

**RIVIERA BEACH
COMMUNITY REDEVELOPMENT AGENCY**
(A component unit of the City of Riviera Beach, Florida)

**Audited Financial Statements
Fiscal year ended September 30, 2020**



HCT Certified Public Accountants & Consultants, LLC
3816 Hollywood Boulevard, Suite 203
Hollywood, Florida 33021
Telephone: (954) 966-4435
Facsimile: (954) 962-7747

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(A component unit of the City of Riviera Beach, Florida)

Audited Financial Statements
Fiscal year ended September 30, 2020

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(A component unit of the City of Riviera Beach, Florida)

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Riviera Beach Community Redevelopment Agency
Riviera Beach, Florida

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

Management's Responsibility for the Financial Statements

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, and Chapter 10.550, Rules of the Auditor General. 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 entity'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 entity'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, business-type activities, and each major fund of the Agency as of September 30, 2020, and the respective changes in financial position thereof for the year then 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 States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–8 and 32–33 respectively 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2021, on our consideration of the Agency, a component unit of the City's internal control over financial reporting and on our tests of 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 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 Agency, a component unit of the City's, internal control over financial reporting and compliance.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
June 24, 2021

Management's Discussion and Analysis

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

The Riviera Beach Community Redevelopment Agency (Agency) Management's Discussion and Analysis (MD&A) is intended to provide the readers of the Agency's financial statements with a general overview of the financial activities during Fiscal Year 2020. This report and related financial statements include the consolidated financial position and result of activities of the Riviera Beach CDE, Inc. (RBCDE), which is a controlled entity of the Agency. Refer to Note 1 of the *Notes to the Basic Financial Statements*. The information in this section should be read in conjunction with the financial statements and the notes.

HIGHLIGHTS

Financial Highlights

- As of fiscal year end 2020, the Agency's total net position increased by \$2.253 million, or 28.88%, which is a slight increase from the prior year's deficit of \$8.025 million.
- For FY 2020, total revenues increased slightly by \$0.307 million or 3.33%, over those reported in the prior year. This is due mainly to an increase in taxes and interest.
- For FY 2020, total expenses decreased by \$1.147 million, or 13.63%, over those reported in the prior year. This is due mainly to an increase in operating expenses and interest costs.

OVERVIEW OF FINANCIAL STATEMENTS

The Agency's basic financial statements provide information on both the Agency as a whole (government-wide) and the major individual funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Agency's finances, in a similar manner to a private-sector business. The government-wide financial statements are prepared using the accrual basis of accounting.

The government-wide financial statements include:

Statement of Net Position – This statement presents information on the Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This statement format combines and consolidates the governmental funds' current financial resources with capital assets and long-term obligations.

Statement of Activities – This statement presents information showing how the Agency's net position changed during the fiscal year. All changes in revenues are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements present functions of the Agency that are principally supported by tax increment financing (governmental activities). The governmental activities of the Agency include general government activities and redevelopment projects.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Fund Financial Statements

Fund financial statements provide readers with an overview of each fund and its related function in a traditional format. A fund is a grouping of related accounts that maintain control over resources that are segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate legal compliance with financial related legal requirements. The General Fund is the only governmental fund that is used to account for the operating activities of the Agency. The General Fund also includes the activities of the redevelopment programs which are funded by restricted debt proceeds.

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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources and 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.

The focus of governmental funds is narrower than government-wide financial statements and, therefore, useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The *Balance Sheet – Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds* are reconciled to the government-wide statements to facilitate the comparison between the two presentations.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to the full understanding of the information presented in the government-wide and the fund financial statements and is required by generally accepted accounting principles.

Required Supplementary Information

In addition to the basis financial statements and accompanying notes, this report also presents required supplementary information concerning the Agency's budget to actual results for the General Fund. The Agency adopts an annual appropriated budget for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve as a useful indicator over time of the Agency's financial position. Assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by \$5.548 million as of September 30, 2020, an increase of \$2.253 million, or 28.88%, over last fiscal year. The following is a condensed version of the Statement of Net Position presented in the basic financial statements section.

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RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$28,286,968	\$23,035,223	\$5,894,722	\$5,780,020	\$34,181,690	\$28,815,243
Capital assets	7,754,006	8,574,731	7,994,645	8,320,227	15,748,651	16,894,958
Total assets	<u>36,040,974</u>	<u>31,609,954</u>	<u>13,889,367</u>	<u>14,100,247</u>	<u>49,930,341</u>	<u>45,710,201</u>
Deferred outflows of resources	433,400	128,683	-	-	433,400	128,683
Current and other liabilities	2,411,797	4,397,742	23,728	138,753	2,435,525	4,536,495
Long-term liabilities	39,666,356	35,319,652	13,755,312	13,737,499	53,421,668	49,057,151
Total liabilities	<u>42,078,153</u>	<u>39,717,394</u>	<u>13,779,040</u>	<u>13,876,252</u>	<u>55,857,193</u>	<u>53,593,646</u>
Deferred inflows of resources	54,887	47,030	-	-	54,887	47,030
Net investment in capital assets	1,424,748	1,814,943	-	-	1,424,748	1,814,943
Restricted	6,329,258	8,128,833	8,332	8,331	6,337,590	8,137,164
Unrestricted	<u>(13,412,672)</u>	<u>(17,969,563)</u>	<u>101,995</u>	<u>215,664</u>	<u>(13,310,677)</u>	<u>17,753,899)</u>
Total net position	<u>\$(5,658,666)</u>	<u>\$(8,025,787)</u>	<u>\$110,327</u>	<u>\$ 223,995</u>	<u>\$(5,548,339)</u>	<u>(7,801,792)</u>

The Statement of Activities that follows shows changes in the Agency's net position for fiscal years ended September 30, 2020 and 2019. Changes in the net position are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

- For FY 2020, total revenues increased slightly by \$0.307 million or 3.33%, over those reported in the prior year. This is due mainly to an increase in taxes and interest.
- For FY 2020, total expenses decreased by \$1.147 million, or 13.63%, over those reported in the prior year. This is due mainly to an increase in operating expenses and interest costs.

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RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

The following is the Statement of Activities presented in the basic financial statements section.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 50,000	\$ 422,304	\$ 323,904	\$ 318,288	\$ 373,904	\$ 740,592
General revenues:						
Taxes	8,717,479	8,378,475	-	-	8,717,479	8,378,475
Other revenues	341,267	23,720	84,928	67,683	426,195	91,403
Total revenues	9,108,746	8,824,499	408,832	385,971	9,517,578	9,210,470
Expenses:						
General government	3,048,739	2,571,614	-	-	3,048,739	2,571,614
Redevelopment program	2,800,814	4,206,078	-	-	2,800,814	4,206,078
RB CDE	-	-	522,500	559,941	522,500	559,941
Interest and debt costs	892,072	1,073,191	-	-	892,072	1,073,191
Total expenses	6,741,625	7,850,883	522,500	559,941	7,264,125	8,410,824
Change in net position	2,367,121	973,616	(113,668)	(173,970)	2,253,453	799,646
Net position - beginning	(8,025,787)	(8,999,403)	223,995	397,965	(7,801,792)	(8,601,436)
Net position - ending	(\$5,658,666)	(\$8,025,787)	\$110,327	\$ 223,995	(\$5,548,339)	(\$7,801,792)

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Agency's governmental funds reported an ending fund balance of \$17.755 million in comparison to the prior year's ending fund balance of \$10.892 million. This increase is due mainly from unspent bond proceeds.

BUDGETARY ANALYSIS FOR THE GENERAL FUND

For FY 2020, the original budget was not amended during the fiscal year. The General Fund's budget for FY 2020 was \$9.148 million. Actual revenues fell short of the budgeted revenues by \$0.039 million due mainly to a reduction in rents and leases. Actual expenditures were below the budgeted amount by \$4.461 million due mainly to a reduction of real estate and redevelopment program and capital outlay expenditures.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2020, the Agency’s investment in capital assets (net of accumulated depreciation) amounted to \$15.749 million, a reduction of \$1.146 million over the prior fiscal year. Capital assets include land, buildings, improvements, furniture, and equipment.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 5,913,241	\$ 3,913,365	\$ -	\$ -	\$5,913,241	\$3,913,365
Buildings and improvements	2,464,261	5,489,868	8,875,700	8,875,701	11,339,961	14,365,569
Furniture and equipment	348,782	327,159	518,451	518,451	867,233	845,610
Total capital assets	8,726,284	9,730,392	9,394,151	9,394,152	18,120,435	19,124,544
Accumulated depreciation	(972,278)	(1,155,660)	(1,399,506)	1,073,925)	(2,371,784)	(2,229,585)
Total capital assets, net	\$ 7,754,006	\$ 8,574,732	\$ 7,994,645	\$ 8,320,227	\$ 15,748,651	\$ 16,894,959

Long-term Debt

As of September 30, 2020, total long-term debt amounted to \$55.409 million, which represents an increase of \$5.292 million or 10.56%. During FY 2020, Series 2011, 2013A, 2013B, and 2018 were refunded and Series 2020A and 2020B were issued.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Series 2006	\$1,823,621	\$2,374,543	\$ -	\$ -	\$1,823,621	\$2,374,543
Series 2011	-	7,850,000	-	-	-	7,850,000
Series 2013A	-	2,190,000	-	-	-	2,190,000
Series 2013B	-	4,970,000	-	-	-	4,970,000
Series 2018	-	8,807,000	-	-	-	8,807,000
Series 2020A	13,297,000	-	-	-	13,297,000	-
Series 2020B	16,338,000	-	-	-	16,338,000	-
Advance from City	10,194,621	10,194,621	-	-	10,194,621	10,194,621
Recoverable grant	-	-	7,298,000	7,298,000	7,298,000	7,298,000
Loans payable, net	-	-	6,457,312	6,430,766	6,457,312	6,430,766
Total long-term liabilities	\$41,653,242	\$36,386,164	\$13,755,312	\$13,728,766	\$55,408,554	\$50,116,949

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Agency's budget for FY 2021 includes an increase in tax increment revenues of 6.11%% due to an increase in real estate values. Focus will continue to be placed on redevelopment projects, which include promoting development of the Broadway Corridor, provision of parking to facilitate and promote new growth in the City, expansion of the neighborhood programs that will enhance the quality of life of the community, improving residential property values, and to provide residents with improved neighborhoods. The Agency will continue to focus on developing and implementing the second phase of the private development opportunities within the Marina Village and encourage real estate development and related new jobs and business opportunities within the CRA District.

The Agency primarily relies on tax increment financing from property taxes to assist with the operations of the Agency and its subsidiaries. For FY 2021, total budgeted expenditures are \$13.807 million. The following table shows the composition of the expenditures:

Core operations	\$ 3,906,366
Development programs and projects	5,537,369
Capital projects	289,000
Debt service payments	4,073,244
Total expenditures	\$ 13,806,979

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning this report or requests for additional information should be addressed to the Executive Director, Riviera Beach Community Redevelopment Agency, 2001 Broadway, Suite 300, Riviera Beach, Florida 33404.

Basic Financial Statements

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government		Total
	Governmental Activities	Business-type Activities	Primary Government
Assets			
Current assets			
Cash and cash equivalents	\$14,462,187	\$104,419	\$14,566,606
Cash and cash equivalents - restricted	6,329,258	1,148,439	7,477,697
Receivables, net	-	17,060	17,060
Deposits held with others	60,927	-	60,927
Internal balances	136,596	(136,596)	-
Total current assets	20,988,968	1,133,322	22,122,290
Non-current assets			
Loans receivable	7,298,000	4,761,400	12,059,400
Non-depreciable	5,913,241	-	5,913,241
Depreciable, net	1,840,765	7,994,645	9,835,410
Total non-current assets	15,052,006	12,756,045	27,808,051
Total assets	36,040,974	13,889,367	49,930,341
Deferred outflows of resources			
Deferred outflows for FRS Pension	433,400	-	433,400
Total deferred inflows of resources	433,400	-	433,400
Liabilities			
Current liabilities			
Accounts payable	195,735	23,728	219,463
Accrued liabilities	50,968	-	50,968
Deposits and other liabilities	3,094	-	3,094
Bonds and notes payable	2,162,000	-	2,162,000
Total current liabilities	2,411,797	23,728	2,435,525
Non-current liabilities			
Recoverable grant	-	7,298,000	7,298,000
Advance from City of Riviera Beach	10,194,621	-	10,194,621
Compensated absences	197,328	-	197,328
Net FRS pension liability	1,801,407	-	1,801,407
Bonds and notes payable	27,473,000	6,457,312	33,930,312
Total non-current liabilities	39,666,356	13,755,312	53,421,668
Total liabilities	42,078,153	13,779,040	55,857,193
Deferred inflows of resources			
Deferred inflows for FRS Pension	23,495	-	23,495
Deferred inflows for deferred rents	31,392	-	31,392
Total deferred inflows of resources	54,887	-	54,887

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Riviera Beach, Florida)
STATEMENT OF NET POSITION (continued)
SEPTEMBER 30, 2020

Net Position

Net investment in capital assets	1,424,748	-	1,424,748
Restricted	6,329,258	8,332	6,337,590
Unrestricted	(13,412,672)	101,995	(13,310,677)
Total net position	<u><u>(\$5,658,666)</u></u>	<u><u>\$110,327</u></u>	<u><u>(\$5,548,339)</u></u>

The notes to the financial statements are an integral part of this statement.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2020

Function / program	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		Total
		Charges for services	Grants and Contributions	Governmental Activities	Business - type Activities	
Governmental activities:						
General government	\$3,048,739	\$50,000	\$ -	(\$2,998,739)	\$ -	(\$2,998,739)
Real estate and redevelopment	2,800,814	-	-	(2,800,814)	-	(2,800,814)
Interest on long term debt	892,072	-	-	(892,072)	-	(892,072)
Total government activities	6,741,625	50,000	-	(6,691,625)	-	(6,691,625)
Business-type activities:						
RBCDE	522,500	323,904	-	-	(198,596)	(198,596)
Total business-type activities	522,500	323,904	-	-	(198,596)	(198,596)
Total primary government	\$7,264,125	\$373,904	\$ -	(\$6,691,625)	(\$198,596)	(\$6,890,221)
General revenues:						
Taxes				8,717,479	-	8,717,479
Interest				9,574	84,928	94,502
Miscellaneous				331,693	-	331,693
Total general revenues, special items, and transfers				9,058,746	84,928	9,143,674
Change in net position				2,367,121	(113,668)	2,253,453
Net position – beginning				(8,025,787)	223,995	(7,801,792)
Net position – ending				(\$5,658,666)	\$110,327	(\$5,548,339)

The notes to the financial statements are an integral part of this statement.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 220

Assets

Cash and cash equivalents	\$	14,462,187
Cash and cash equivalents - Restricted		6,329,258
Due from other funds		687,240
Deposits held in escrow		60,927
Investment in joint venture		6,930,000
Total assets		28,469,612

Liabilities

Accounts payable		195,735
Accrued liabilities		50,968
Unearned revenue		31,392
Due to other funds		10,433,534
Other liabilities		3,094
Total liabilities		10,714,723

Fund Balances

Nonspendable		50,421
Assigned to:		
Redevelopment		17,704,468
Total fund balances		17,754,889

Total liabilities and fund balances	\$	28,469,612
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The notes to the financial statements are an integral part of this statement.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Fund balances of governmental funds		\$ 17,754,889
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in governmental funds:</p>		
Capital assets	8,726,284	
Less: accumulated depreciation	(972,278)	7,754,006
<p>Long term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore, are not reported in the governmental funds:</p>		
Issuance of refunding bonds	(22,135,000)	
Bonds and notes payable	(7,500,000)	
Compensated absences	(197,328)	
Net pension liability	(1,801,407)	(31,633,735)
<p>Some revenues are not available to pay for current period expenditures and, therefore are deferred in funds.</p>		446,329
<p>Certain deferred inflows/outflows related to pension are not reported on the modified accrual basis of accounting:</p>		
Deferred outflows of resources related to pensions	43,340	
Deferred inflows of resources related to pensions	(23,495)	19,845
Net position of governmental activities		\$ (5,658,666)

The notes to the financial statements are an integral part of this statement.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Revenues

Taxes	\$ 8,717,479
Charges for services	50,000
Interest	9,574
Miscellaneous	331,693
Total revenues	9,108,746

Expenditures

Current:	
General government	3,586,802
Real estate and redevelopment program	2,800,814
Debt service:	
Principal retirement	2,495,922
Interest	892,072
Capital outlay:	
Capital outlay	80,901
Total expenditures	9,856,511
Excess (deficiency) of revenues over expenditures	(747,765)

Other Financing Sources (Uses)

Issuance of notes	29,635,000
Other financing use - refunded bonds	(22,024,098)
Total other financing sources (uses)	7,610,902
Net change in fund balances	6,863,137
Fund balances - beginning	10,891,752
Fund balances - ending	\$ 17,754,889

The notes to the financial statements are an integral part of this statement.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component Unit of the City of Riviera Beach, Florida)
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Net change in fund balances – total governmental funds		\$ 6,863,137
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 costs of those assets are depreciated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	2,099,493	
Depreciation expense	<u>(149,144)</u>	
		1,950,349
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items:		
Payment to escrow agent	22,024,098	
Issuance of bonds and notes	(29,635,000)	
Principal paid on bonds and notes	<u>892,072</u>	
		(6,718,830)
Some revenues in the statement of activities do not provide current financial resources and therefore not reported as revenues in the governmental funds.		(15,638)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
Change in net pension liability	514,983	
Change in deferred inflows related to pensions	23,495	
Change in deferred outflows related to pensions	(304,717)	
Change in compensated absences	<u>54,342</u>	
		288,103
Change in net position of governmental activities		<u><u>\$ 2,367,121</u></u>

The notes to the financial statements are an integral part of this statement.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Riviera Beach CDE, Inc.
Assets	
Current assets	
Cash	\$ 104,419
Cash - restricted	1,148,439
Accounts receivable	17,060
Total current assets	1,269,918
Non-current assets	
Loans receivable	4,761,400
Building (net)	
Furniture and equipment (net)	85,257
Total non-current assets	12,756,045
Total assets	14,025,963
Current liabilities	
Accounts payable	23,728
Due to affiliates	136,596
Total current liabilities	160,324
Non-current liabilities	
Recoverable grant	6,930,000
Note payable	368,000
Loans payable, net	6,457,312
Total non-current liabilities	13,755,312
Total liabilities	13,915,636
Net position	
With donor restrictions	8,332
Without donor restrictions	101,995
Total net position	110,327
Total liabilities and net position	\$ 14,025,963

The notes to the financial statements are an integral part of this statement.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Riviera Beach CDE, Inc.
Operating revenues	
Rents and leases	\$ 323,904
Total operating revenues	323,904
 Operating expenses	
Asset management fees	24,500
Accounting fees	16,875
Bank charges	345
Management service fee	50,000
Loan servicing fee	1,000
Depreciation of capital assets	325,583
Total operating expenses	418,303
Operating income (loss)	(94,399)
 Nonoperating revenues (expenses)	
Interest income	84,928
Interest, including amortization	(104,197)
Total nonoperating revenues (expenses)	(19,269)
Change in net position	(113,668)
Net position - beginning	223,995
Net position - ending	\$ 110,327

The notes to the financial statements are an integral part of this statement.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2020

	Riviera Beach CDE, Inc.
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts	\$306,845
Payments	1,933
Net cash provided by operating activities	308,778
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfund transfers	(240,585)
Net cash used in noncapital financing activities	(240,585)
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest paid on debt	(68,885)
Net cash (used) in capital and related financing activities	(68,885)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Change in real estate	229,575
Investment earnings	84,927
Net cash (used) in investing activities	314,502
Net increase in cash and cash equivalents	313,810
Balances - beginning of year	939,048
Balances - end of the year	1,252,858
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income	(94,399)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	325,583
Changes in assets and liabilities:	
Accounts receivable	(17,060)
Prepaid expenses	350,501
Accounts payable	(255,847)
Net cash provided (used) by operating activities	\$308,778

The notes to the financial statements are an integral part of this statement.

Notes to the Basic Financial Statements

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Riviera Beach Community Redevelopment Agency (Agency) is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should, therefore, be read in conjunction with the basic financial statements.

The accompanying basic financial statements are presented in conformity with generally accepted accounting principles (GAAP) for governments in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the Agency's significant accounting policies and reporting practices.

Reporting Entity

The Agency was established by a special act in 1969 of the Florida Legislature under Chapter 163 to develop and revitalize the blighted areas of the City of Riviera Beach (City). The Agency's services are rendered wholly within the boundaries of the City and its activities and transactions are intended to benefit the City by returning improved property to the City's tax rolls to enhance the business and cultural environment of the Agency's area and to provide employment to its citizens. The Agency was created by the City's Resolution No 130-84 dated August 7, 1984.

Community redevelopment agencies (CRA) are a common governmental tool for redevelopment in the State of Florida and operate on a budget generated by an increase in property taxes within a defined area. Once a CRA is established, a percentage of the increase in property taxes goes to the CRA. This tax increment is used to finance the redevelopment projects outlined in the Community Redevelopment Plan. The principal mission of the Agency is the preservation or enlargement of the community redevelopment area's tax base from which taxing authorities receive tax revenues to carry out public initiatives that stimulate the rehabilitation or redevelopment of the community redevelopment area.

Pursuant to GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*; the Agency is considered a blended component unit of the City. The Agency is reported in the City's basic financial statements, as required. The Board of Commissioners of the Agency is comprised of the members of the City Council.

Riviera Beach CDE, Inc. (RBCDE) – The RBCDE was organized in May 2011, pursuant to the laws of the State of Florida as a 501(c) (3) non-profit corporation and its primary mission is to provide investment capital to low-income communities or persons of low-income and to engage in other community development activities for neighborhood improvement and community and economic development by providing sustainable job opportunities for low income residents. The RBCDE is certified by the U.S. Department of Treasury, CDFI Fund, as a Community Development Entity. The RBCDE is governed by a Board of Directors that consists of a minimum of five directors. At least three directors must be either City or CRA employees and two shall be residents or business owners of the CRA area and represent low income communities.

The RBCDE is the sole member of the Riviera Beach Event Center, LLC (RBEC) which was formed in September 2013 pursuant to the laws of the State of Florida as a limited liability company. The RBEC is also recognized by the Internal Revenue Service as a tax-exempt organization under section 501 (c) (3) of the Internal Revenue Code. The purpose of the RBCDE is to facilitate the redevelopment and improvement of areas of blight and deterioration within the municipal limits of the City and to own and operate a community facility open to

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

the public. These entities are part of a combined New Markets Tax Credit financing redevelopment of the Marina and to provide a community event center for the residents, businesses and visitors of the City.

Separate financial statements are issued for the RBCDE and the RBEC. The statements may be obtained from the Riviera Beach Community Redevelopment Agency, 2001 Broadway, Suite 300, Riviera Beach, Florida 33404.

Principles of Consolidation - The RBCDE and RBEC are consolidated and all material intercompany transactions and balances have been eliminated in consolidation. In accordance with standards prescribed by the Financial Accounting Standards Board (FASB), the RBCDE evaluated its interests and determined that based on the rights afforded to it in the agreements, the RBCDE controls the RBEC and both entities have been consolidated in its statements. The financial statements for the RBCDE and RBEC are included in the Agency's financial statements for fiscal year ended September 30, 2020.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements include the Statement of Net Position and Statement of Activities. These statements present summaries of governmental activities for the Agency. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Assets and liabilities, including long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

Fund financial statements use 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 available when they are collectible within the current period, or soon thereafter, to pay for liabilities of the current period.

For this purpose, the Agency considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Incremental property taxes, interest income, and certain loan repayments are susceptible to accrual. Other revenues that are generally not measurable until actually received are not accrued. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payments are due.

The General Fund is the Agency's primary operating fund which accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Assets

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. Capital assets which are purchased or acquired are carried at historical cost or estimated historical cost and capital assets which are donated or contributed are recorded at estimated fair value on the date received.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

The costs of normal maintenance and repairs are charged to operations as incurred. Outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over the remaining useful lives of the related assets, as applicable. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 to 40 years
Furniture, fixtures and equipment	3 to 10 years

Restricted Assets

Restricted assets represent developer deposits held in escrow and cash restricted for capital improvements. Proceeds of revenue bonds are set aside in accordance with bond covenants or by ordinance are classified as restricted assets. Restricted long-term assets are not required to be presented on the balance sheets of governmental funds under the modified accrual basis of accounting; however, certain assets are restricted as to their use. Such assets include debt proceeds and amounts held for debt service.

Compensated Absences

Regular full-time employees may accumulate, within certain limits, sick leave annually. A liability is accrued for unused vacation leave at year end. Sick leave is accrued as a liability as the benefits are earned by the employee only to the extent that it is probable that the employee will be compensated for the benefits upon termination or retirement. Compensated absences are accrued when earned in the government-wide and enterprise fund financial statements. Compensated absences liability is calculated based on the salary rate in effect at year end. In the government-wide financial statements, compensated absences liability is classified into two components - amounts due within one year (current portion) and amounts due in more than one year (non-current portion).

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide and proprietary fund type Statement of Net Position. Bonds payable are reported net of bond premiums or discounts and deferred refunding amounts. Premiums, discounts, and issuance costs are amortized over the life of the bonds using the effective interest method. Deferred amounts on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight-line method, which does not result in a material difference from the effective interest method. Costs of issuing bonds and deferred charges on refunding bonds are capitalized in the governmental activities of the Statement of Net Position.

Governmental funds recognize bond premiums and discounts, as well as issuance costs during the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs and debt payments are reported as expenditures.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Fund Balance Policies

GASB Statement No. 54, *Fund Balance Reporting Governmental Fund Type Definitions*, establishes accounting and financial reporting requirements for governmental funds and criteria for classifying fund balances. Accordingly, the governmental fund financial statements report fund equity classifications that comprise a hierarchy based primarily on the extent to which the Agency is legally bound to honor the specific purposes for which amounts in fund balance may be spent. Amounts which are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation are classified as fund balances.

Amounts which may be appropriated, modified, or rescinded for specific purposes pursuant to constraints imposed by the Board are classified as committed fund balances. Amounts which are constrained by the intent to be used for specific purposes, but are neither restricted nor committed are classified as assigned fund balances. Fund balances can only be assigned by the Board. Non-spendable fund balances include amounts which cannot be spent because they are either a) not in spendable form; or b) legally or contractually required to be maintained intact.

Fund balances for governmental funds are displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. The fund balance classifications are summarized below:

Non-spendable - Amounts that cannot be spent because they are a) not in a spendable form; or b) legally or contractually required to remain intact.

Restricted - Amounts that are restricted for specific purposes by a) constraints imposed by external providers; or b) imposed by constitutional provisions or through enabling legislation.

Committed - Amounts for specific purposes pursuant to constraints imposed by the Board.

Assigned - Amounts intended to be used for specific purposes, but are neither restricted nor committed. Assignments of fund balances are made by management based upon the direction of the Board.

Unassigned - Amounts not restricted, committed or assigned to specific purposes.

Committed fund balance is used first, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for the purposes for which amounts in any of the unrestricted fund balance classifications may be used.

The Agency uses restricted amounts first when both restricted and unrestricted fund balances are available, unless there are legal agreements that prohibit doing this, such as grant and loan agreements that require dollar for dollar spending. The Executive Director has created assigned fund balance for major program expenses associated with the Marina and the Clean and Safe program.

Net position

Contributions received, if any, are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net position without donor restrictions if the restrictions expire in the reporting period in which the support is recognized. Other donor-restricted support is reported as an increase in net position with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

ends or purpose restriction is accomplished), net position with donor restrictions are classified to net position without donor restrictions and reported on the statement of activities as net assets released from restriction. It is the RBCDE's policy to recognize gifts of long-lived assets as unrestricted support in the period in which the assets are placed in service.

Restatement of net position

Certain reclassifications have been made to prior year amounts to conform to certain presentation. The reclassification resulted in certain restatements to the net position for the beginning net position for FY 2019.

Use of Estimates

Management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from management's estimates. Significant estimates used in these financial statements include allowances for uncollectible accounts.

Budgets

The Agency's Board adopts a balanced operating budget and appropriates funds for the General Fund on an annual basis. Appropriations are legally controlled at the object code level and expenditures may not legally exceed budget appropriations.

Tax Increment Financing

In January of each year, the Palm Beach County Property Appraiser's Office and the City of Riviera Beach provide the Agency with an estimated tax increment financing amount. When the final tax roll valuations are issued, the Property Appraiser's Office notifies the Agency of the actual payment and the shortage is remitted to the Agency. If there is an overpayment, a refund is requested from the Agency.

Income Taxes

The RBCDE and RBEC are exempt from income taxes under Section 501 (c) (3) of the IRC, except for income taxes on "unrelated business income," as defined in the IRC. Management believes that all material activities of the RBCDE and the RBEC are not subject to income taxes. The RBCDE and RBEC are required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, the consolidated financial statements of the RBCDE do not reflect a provision for income taxes and the RBCDE and RBEC have no other tax positions which must be considered for disclosure. Income tax returns filed by the RBCDE and RBEC are subject to examination by the IRS for a period of three years. The first year that the RBCDE was required to file tax returns with the IRS was 2014.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEPOSITS

Cash and cash equivalents include cash on hand, amounts in demand and time deposits, and short-term investments with original maturity dates within three months of the date acquired. Deposits are held in qualified public depositories (QPD) pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Provisions of the act require that public deposits may only be held at QPD. The Act requires that QPD deposit with the State Treasurer, eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. The Treasurer establishes minimum required collateral pledging levels. Collateral must be deposited with an approved financial institution. Potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other QPD of the same type as the depository in default.

NOTE 3 – CAPITAL ASSETS

Capital assets activity for fiscal year ended September 30, 2020 is as follows:

	Beginning Balance Oct 1, 2019	Additions	Deletions	Ending Balance Sep 30, 2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$3,913,365	\$3,325,607	(\$1,325,731)	\$5,913,241
Total capital assets not being depreciated	3,913,365	3,325,607	(1,325,731)	5,913,241
Capital assets being depreciated:				
Buildings and improvements	5,489,868	-	(3,025,607)	2,464,261
Equipment	327,158	21,624	-	348,782
Total capital assets being depreciated	5,817,026	21,624	(3,025,607)	2,813,043
Less accumulated depreciation for:				
Buildings and improvements	854,248	134,727	(332,527)	656,448
Equipment	301,413	14,417	-	315,830
Total accumulated depreciation	1,155,661	149,144	(332,527)	972,278
Governmental activities capital assets, net	8,574,730	3,198,087	(4,018,811)	7,754,006
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	8,875,700	-	-	8,875,700
Equipment	518,451	-	-	518,451
Total capital assets being depreciated	9,394,151	-	-	9,394,151
Less accumulated depreciation for:				
Buildings and improvements	744,418	221,893	-	966,311
Equipment	329,234	103,960	-	433,194
Total accumulated depreciation	1,073,653	325,853	-	1,399,506
Business-type activities capital assets, net	\$8,320,498	(\$325,853)	\$ -	\$7,994,645

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4 – LONG-TERM LIABILITY

Long-term liability activity for fiscal year ended September 30, 2020 is as follows:

	Beginning Balance Oct 1, 2019	Additions	Reductions	Ending Balance Sep 30, 2020	Amount Due in One Year
<u>Governmental activities</u>					
Community Redevelopment Project Notes, Series 2006	\$2,374,543	\$ -	(\$550,922)	\$1,823,621	\$578,468
Redevelopment Revenue Notes, Series 2011	7,850,000	-	(7,850,000)	-	-
Redevelopment Revenue Notes, Series 2013A	2,190,000	-	(2,190,000)	-	-
Redevelopment Revenue Notes, Series 2013B	4,970,000	-	(4,970,000)	-	-
Redevelopment Revenue Notes, Series 2018	8,807,000	-	(8,807,000)	-	-
Redevelopment Revenue Notes, 2020A	-	13,297,000	-	13,297,000	1,413,000
Redevelopment Revenue Notes, 2020B	-	16,338,000	-	16,338,000	749,000
Advance from City	10,194,621	-	-	10,194,621	674,641
Total bonds and notes payable	36,386,164	29,635,000	(24,367,922)	41,653,242	3,415,109
Compensated absences	142,986	54,342	-	197,328	-
Net pension liability	1,286,424	514,983	-	1,801,407	-
Total governmental activities	37,815,574	30,204,325	(24,367,922)	43,651,977	3,415,109
<u>Business-type activities</u>					
Recoverable grant	7,298,000	-	-	7,298,000	-
Loans payable, net	6,439,499	17,813	-	6,457,312	-
Total business-type activities	13,737,499	17,813	-	13,755,312	-
Total long-term liabilities	\$51,553,073	\$30,222,138	(\$24,367,922)	\$57,407,289	\$3,415,109

Community Redevelopment Projects Note, Series 2006

The Agency issued two series of bond anticipation notes to finance the development and implementation of capital projects included in the Community Redevelopment Plan. The Series 2002A note, in the amount of \$5,010,000, was issued in March 2002. The Series 2003A note, in the amount of \$2,000,000, was issued in August 2003. Series 2002A and Series 2003A notes were retired in full on July 5, 2006. In July 2006, the City issued the *Community Redevelopment Projects Note, Series 2006* in the amount \$7,175,876 to repay the Series 2002A and Series 2003A notes. The Series 2006 note was issued by the City; however, the proceeds were used to refinance the Agency's debt and the Agency makes the debt service payments. The Series 2006 note bears an interest rate of 4.19% per annum. Principal and interest payments are secured by a pledge of tax incremental financing to the City, which in turn has subordinated its interest to BB&T Bank and the Series 2011 note.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Future debt service requirements to maturity are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 578,468	\$ 64,291	\$ 642,759
2022	607,392	39,447	646,839
2023	637,761	13,361	651,122
Total	\$ 1,823,621	\$ 117,099	\$ 1,940,720

Redevelopment Revenue Notes, Series 2011

In 2011, the CRA issued *Redevelopment Revenue Notes, Series 2011* in the amount of \$25,570,000 to acquire, construct and equip certain capital improvements according to the Community Redevelopment Plan. The notes bear a fixed interest rate of 4.44% per annum and paid semi-annually each February 1 and August 1. The notes are secured by a pledge of and first lien on the CRA's tax increment revenues. These notes were refunded in August 2020.

Redevelopment Notes, Series 2013A & 2013B

In August 2013, the CRA repaid \$7,855,000 of the Series 2011 Notes by refinancing the debt and issuing two new tax-exempt notes: Series 2013A in the amount of \$3,550,000 and 2013B in the amount of \$8,000,000 were used to pay down the original debt and for the purposes as stated above. Series 2013A Notes bear interest at 3.01% per annum and will mature on August 1, 2025. Series 2013B Notes bear interest at 4.50% per annum. Series 2013A and 2013B Notes are secured by a pledge of and first lien on the CRA's tax increment revenues. These notes were refunded in August 2020.

Redevelopment Revenue Notes, Series 2018

In November 2018, the CRA issued *Redevelopment Revenue Note, Series 2018* notes in the amount of \$8,807,000 to fund various community redevelopment projects with the Riviera Beach CRA including the acquisition and renovation of certain property within the CRA, marina infrastructure, street improvements, and affordable housing projects to include grants to low income homeowners, rehabilitation and improvement of existing properties, and infrastructure improvements and other projects. These notes were refunded in August 2020.

Redevelopment Refunding Revenue Note, Series 2020A

In August 2020, the CRA issued *Redevelopment Refunding Revenue Note, Series 2020A* in the amount of \$13,297,000 in order to refinance its outstanding Redevelopment Revenue Note, Series 2013A and a portion of its outstanding Redevelopment Revenue Note, Series 2018.

Future debt service requirements to maturity are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,413,000	\$ 223,962	\$ 1,636,962
2022	1,437,000	215,100	1,652,100
2023	1,956,000	189,091	2,145,091
2024	1,997,000	153,687	2,150,687
2025	2,040,000	117,541	2,157,541
2026-2030	2,709,000	306,741	3,015,741
2031-2033	1,745,000	63,549	1,808,549
	\$ 13,297,000	\$ 1,269,671	\$ 14,566,671

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Taxable Redevelopment Refunding and Improvement Revenue Note, Series 2020B

In August 2020, the CRA issued *Taxable Redevelopment Refunding and Improvement Revenue Note, Series 2020B* in the amount of \$16,338,000 to refinance the outstanding Redevelopment Taxable Refunding Revenue Note, Series 2013B and a portion of its outstanding Redevelopment Revenue Notes, Series 2018 and to fund various community redevelopment projects within the Riviera Beach Community Redevelopment area including the acquisition and renovation of certain property within the CRA, marina infrastructure, street improvements, affordable housing projects, and qualified grants and such other projects as may be approved by the CRA from time to time in accordance with the redevelopment plan.

Future debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest	Total
2021	\$ 749,000	\$ 364,882	\$ 1,113,882
2022	749,000	374,136	1,123,136
2023	934,000	356,160	1,290,160
2024	955,000	333,744	1,288,744
2025	970,000	310,824	1,280,824
2026-2030	7,219,000	1,099,440	8,318,440
2031-2033	4,762,000	230,376	4,992,376
	\$ 16,338,000	\$ 3,069,562	\$ 19,407,562

Loans payable

Riviera Beach Event Center – NDC Loan A

The Riviera Beach Event Center, LLC (RBEC), a subsidiary of the RBCDE, executed a loan payable with NDC New Markets Investments LXXXIV, LLC (Lender) on July 8, 2014 in the amount of \$4,761,400. The loan bears an interest rate of 1.00% per annum. The loan is secured by a mortgage, assignment of leases and rents, security agreement, and a performance and completion guaranty from the RBEC. Commencing October 5, 2014, quarterly payments of interest only are due through January 5, 2023. Commencing April 5, 2023, monthly payments of principal and interest shall be due based on a 333-month amortization period through maturity on October 1, 2050, at which time all outstanding principal and any accrued interest shall be due. The following is a summary of principal maturities for each of the ensuing years through maturity:

Year Ending September 30	Principal	Interest	Total
2021	\$ -	\$ 48,275	\$ 48,275
2022	-	48,275	48,275
2023	111,988	47,990	159,978
2024	150,384	46,697	197,081
2025	152,043	45,038	197,081
2026-2050	4,346,985	580,029	4,927,014
Total	\$ 4,761,400	\$ 816,304	\$ 5,577,704

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Riviera Beach Event Center – NDC Loan B

RBEC executed a loan payable with the Lender on July 8, 2014 in the amount of \$2,028,600. The loan bears an interest rate of 1.00% per annum. The loan is secured by a mortgage, assignment of leases and rents, security agreement, and a performance and completion guaranty from the RBEC. Commencing October 5, 2014, quarterly payments of interest only are due through January 5, 2023. Commencing April 5, 2023, monthly payments of principal and interest shall be due based on a 333-monthly amortization period through maturity on October 1, 2050, at which time all outstanding principal and any accrued interest shall be due.

The following is a summary of principal maturities for each of the ensuing years through maturity:

Year Ending September 30	Principal	Interest	Total
2021	\$ 105,000	\$ 20,442	\$ 125,442
2022	-	19,503	19,503
2023	45,244	19,388	64,632
2024	60,756	18,865	79,621
2025-2050	61,426	18,195	79,621
Total	\$ 1,756,174	\$ 234,335	\$ 1,990,509

Debt issuance costs, net of accumulated amortization totaled \$332,678 as of September 30, 2020. Amortization of debt issuance costs on the above loans payable is being amortized under the effective interest method using an imputed interest rate of 1.31%.

NOTE 5 – LEASE OBLIGATIONS

The CRA leases commercial office space for its operations. During the fiscal year, the CRA made payments of \$112,265 pursuant to the lease agreements. The term of the lease was further extended through September 30, 2021 with a one year tenant option with a three percent increase in the rental rate of the term September 2020 through September 30, 2021. The future minimum lease payments for these leases are as follows:

Year ending September 30	Total
2021	\$ 115,633
Total	\$ 115,633

NOTE 6 – RETIREMENT PLAN

Effective June 1, 2015, those Agency’s employees who were eligible to participate in the Florida Retirement System (FRS) became participants in FRS jointly with the City. As provided by Florida Statutes, Chapters 112 and 121, the FRS provides two cost sharing, multiple employer defined benefits plans administered by the Florida Department of Management Services, Division of Retirement.

As a general rule, membership in the FRS is compulsory for all employees in regularly established positions for a state agency, county government, or a participating city or special district within the State of Florida.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Enrolled members of FRS, other than DROP participants, are required to contribute 3% of their salary to FRS and no contribution is required for HIS members. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year.

Employer contribution rates by job class for the period from October 1, 2019 to June 30, 2020 and July 1, 2020 to September 30, 2020, respectively, were as follows: Regular – 8.47% and 10.00%, Special Risk – 25.48% and 24.45%, Elected Officers – 56.03% and 58.91%, Senior Management – 25.41% and 27.29%, and FRS DROP participants – 14.60% and 16.98%. Employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2019 through September 30, 2020. The CRA’s contributions to FRS and HIS for the fiscal year ended September 30, 2020, was \$148,461 which was equal to 100% of the required contributions for the year.

Certain employees who met specific criteria had the option to continue with the existing plan, a defined contribution 401 (a) plan, managed by Nationwide Insurance. Seven qualified employees opted to continue with this plan. Contributions to this plan are immediately 100% vested. Employees are not allowed to contribute additional funds. The Agency makes contributions to the Nationwide 401(a) plan in the amount of 6% of the participant’s qualified compensation.

For additional disclosures related to the Agency’s participation in FRS, please refer to Note 13 of the City’s Comprehensive Annual Financial Report.

NOTE 7 – RELATED PARTY TRANSACTIONS

2006 Note

In July 2006, the City issued the Community Redevelopment Projects Note, Series 2006, in the amount of \$7,175,876 to refund the *Community Redevelopment Bond Anticipation Notes, Series 2002A and Series 2003A*. Through an interlocal agreement, the Agency pledged its tax incremental revenues to the City for the payment of the amounts due by the City pursuant to the Series 2006 Note.

Ocean Mall Redevelopment (OMRD) Loan

The Ocean Mall, a retail property, and the Municipal Beach are owned by the City. The properties are located within the Agency’s boundaries. In October 2009, the City loaned \$10,194,621 to the Agency and in turn, the Agency provided a grant to Ocean Mall Redevelopment, LLC (OMRD) to make required infrastructure, parking and beach improvements. On behalf of the Agency, the City advanced the loan proceeds to OMRD based on draw requests from OMRD for construction of the improvements based on inspection and approval of the requests by the City.

In April 2011, the City agreed to modify the loan agreement by offering more flexible terms to the Agency. The loan agreement was further modified in February 2016, in order to enhance the Agency’s cash flow to meet ongoing operational needs. The Agency’s Board approved the Second Modification to the Loan Agreement. The terms of the Second Modification reduced the interest rate to zero percent for the remainder of the term of the loan and the Agency will pay the City fifteen equal installments of \$679,641 each October 1st, commencing October 1, 2023 until the loan is paid in full.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

RBCDE Recoverable grant

The RBCDE entered into a services agreement with the Agency to manage its books, records, and operations. As a consequence, the Agency has a controlling influence over the day-to-day management and operations of the RBCDE. Additionally, the Agency's Executive Director was named as the uncompensated non-member manager of the RBEC.

The RBCDE entered into a recoverable grant agreement with the Agency on December 1, 2013. Funding up to \$8,928,728, payable in installments, was granted to provide funding for the construction of the Event Center. The grant proceeds are reflected in recoverable grants in the financial statements. Repayment of the grant proceeds is due upon repayment of loan receivable principal payments, unless otherwise canceled in accordance with the grant agreement. As of September 30, 2020, the RBCDE received advanced grant proceeds of \$6,930,000.

RBCDE Note payable

During 2013, the Agency over funded the recoverable grant by \$368,000. The amount over funded is to be repaid by the RBCDE out of available cash flow. As of September 30, 2020, the amount remained payable as there was no available cash flow for repayment.

RBCDE Management services fee

The Agency entered into a services agreement with the RBCDE to manage its books, records, and operations and for other management services as required. An annual management services fee of \$50,000 is due October 31st of each year for services provided during the prior year. For the year ended September 30, 2020, a fee of \$50,000 was incurred.

RBEC Facility lease

The RBEC entered into a facility lease agreement to lease the Event Center to the Agency so that the Agency could vest control of the operations of the Event Center and to allow the RBEC sufficient funds to service loans from NDC New Markets Investments LXXXIV, LLC. The Agency took possession of the Event Center upon substantial completion of the Event Center and receipt of a certificate of occupancy, which occurred April 26, 2016. The lease agreement will terminate on September 30, 2050. Annual rent of \$299,349, under triple net lease terms, shall be increased annually by the Consumer Price Index for All Urban Consumers, and is due quarterly in arrears.

RBEC Ground lease

On July 2, 2014, the RBEC entered into an agreement with the City to lease land containing real property of approximately 36,488 square feet in order to construct and operate a mixed use community center. The term of the lease is fifty years. The annual rent is \$1 for the lease term and was prepaid by the RBCDE.

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Agency purchases insurance through the Florida Municipal Insurance Trust. There have been no settlements that exceeded insurance coverage during the fiscal year.

NOTE 9 – SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through June 24, 2021, the date that the financial statements were issued.

Ocean Mall Redevelopment (OMRD) loan

In October 2020, the City and the CRA agreed to a third modification to the Loan Agreement between the City and CRA to change the date of the previously agreed to repayment schedule to begin payments in the CRA's FY 2021 budget year. The CRA shall pay fifteen equal annual installments of \$674,641.40 each January 1st, commencing January 1, 2021 until the loan is paid in full.

Required Supplementary Information

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 8,727,676	\$ 8,727,676	\$ 8,717,479	\$ (10,197)
Charges for services	-	-	50,000	50,000
Interest	-	-	9,574	9,574
Miscellaneous	420,000	420,000	331,693	(88,307)
Total revenues	<u>9,147,676</u>	<u>9,147,676</u>	<u>9,108,746</u>	<u>(38,930)</u>
Expenditures				
Current:				
Economic environment	7,812,076	7,812,076	6,387,615	1,424,461
Total current	<u>7,812,076</u>	<u>7,812,076</u>	<u>6,387,615</u>	<u>1,424,461</u>
Debt service:				
Principal retirement	2,495,922	2,495,922	2,495,922	-
Interest	1,058,085	1,058,085	892,072	166,013
Total debt service	<u>3,554,007</u>	<u>3,554,007</u>	<u>3,387,994</u>	<u>166,013</u>
Capital outlay:				
Capital outlay	2,990,322	2,990,322	80,901	2,909,421
Total capital outlay	<u>2,990,322</u>	<u>2,990,322</u>	<u>80,901</u>	<u>2,909,421</u>
Total expenditures	<u>14,356,405</u>	<u>14,356,405</u>	<u>9,856,510</u>	<u>4,499,895</u>
Excess (deficiency) of revenues over expenditures	<u>(5,208,729)</u>	<u>(5,208,729)</u>	<u>(747,764)</u>	<u>4,460,965</u>
Other Financing Sources (Uses)				
Issuance of notes	-	-	29,635,000	29,635,000
Other financing use - refunded bonds	-	-	(22,024,098)	(22,024,098)
Carryover	5,208,729	5,208,729	-	(5,208,729)
Transfers in	2,228,172	2,228,172	11,037,426	8,809,254
Transfers out	(2,228,172)	(2,228,172)	(11,037,426)	(8,809,254)
Total other financing sources (uses)	<u>5,208,729</u>	<u>5,208,729</u>	<u>7,610,902</u>	<u>2,402,173</u>
Net change in fund balances	-	-	6,863,138	6,863,138
Fund balances - beginning	10,891,752	10,891,752	10,891,752	-
Fund balances - ending	<u>\$ 10,891,752</u>	<u>\$ 10,891,752</u>	<u>\$ 17,754,890</u>	<u>\$ 6,863,138</u>

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
(A component unit of the City of Riviera Beach, Florida)
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
SEPTEMBER 30, 2020

NOTE 1 –BUDGETARY ACCOUNTING

The Agency prepares its budget for the General Fund on a basis consistent with generally accepted accounting principles. The procedures for establishing budgetary data reflected on the budgetary comparison schedule are as follows:

- Approximately July 1, the Executive Director submits to the Agency Board a proposed operating budget prepared for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to October 1, the budget is legally enacted through the passage of a resolution.
- Appropriations are legally controlled at the fund level and expenditures may not legally exceed budgeted appropriations.
- For the year ended September 30, 2020, expenditures did not exceed appropriations. Budgetary appropriations for capital outlay were higher than actual expenditures.

Compliance Section

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
Riviera Beach Community Redevelopment Agency

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, the business-type activities, and each major fund information of the Riviera Beach Community Redevelopment Agency (the ‘Agency’), a component unit of the City of Riviera Beach, Florida (the “City”) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements, and have issued our report thereon dated June 24, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency’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 Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
June 24, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 218.415,
FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

To the Board of Directors
The Riviera Beach Community Redevelopment Agency
Riviera Beach, Florida

We have audited the financial statements of the Riviera Beach Community Redevelopment Agency (the "Agency"), a component unit of the City of Riviera Beach, Florida (the "City") as of and for the year ended September 30, 2020, and have issued our report thereon dated June 24, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida 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, Schedule of Findings and Questioned Costs; the 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, and the management letter in accordance with the rules of the Auditor General of the State of Florida. Disclosures in those reports and schedule, which are dated June 24, 2021, should be considered in conjunction with this report.

Local Government Investment Policies

We have examined the Agency's compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2020. Management is responsible for Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency 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 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.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

June 24, 2021

MANAGEMENT LETTER

To the Board of Directors
The Riviera Beach Community Redevelopment Agency
Riviera Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Riviera Beach Community Redevelopment Agency (the “Agency”), a component unit of the City of Riviera Beach, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 24, 2021.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standard*; and the 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 June 24, 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 findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Agency’s official title is disclosed in Note 1 to the Financial Statement. The Agency has no component units.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
June 24, 2021