designated areas within the City. Financing is provided by an incremental increase in ad valorem taxes levied each year.

The *Ft. Pierce Redevelopment Refunding-debt service fund* accounts for resources that are restricted to payment of principal, interest and other expenditures on long-term debt.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

a. Deposits and investments

The CRA has defined cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes and local ordinances authorize the CRA to invest in various types of investments as discussed in a subsequent note. All of the CRA's cash and investments are included in the City's investment pool and as such, each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty. Investments are stated at fair value. Income from investments held by the individual funds is recorded in the respective fund as it is earned.

Investments of the CRA, are reported at fair value within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

b. Receivables and payables

All trade receivables are shown net of an allowance for uncollectible accounts.

c. Due to/Due from

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds." These balances are eliminated the government-wide financial statements.

d. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when consumed rather than when purchased.

e. Capital assets

Capital assets, include property, plant, equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), which are reported in the applicable governmental or business-type activities columns on the government-wide financial statements. Capital assets are defined by the CRA as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art, and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated lives:

Buildings and improvements	3-55 years
Improvements other than buildings	20-25 years
Equipment	3-20 years
Public domain infrastructure	15-75 years

f. Deferred outflows/inflows of resources

The Statement of Net Position includes a separate section for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. This category includes Deferred Charge on Refunding reported on the Government-wide Statement of Net Position. The deferred charge on refunding is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

g. Long-term obligations

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as insurance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond insurance costs are reported as deferred charges and amortized over the term of the related debt.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

h. Fund balance

Net position of the government-wide fund is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets consists of capital assets reduced by the outstanding debt issued to acquire, construct or improve those assets, less any unspent debt proceeds. Restricted net position has regulatory or third party limitations on its use.

The CRA implemented GASB No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”, for the year ended September 30, 2011. The Statement requires the fund balance of governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As of September 30, 2020, the fund balances of the governmental funds are classified as follows:

Non-spendable- Amounts that cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

Restricted- Amounts can be used only for specific purposes because of a constitutional provision, enabling legislation, or externally imposed constraints by creditors, grantors, contributors, or other governments.

Committed- Amounts can be used only for specific purposes because of a formal action (resolution) of the CRA’s Board of Directors, the highest level of decision making authority. Commitments may be changed or lifted only by the CRA’s Board of Directors taking the same formal action (resolution) that imposed the original constraint.

Assigned- Amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes as determined by the CRA’s Board of Directors.

Unassigned- Residual amount retained in the general fund that has not been otherwise classified.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the CRA considers restricted funds to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first from committed, second from assigned, and lastly from unassigned balances.

h. Revenues

The CRA’s primary source of revenue is tax increment funds collected from the City, and St. Lucie County. These entities levy ad valorem property taxes within the legally defined redevelopment area of the CRA. The tax increment revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations within the CRA district using the year in which they were established as the “base year”. Revenues generated by improvements in the Agency districts are to be reinvested in the district to continue to spur redevelopment. Assessed values are established by the St. Lucie County Property Appraiser. . The City, and St. Lucie County are required to pay 95% of these incremental property taxes to the CRA on or before January 1 of each year, otherwise the full amount of the incremental revenue will be due.

i. New Accounting Pronouncements

In Fiscal Year 2020, the CRA implemented GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. This Statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. There is no financial impact to the CRA as a result of the implementation.

5. ACCOUNTING ESTIMATES

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

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

The appropriated budget is the expenditure authority created by the appropriation ordinance which is signed into law along with related estimated revenues for the community redevelopment agency fund.

The amended budget reflects the appropriated budget for the community redevelopment agency fund. Budgets are not adopted for debt service funds. All annual appropriations lapse at fiscal year end.

The CRA follows these procedures in establishing the appropriated budget reflected in the financial statement:

- a. The budget is approved by the Board of Directors of the CRA and then formally adopted by an ordinance of the City Commission on or before October 1.
- b. Formal budgetary integration is employed as a management control device during the year for the community redevelopment agency fund. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternately achieved through general obligation bond indenture provisions.
- c. Budgets for the community redevelopment agency fund are adopted on a basis consistent with generally accepted accounting principles. (GAAP).
- d. The level of control (level at which expenditures may not exceed budget) is the department. Department heads may move budget appropriations from one line item to another line item within his/her department with the approval of the City's Director of Finance. Transfers of budget appropriations between departments must be approved by the City's Director of Finance and the City Manager. Any increase in budget over what was appropriated must be approved by the Board of Directors and the City Commission. Unexpended balances of appropriations lapse at year end.
- e. In accordance with past practices, after the close of the year, the budget has been amended to reflect changes in available revenues and transfers of appropriations between departments and programs.

Fort Pierce Redevelopment Agency
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE C – CASH AND INVESTMENTS

City Management has operational responsibility for the CRA, and accordingly, cash and investments of the CRA are included in the City's pooled cash and investments. The CRA follows the City's cash and investment policies.

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments. The carrying amount of these deposits at September 30, 2020 was \$2,018,845 and the bank balance was \$2,058,215. The deposits are insured by federal depository insurance or collateralized under the provisions of Chapter 280, Florida Statutes.

Deposits - Florida statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits. The CRA had deposits only with qualifying institutions as of September 30, 2020, or with banks in which depository insurance was sufficient to cover the deposit balance.

Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the City Finance Director. Cash equivalents consist of demand deposits, certificates of deposit, and money market accounts. Investments in the pooled fund consist of Repurchase agreements (overnight), Treasury notes, and Government securities.

The CRA has implemented the GASB Statement No. 72 *Fair Value Measurement and Application* by categorizing its investments according to the fair market value hierarchy established by the statement. The hierarchy is based on the valuation input used to measure the fair value of the asset as follows:

- Level 1- inputs are quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2- inputs-other than quoted prices included within level 1-debt securities classified as level 2 are valued using a matrix pricing technique.
- Level 3- unobservable inputs for an asset or liability.

Fort Pierce Redevelopment Agency
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE C – CASH AND INVESTMENTS (CONTINUED)

A summary of the CRA’s allocable share of the City’s pooled cash and investments as of September 30, 2020 is as follows:

Cash	<u>\$ 379,138</u>
Investments:	
Repurchase agreements	<u>1,639,707</u>
Total investments	<u>1,639,707</u>
Total pooled cash and investments	<u><u>\$ 2,018,845</u></u>

All investments held in the CRA at September 30, 2020 have maturity dates less than one year.

Credit Risk. State law limits investments in corporate notes to the top two ratings issued by nationally recognized statistical ratings organizations (NRSROs). It is the CRA’s policy to limit its investments in these investment types to A or better, with a maximum 15% discretionary allocation to BBB by Standard and Poor’s. Money Market securities rated A1/P1 by Standard and Poor’s/Moody’s are allowed.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy discourages long-term investments.

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.

Investments - The CRA through the City, is authorized by Ordinance to invest in:

1. Local Governmental Surplus Trust Funds
2. Interest-bearing time deposits or savings accounts in banks organized under the laws of this State or the United States and doing business in this State as detailed in the investment policy of the City.
3. Deposits and certificates of deposit in out-of-state banks, savings and loan associations and other regulated financial institutions as may be required by contractual agreements when approved by the City Commission.
4. Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government at the then prevailing price for such securities.
5. Repurchase Agreements, secured by the type of investment listed above, restricted as to acquisition, term, and market value.

Fort Pierce Redevelopment Agency
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE D - CAPITAL ASSETS

Capital asset activity of the CRA for the year ended September 30, 2020 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 12,726,038	\$ -	\$ -	\$ 12,726,038
Total capital assets, not being depreciated	12,726,038	-	-	12,726,038
Capital assets, being depreciated:				
Buildings	21,911,095	15,553	-	21,926,648
Improvements other than buildings	25,006,403	17,200	-	25,023,603
Equipment	424,000	-	-	424,000
Total	47,341,498	32,753	-	47,374,251
Less accumulated depreciation for:				
Buildings	(4,531,862)	(374,353)	-	(4,906,215)
Improvements other than buildings	(11,757,698)	(513,195)	-	(12,270,893)
Equipment	(414,631)	(3,980)	-	(418,611)
Total accumulated depreciation	(16,704,191)	(891,528)	-	(17,595,719)
Total capital assets, being depreciated, net	30,637,307	(858,775)	-	29,778,532
Total capital assets, net	<u>\$ 43,363,345</u>	<u>\$ (858,775)</u>	<u>\$ -</u>	<u>\$ 42,504,570</u>

Depreciation expense charged to functions/programs of the government-wide Statement of Activities for the year ended September 30, 2020 was as follows:

Governmental activities:

Economic environment	<u>\$ 891,528</u>
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Fort Pierce Redevelopment Agency
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE E – LONG TERM OBLIGATIONS

Long-term liability activity of the CRA for the year ended September 30, 2020 was as follows:

	Beginning Balance 10/1/2019	Additions	Reductions	Ending Balance 9/30/2020	Amounts Due within One Year	Amounts Due after One Year
Revenue notes	\$ 24,770,000	\$ -	\$ 1,720,000	\$ 23,050,000	\$ 1,775,000	\$ 21,275,000

The CRA has outstanding Revenue Notes from direct borrowings related to its governmental activities totaling \$23,050,000. The outstanding Revenue Notes are secured by a first lien and pledge upon the Tax Increment Revenues.

The CRA’s outstanding notes from direct borrowing and direct placements contains a provision defining events of default as the following: 1) failure to make payment, 2) The CRA fails to performs any of the other covenants, conditions, agreements, and provisions contained in the Note or the Agreement, 3) any proceedings are willfully instituted effecting a compromise between the CRA and its creditors for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statue now or hereinafter enacted, 4) an admission in writing of its inability to pay debts as become due, 5) bankruptcy, insolvency, or declaration a financial emergency, and 6) if any court assumes control of the CRA or a substantial part of its property for the relief or aid of debtors. The notes from direct borrowing and direct placement, contain the following additional default events: a) a final judgement for the payment of money of \$1,000,000 or more (only if insurance is not available to cover the judgement), b) long term public debt ratings fall below Baa2 for Moody’s or BBB for Fitch, or Standards & Poor’s, c) the failure to adopt a budget depositing incremental revenue into the Redevelopment Trust Fund, and d) any breach of representations or warranties.

Upon the occurrence of a default the notes shall bear interest at the default rate. Acceleration of payments is remedy for events 1,3,4,5, 6 and event B for non-remedied defaults. Non-remedied defaults for events 2, A, and C, allow Noteholders to pursue legal proceedings for specific performance of any covenant or agreement and recover all costs and expense for proceedings. These amounts are payable only from pledged revenues.

Revenue Notes Direct Borrowing

\$20,000,000 Redevelopment Revenue Refunding Note, Series 2015A-The Series 2015 Notes were issued for the purpose of: (i) currently refunding the Fort Pierce Redevelopment Bonds, Series 2005 and advance refund the Fort Pierce Redevelopment Bonds, Series 2006 (ii) finance the costs of issuance of the Series 2015 notes.

The Series 2015 Notes and interest thereon are payable from and secured by a first lien and pledge upon the Tax Increment Revenues. Interest at 3.2%, payable semi-annually and sinking fund installments ranging from \$1,145,000 to \$1,615,000 through May 1, 2031. Proceeds used to refund the Fort Pierce Redevelopment Bonds, Series 2005 and 2006. Current portion is \$1,145,000.

Fort Pierce Redevelopment Agency
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE E – LONG TERM OBLIGATIONS (CONTINUED)

\$11,055,000 Redevelopment Revenue Refunding Note, Series 2015 B-The Series 2015 Notes were issued for the purpose of: (i) currently refunding the Fort Pierce Redevelopment Bonds, Series 2005 and advance refund the Fort Pierce Redevelopment Bonds, Series 2006 (ii) finance the costs of issuance of the Series 2015 notes.

The Series 2015 Notes and interest thereon are payable from and secured by a first lien and pledge upon the Tax Increment Revenues. Interest at 3.2%, is payable semi-annually and sinking fund installments ranging from \$630,000 to \$905,000 through May 1, 2031. Proceeds used to refund the Fort Pierce Redevelopment Bonds, Series 2005 and 2006. Current portion is \$630,000.

CRA revenue notes outstanding at September 30, 2020, consist of the following:

	Purpose	Amount Issued	Amount Outstanding	Interest Rate	Maximum Annual Debt Svc.
Fort Pierce Redevelopment Revenue Refunding Notes,2015A	Refunding	\$ 20,000,000	14,870,000	3.20%	1,666,680
Fort Pierce Redevelopment Revenue Refunding Notes,2015B	Refunding	\$ 11,055,000	8,180,000	3.20%	933,960
		<u>\$ 31,055,000</u>	<u>\$ 23,050,000</u>		

Requirements to pay principal and interest on the CRA's obligations in each of the years/periods ending September 30, is as follows

		Revenue Notes		
		Principal	Interest	Total
2021	\$	1,775,000	\$ 737,600	\$ 2,512,600
2022		1,835,000	680,800	2,515,800
2023		1,885,000	622,080	2,507,080
2024		1,950,000	561,760	2,511,760
2025		2,015,000	499,360	2,514,360
2026-2030		11,070,000	1,488,160	12,558,160
2031		2,520,000	80,640	2,600,640
	\$	<u>23,050,000</u>	<u>\$ 4,670,400</u>	<u>\$ 27,720,400</u>

Defeasance of Revenue Bonds/Notes Payable

In prior years, the CRA defeased certain outstanding Redevelopment Revenue Bonds payable from tax increment revenues. For each issue, the CRA deposited proceeds of the refunding bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the CRA's financial statements.

Fort Pierce Redevelopment Agency
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE E – LONG TERM OBLIGATIONS (CONTINUED)

At September 30, 2020 the following bonds are considered defeased:

Bond Issue	Series	Beginning Balance 10-1-2019	Additions	Retirement	Ending Balance 9-30-2020
Redevelopment Revenue Bonds	2003	2,725,000	-	635,000	2,090,000
Redevelopment Revenue Bonds	2006	12,880,000	-	735,000	12,145,000
		\$ 15,605,000	\$ -	\$ 1,370,000	\$ 14,235,000

NOTE F - INTERFUND TRANSFERS

The composition of inter-fund transfers for the year ended September 30, 2020 was as follows:

	Special Revenue Fund	Debt Service Fund	Total
Community Redevelopment Agency	\$ (2,512,640)	\$ -	\$ (2,512,640)
Ft. Pierce Redevelopment Refunding	-	2,512,640	2,512,640
	\$ (2,512,640)	\$ 2,512,640	\$ -

Transfers into the Ft. Pierce Redevelopment Refunding debt service fund were for debt service payments on the CRA's outstanding Revenue notes.

NOTE G - TRANSACTIONS WITH THE CITY OF FORT PIERCE

The City provides services related to the operations of the CRA that include staffing. The CRA paid the City Approximately \$600,000 for these services. The CRA also provides financial support to the City's theatre of \$450,000 and reimbursed the City for certain debt service payments related to City debt within the CRA boundaries of approximately 2,600,000.

NOTE H - RISK MANAGEMENT

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The CRA's risk management program mainly encompasses obtaining property and liability insurance through commercial insurance carriers. During the year ended September 30, 2020, the CRA paid premiums of approximately \$104,000 to the City for its share of various liability, property, and casualty insurance. The CRA has various deductible amounts ranging from \$500 to \$25,000 on various policies. At year-end, the CRA did not have any significant claims, and past claims have not exceeded insurance coverage in any of the past three years. There were no significant changes in coverage retention, or limits during the fiscal year. The Special Revenue Fund handles property claims for the CRA and absorbs the loss for any amounts below the deductible amounts.

NOTE I - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the CRA expects such amounts, if any, to be immaterial.

NOTE I – OPERATING LESSOR

On December 15, 2005 the CRA, as a lessor, entered into an agreement with Ianco, LLC (the “tenant”), the lessee, to rent the restaurant facility located on the western side of the City’s public marina and docking facility. The current lease agreement extends to June 30, 2021. Rent is payable monthly within five business days of the closing of any monthly period. Rent is the computed at the greater of 7.25% of all gross revenues or \$6,500 per month. In March 2020, in response to the pandemic, the CRA agreed to reduce the percentage from 7.25% to 4%. The CRA collected \$149,365 from the tenant for the year ended September 30, 2020.

NOTE K– SUBSEQUENT EVENTS AND UNCERTAINTIES

Management has performed an analysis of the activities and transactions subsequent to September 30, 2020 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2020. Management has performed their analysis through March 22, 2021, the date the financial statements were available for issuance.

During March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and counties, could continue to be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. The CRA continues to carefully monitor the situation and is continuously evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

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

To the Board of Directors
Fort Pierce Redevelopment Agency
City of Fort Pierce, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund, of the Fort Pierce Redevelopment Agency (the "CRA") a component unit of the City of Fort Pierce, Florida as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated March 22, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A. Bartolomeo, M. Bee, Hartley & Barnes

Certified Public Accountants
Fort Pierce, Florida
March 22, 2021

Independent Accountant's Report on Compliance With Section 218.415, Florida Statutes

To the Board of Directors
Fort Pierce Redevelopment Agency
Fort Pierce, Florida

We have examined the Fort Pierce Redevelopment Agency's (the CRA) compliance with the requirements of Section 218.415, Florida Statutes with regards to the CRA's investments during the year ended September 30, 2020. City 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 specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee Hartley & Barnes, P.A.
Fort Pierce, Florida
March 22, 2021

Independent Accountant's Report on Compliance With
Section 163.387(6) and (7), Florida Statutes

To the Board of Directors
Fort Pierce Redevelopment Agency
Fort Pierce, Florida

We have examined the Fort Pierce Redevelopment Agency's (the CRA) compliance with the requirements of Section 163.387(6) and (7), Florida Statutes during the year ended September 30, 2020. City 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 specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee Hartley & Barnes, P.A.
Fort Pierce, Florida
March 22, 2021

Management Letter

To the Board of Directors
Fort Pierce Redevelopment Agency
Fort Pierce, Florida

Report on the Financial Statements

We have audited the financial statements of the Fort Pierce Redevelopment Agency (the CRA), a component unit of the City of Fort Pierce, Florida as of and for the year ended September 30, 2020, and have issued our report thereon dated March 22, 2021, which was unqualified.

Auditor's Responsibility

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, and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 22, 2021, 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 significant findings and recommendations made in the preceding annual financial audit. There were no findings or recommendations noted in the preceding annual financial audit.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This is disclosed in Note A of the financial statements.

Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the CRA of Fort Pierce, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. 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.

Special District Component unit

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 did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Other Matters

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such findings.

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

Purpose of this letter

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

Very truly yours,



Certified Public Accountants
Fort Pierce, Florida
March 22, 2021