



FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2023



REDEVELOPMENT AGENCY

A COMPONENT UNIT OF THE CITY OF FORT
PIERCE, FLORIDA

TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION	
Independent Auditors' Report.....	1
Management Discussion and Analysis	4
Basic Financial Statements	
Statement of Net Position.....	12
Statement of Activities	14
Fund Financial Statements	
Balance Sheet-Governmental Funds	15
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and changes in Fund Balances to the Governmental Funds to the Statement of Activities	18
Statement of Special Revenue Fund Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual	19
Notes to Financial Statements	20
GOVERNMENTAL AUDITING 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 <i>Government Auditing Standards</i>	34
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes	36
Independent Accountant's Report on Compliance with Section 163.387(6) and (7), Florida Statutes	37
Management Letter	38

Independent Auditors' Report

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

Opinions

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, 2023, and the related notes to the financial statements which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statement

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.


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 27, 2024 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.


Certified Public Accountants
City of Fort Pierce
March 27, 2024

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, 2023. 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 \$28,310,429.
- The CRA's revenues for Governmental Activities at year end were \$9,787,544, an 18.41% increase from the prior year, and expenses were \$6,101,968 a 11.08% decrease from the prior year. Revenues exceeded expenses by \$3,685,576. The current year increase in revenue of \$1,521,864 is attributed to a \$1,467,329 increase in charges for service, an increase of \$ 50,393 in miscellaneous revenue, and an increase of \$4,142 in unrestricted investment earnings. The decrease in expenses in comparison to last year was \$760,092 resulting from a decrease of \$690,802 in economic environment. And a decrease of \$69,290 in interest on long-term debt
- At the close of the fiscal year, the CRA's governmental funds reported combined ending fund balances of \$5,126,356, an increase of \$2,334,065. The special revenue fund increased \$2,333,348, while the debt service funds increased \$717.
- The long-term debt, net of current portion, of the CRA on 9/30/23 was \$15,853,815, a decrease of \$2,054,039 or 11.47%. 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 3 major governmental funds designated as the special revenue fund and the debt service funds. The basic governmental fund financial can be found by referencing the table of contents of 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 of 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 of 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$28,310,429 at the close of the most recent fiscal year.

Approximately 82% 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>2023</u>	<u>2022</u>
Current and other Assets	5,729,559	3,248,964
Capital Assets	40,742,507	41,315,292
Total Assets	46,472,066	44,564,256
Deferred Outflows	215,443	266,860
Long-term Liabilities O/S	15,853,815	17,907,854
Other Liabilities	2,375,236	2,096,571
Total Liabilities	18,229,051	20,004,425
Deferred Inflows	148,029	201,838
Net Position:		
Net Invested in Capital Assets	23,234,135	22,077,094
Restricted	5,076,294	2,547,759
Unrestricted	-	-
Total Net Position	28,310,429	24,624,853

The CRA’s Governmental Funds net position increased by \$3,685,576 during the fiscal year . Assets of the Governmental Funds increased \$1,907,810 and liabilities decreased by \$1,775,374. Deferred inflows of the Governmental Funds decreased by \$53,809 and Deferred outflows decreased by \$51,417.

**Fort Pierce Redevelopment Agency
(A Component Unit of the City of Fort Pierce)
Statement of Activities - FY 2023 and 2022**

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues		
Charges for Services	9,393,303	7,925,974
Operating grants and Contributions	-	-
Capital Grants and Contributions	-	-
General Revenues:		
Miscellaneous	389,649	339,256
Unrestricted investment earnings	4,592	450
	<hr/>	<hr/>
Total Revenues	9,787,544	8,265,680
	<hr/>	<hr/>
Expenses		
Economic Environment	5,605,121	6,295,923
Interest on long-term debt	496,847	566,137
	<hr/>	<hr/>
Total Expenses	6,101,968	6,862,060
	<hr/>	<hr/>
Changes in net position	3,685,576	1,403,620
Net Position - Beginning	24,624,853	23,221,233
	<hr/>	<hr/>
Net Position – Ending	28,310,429	24,624,853
	<hr/> <hr/>	<hr/> <hr/>

Governmental activities. Governmental activities accounted for a positive increase of \$3,685,576 in net position of the CRA.

Revenues increased \$1,521,864 or 18.41% in Fiscal Year 2023. The increase in revenues relates to the following: \$1,467,329 relates to charges for service reflective of the increase in tax incremental revenue, \$50,393 increase in miscellaneous revenue relating to the increase in rental revenues, and \$4,142 increase in unrestricted investment earnings reflective of the slight increase in interest rates. The 11.08% or \$760,092 decrease in expenses was attributed to the \$690,802 decrease in economic environment relating to a decrease in contract services and budgeted transfers to the City, and a \$69,290 decrease in interest on long-term debt.

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 3 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 funds, Ft. Pierce Redevelopment Refunding 2015 and the Ft. Pierce Redevelopment Refunding 2021. As of the end of the current fiscal year, the CRA's governmental *funds* reported combined ending fund balance of \$5,126,356 an increase of \$2,334,065 in comparison with the prior year. Fund balance consists of \$25,770 nonspendable and \$5,100,586 restricted. 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 decrease in nonspendable relates to the decrease in prepaid expenses. The increase in restricted relates to the increase in the tax incremental financing .

Special Revenue Fund Budgetary Highlights

The Special Revenue Fund 2023 revenue budget was \$9,271,702 the amount realized was \$9,816,324 an increase of \$544,622 or 5.87%. The expenditure budget was \$9,271,702, and the actual amount was \$7,482,976, a decrease of \$1,788,726 or 19.29%. 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 \$2,333,348; listed below are the major notable amendments:

- \$339,590 or 3.75% increase in intergovernmental revenue relating to the increase in property tax incremental revenue.
- \$205,032 or 94.48% increase in other revenue; \$201,579 increase in miscellaneous income relating to dockage and rental activities, and \$3,453 increase in investment income.
- \$1,788,726 net or 19.29% decrease in expenditures from community activities and capital outlay. The net decrease was in several categories: \$340,345 decrease in professional fees mainly relating to contractual fees; \$30,801 decrease in insurance; \$90,561 decrease relating to unused budgeted contingency funds; \$1,649 decrease in communications and promotional expenses, \$49,891 decrease in real estate taxes and miscellaneous expenses, \$598,521 decrease in capital outlay relating to delays in construction projects; \$261,974 decrease in grants and other aids; and \$499,037 decrease in transfer to the City expenditure.

- The above decreases were offset by increases in the following categories: \$11,755 increase in consulting fees; \$6,939 increase in utilities; \$64,296 in rental expenses relating to parking lot rentals; and net \$1,063 increase in other expense lines which were consistent with budget within a \$1,500 increase or decrease.

Capital Asset and Debt Administration

Capital assets. The CRA’s investments in *capital assets* for its governmental activities as of September 30, 2023 amounts to \$40,742,507 (this is net of accumulated depreciation). Additions during the year consisted of purchase of security cameras, start of building improvements for the Highwaymen Museum, infrastructure for Oaks at Moore’s Creek Phase II, and an electric and mobile vehicle. There were no notable dispositions. See Note D for detailed information on the primary government’s Capital Assets.

Fort Pierce Redevelopment Agency (A Component Unit of the City of Fort Pierce) Capital Assets - FY 2023 and 2022 (net of Depreciation)		
	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Land & CIP	12,478,449	12,377,396
Buildings	16,322,145	16,988,446
Improvements Other than Buildings	11,754,180	11,916,447
Machinery & Equipment	187,733	33,003
Total	<u>40,742,507</u>	<u>41,315,292</u>

Debt. At the end of the current fiscal year, the CRA had total long-term debt outstanding, net of current portion of \$15,853,815.

Fort Pierce Redevelopment Agency (A Component Unit of the City of Fort Pierce) Outstanding Debt- Revenue Refunding Notes		
	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenue Refunding Notes	17,723,815	19,707,854
Less current portion	(1,870,000)	(1,800,000)
Long-term debt, net of current portion	<u>15,853,815</u>	<u>17,907,854</u>

The CRA’s long-term debt, net of current portion debt decreased during the year by a net \$2,054,039. 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 A2 issuer rating, as of September 30. 2023. No direct ad valorem tax-supported debt exists currently.

Economic Factors and Next Year’s Budgets and Rates

The budget process for the 2024 budget began with a 31.74% increase or \$2,942,968 in the Special Revenue Fund Budget. The budget is balanced at \$12,214,670.

Some of the significant factors considered in preparing the CRA’s Annual Special Revenue Fund Budget for Fiscal Year 2024, that caused and closed the budget gap are listed below:

- The tax increment financing (TIF) continues to increase. The increase in property tax values and maintaining the millage rate resulted in an increase of \$2.84 million; \$11.90 million up from \$9.05 million. The budget also includes an increase in dockage and miscellaneous revenue of \$0.09 million.
- Prior to fiscal year 2109 the Fort Pierce Redevelopment Agency budget was unable to support several special projects under historic preservation and restoration; funding for neighborhood and business grants; and other cultural and community events and functions. To help balance the budget, during those years transfers from General Fund were used. In FY 2024, because of the increase in tax revenues, no transfer was budgeted.
- Budgeted operating expenses decreased by \$0.02 million. The decrease in budgeted operating expense relates to \$0.10 million decrease in contractual fees relating to a reduction in consulting services, \$0.02 million decrease in contingency expenses,

and \$0.04 million decrease in miscellaneous expenses; offset by a \$0.10 million increase in insurance relating to premium increases on policies, \$0.03 million increase relating to repairs and maintenance, and \$0.01 increase in travel and education expenses.

- The Agency budgeted an increase in capital outlay of \$2.13 million relating to the rehabilitation and restoration of several historical buildings as well as a road improvement project.
- The Fort Pierce Redevelopment Agency budget included an increase of \$0.15 million in other programs and projects relating to the grant programs for business façade improvements. The Agency increased the allocation to \$525,000 to fund school resources officers in schools within the City.
- In FY 2024 the Agency’s budget included an increase of \$0.68 million in transfers; \$0.14 million relating to reduction in debt payment relating to refinancing and maturity of debt, offset by budgeted increase of \$0.82 million in transfers to other funds.

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, 2023

	Governmental Activities
<i>ASSETS</i>	
Current assets:	
Cash and investments	\$ 5,384,511
Receivables (net of allowance for Uncollectibles)	116,482
Lease Receivable	71,182
Prepaid items	25,770
Total current assets	<u>5,597,945</u>
Noncurrent assets:	
Lease Receivable	131,614
Capital assets, not being depreciated:	
Land	12,377,396
Construction in progress	101,053
Capital assets (net of accumulated depreciation):	
Buildings	22,960,875
Improvements other than buildings	25,393,497
Equipment	629,729
Accumulated depreciation	<u>(20,720,043)</u>
Total noncurrent assets	<u>40,874,121</u>
Total assets	<u>\$ 46,472,066</u>
<i>DEFERRED OUTFLOWS OF RESOURCES</i>	
Deferred charge on refunding	<u>215,443</u>
Total deferred outflows of resources	215,443

The accompanying notes are an integral part of this statement.

Fort Pierce Redevelopment Agency
STATEMENT OF NET POSITION(continued)
September 30, 2023

	Governmental Activities
<i>LIABILITIES</i>	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 287,117
Deposits	8,110
Due to the primary governments	10,607
Notes and revenue bonds-current	1,870,000
Accrued interest payable	199,402
Total current liabilities	<u>2,375,236</u>
Noncurrent liabilities:	
Notes and bonds payable, net	15,853,815
Total noncurrent liabilities	<u>15,853,815</u>
Total liabilities	<u>18,229,051</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>	
Lease	148,029
<i>NET POSITION</i>	
Net Invested in capital assets	23,234,135
Restricted for:	
Capital projects	-
Redevelopment Projects	4,501,627
Debt service	574,667
Total net position	<u>\$ 28,310,429</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES

Year ended September 30, 2023

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	5,605,121	9,393,303	-	-	3,788,182
Interest on long-term debt	496,847	-	-	-	(496,847)
Total governmental activities	<u>6,101,968</u>	<u>9,393,303</u>	<u>-</u>	<u>-</u>	<u>3,291,335</u>
General revenues:					
Miscellaneous					\$ 389,649
Unrestricted investment earnings					4,592
Total general revenues, and transfers					<u>394,241</u>
Change in net position					3,685,576
Net position - beginning					<u>24,624,853</u>
Net position - ending					<u>\$ 28,310,429</u>

The accompanying notes are an integral part of this statement.

Fort Pierce Redevelopment Agency
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023

	Special Revenue Fund	Debt Service Fund	Debt Service Fund	
	Community Redevelopment Agency	Ft. Pierce Redevelopment Refunding 2015	Ft. Pierce Redevelopment Refunding 2021	Totals
ASSETS				
Cash and investments	\$ 4,809,844	\$ 516,777	\$ 57,890	\$ 5,384,511
Accounts receivables	258,343	-	-	258,343
Prepaid items	25,770	-	-	25,770
Total assets	<u>\$ 5,093,957</u>	<u>\$ 516,777</u>	<u>\$ 57,890</u>	<u>\$ 5,668,624</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 280,058	\$ -	\$ -	\$ 280,058
Contracts payable - retainage	7,059	-	-	7,059
Deposits	8,110	-	-	8,110
Due to primary governments	10,607	-	-	10,607
Total liabilities	<u>305,834</u>	<u>-</u>	<u>-</u>	<u>305,834</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	236,434	-	-	236,434
Total Deferred Inflows	<u>236,434</u>	<u>-</u>	<u>-</u>	<u>236,434</u>
FUND BALANCES				
Nonspendable	25,770	-	-	25,770
Restricted for:				
Redevelopment Projects	4,525,919	-	-	4,525,919
Debt service	-	516,777	57,890	574,667
Total fund balances	<u>4,551,689</u>	<u>516,777</u>	<u>57,890</u>	<u>5,126,356</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,093,957</u>	<u>\$ 516,777</u>	<u>\$ 57,890</u>	<u>\$ 5,668,624</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, 2023

Total fund balance per this statement	\$ 5,126,356
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 \$61,462,550 and the accumulated depreciation is \$20,720,043	40,742,507
Long-term liabilities (intergovernmental notes) are not due and payable and therefore, are not reported in the funds.	(17,723,815)
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.	(199,402)
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.	215,443
Deferred inflows related to leases are not financial resources and therefore are not reported in governmental funds	(148,029)
Various receivables, (liens receivable, loans receivable, and leases) are not financial resources in the current period and therefore, are reported as unavailable revenue in the funds.	297,369
Net position of governmental activities	<u>\$ 28,310,429</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, 2023

	Special Revenue Fund	Debt Service Fund	Debt Service Fund	
	Community Redevelopment Agency	Ft. Pierce Redevelopment Refunding 2015	Ft. Pierce Redevelopment Refunding 2021	Totals
Revenues				
Licenses and permits	\$ 13,841	\$ -	-	\$ 13,841
Intergovernmental	9,394,292	-	-	9,394,292
Investment income	3,953	585	54	4,592
Other	404,238	-	-	404,238
Total revenues	<u>9,816,324</u>	<u>585</u>	<u>54</u>	<u>9,816,963</u>
Expenditures				
Current				
Economic environment	4,465,436	-	-	4,465,436
Capital outlay	566,900	-	-	566,900
Debt service				
Principal	-	1,220,000	580,000	1,800,000
Interest and fees	-	401,362	249,200	650,562
Total expenditures	<u>5,032,336</u>	<u>1,621,362</u>	<u>829,200</u>	<u>7,482,898</u>
Excess of revenues over (under) expenditures	4,783,988	(1,620,777)	(829,146)	2,334,065
Other financing sources (uses)				
Transfers in	-	1,621,440	829,200	2,450,640
Transfers out	<u>(2,450,640)</u>	<u>-</u>	<u>-</u>	<u>(2,450,640)</u>
Total other financing sources (uses)	<u>(2,450,640)</u>	<u>1,621,440</u>	<u>829,200</u>	<u>-</u>
Net change in fund balances	2,333,348	663	54	2,334,065
Fund balances - beginning of year	<u>2,218,341</u>	<u>516,114</u>	<u>57,836</u>	<u>2,792,291</u>
Fund balances - end of year	<u>\$ 4,551,689</u>	<u>\$ 516,777</u>	<u>\$ 57,890</u>	<u>\$ 5,126,356</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, 2023

Net change in fund balances-total governmental funds	\$ 2,334,065
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 (\$1,139,685) exceeds capital outlay (\$566,900) in the current period.	(572,785)
Repayment of bond and note principal (\$1,800,000) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	1,800,000
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.	21,093
Bond insurance costs and discounts are reported as expenditures when paid. In the Statement of Net Position these costs are amortized. Current year amortization expense was \$132,622	132,622
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.	(29,419)
Change in Net position of governmental activities	<u>\$ 3,685,576</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 9,054,702	\$ 9,394,292	\$ 9,394,292	\$ -
Investment income	500	3,953	3,953	-
Other	216,500	418,079	418,079	-
Total revenues	<u>9,271,702</u>	<u>9,816,324</u>	<u>9,816,324</u>	<u>-</u>
Expenditures				
Current				
Economic environment	5,651,062	4,465,436	4,465,436	-
Capital outlay	<u>1,170,000</u>	<u>566,900</u>	<u>566,900</u>	<u>-</u>
Total expenditures	<u>6,821,062</u>	<u>5,032,336</u>	<u>5,032,336</u>	<u>-</u>
Excess of revenues over expenditures	2,450,640	4,783,988	4,783,988	-
Other financing sources (uses)				
Transfers out	<u>(2,450,640)</u>	<u>(2,450,640)</u>	<u>(2,450,640)</u>	<u>-</u>
Total other financing sources (uses)	(2,450,640)	(2,450,640)	(2,450,640)	-
Net change in fund balances	-	2,333,348	2,333,348	-
Fund balance - beginning of year	<u>2,218,341</u>	<u>2,218,341</u>	<u>2,218,341</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,218,341</u>	<u>\$ 4,551,689</u>	<u>\$ 4,551,689</u>	<u>\$ -</u>

Note: Budgeted transfers of \$3,102,214 to the City of Fort Pierce have been presented as Economic Environment expenditures in the CRA's stand-alone financial.

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 annual comprehensive 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 2015-debt service fund* accounts for resources that are restricted to payment of principal, interest and other expenditures on long-term debt.

The *Ft. Pierce Redevelopment Refunding 2021-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.

For leases where the CRA is Lessor, lease receivables were reported on October 1, 2021 upon implementation of GASB 87, Leases. Lease receivables are separated between current and noncurrent, and are reported at the present value of lease payments expected to be received during the lease term.

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 in 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

Property, plant, and equipment of the primary government 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.

The Statement of Net Position also includes a separate section for Deferred Inflows of Resources. This represents the acquisition of net assets applicable to future periods and will be recognized as revenue in the future period to which it applies. This category includes leases.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

As of September 30, 2023, 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.

i. 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

5. NEW PRONOUNCEMENT

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96), which became effective for fiscal year ended June 30, 2023. The objective of this statement is to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. The statement had no effect on the CRA's financial statements.

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.

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

- 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.

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, 2023 was \$5,384,511 and the bank balance was \$5,371,073. 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, 2023, 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, 2023

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, 2023 is as follows:

Cash	<u>\$ 427,796</u>
Investments:	
Repurchase agreements	<u>4,956,715</u>
Total investments	<u>4,956,715</u>
Total pooled cash and investments	<u><u>\$ 5,384,511</u></u>

All investments held in the CRA at September 30, 2023 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, 2023

NOTE D - CAPITAL ASSETS

Capital asset activity of the CRA for the year ended September 30, 2023 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Contributions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 12,377,396	\$ -	\$ -	-	\$ 12,377,396
Construction in progress	-	101,053			101,053
Total capital assets, not being depreciated	12,377,396	101,053	-	-	12,478,449
Capital assets, being depreciated:					
Buildings	22,960,875	-	-	-	22,960,875
Improvements other than buildings	25,097,323	296,174	-	-	25,393,497
Equipment	460,056	169,673	-	-	629,729
Total	48,518,254	465,847	-	-	48,984,101
Less accumulated depreciation for:					
Buildings	(5,972,429)	(666,301)	-	-	(6,638,730)
Improvements other than buildings	(13,180,877)	(458,440)	-	-	(13,639,317)
Equipment	(427,052)	(14,944)	-	-	(441,996)
Total accumulated depreciation	(19,580,358)	(1,139,685)	-	-	(20,720,043)
Total capital assets, being depreciated, net	28,937,896	(673,838)	-	-	28,264,058
Total capital assets, net	<u>\$ 41,315,292</u>	<u>\$ (572,785)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 40,742,507</u>

Depreciation expense charged to functions/programs of the government-wide Statement of Activities for the year ended September 30, 2023 was as follows:

Governmental activities:

Economic environment	<u>\$1,139,685</u>
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Fort Pierce Redevelopment Agency
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE E – LONG TERM OBLIGATIONS

Long-term liability activity of the CRA for the year ended September 30, 2023 was as follows:

	Beginning Balance 10/1/2022	Additions	Reductions	Ending Balance 9/30/2023	Amounts Due within One Year	Amounts Due after One Year
Revenue notes	\$ 12,545,000	\$ -	\$ 1,220,000	\$ 11,325,000	\$ 1,260,000	\$ 10,065,000
Revenue Bonds	6,230,000	-	580,000	5,650,000	610,000	5,040,000
Unamortized items	932,854	-	184,039	748,815	-	748,815
	<u>\$ 19,707,854</u>	<u>\$ -</u>	<u>\$ 1,984,039</u>	<u>\$ 17,723,815</u>	<u>\$ 1,870,000</u>	<u>\$ 15,853,815</u>

The CRA has outstanding Revenue Bonds and Notes from direct borrowings and direct placements related to its governmental activities totaling \$16,975,000. The outstanding Revenue Bonds and Notes are secured by a first lien and pledge upon the Tax Increment Revenues.

Revenue Bonds Direct Placement

The CRA’s Revenue bonds of \$5,650,000 contain a provision defining the following events as a default: 1) failure to make payment, 2) dissolution, liquidation, or voluntary filing of bankruptcy, or 3) the CRA fails to perform any of the other covenants, conditions, agreements, and provisions contained in the bond or in the resolution. (4) so long as the Outstanding Series 2015A note or any debt issued to refinance the Series 2015A (the Bank Debt) remain outstanding and contain a right of acceleration upon an event of default, the Series 2021 Bonds shall also be subject to acceleration in the event the Bank Debt is accelerated and (5) it shall be a default under the Bond Resolution unless and until such event of default with respect to the Bank Debt has been waived by the holder of the Bank Debt. In the event of a default, which has not been remedied, after legal proceedings, pledged funds will be distributed.

\$6,875,000 Fort Pierce Redevelopment Revenue Refunding Bonds, Series 2021-The Series 2021 Bonds were issued for the purpose of: (i) advance refund the City’s outstanding Redevelopment Revenue Refunding Note, Series 2015B, (ii) finance the costs of issuance of the Series 2021bonds.

The Series 2021 Bonds and interest thereon are payable from and secured by a first lien and pledge upon the Tax Increment Revenues. Interest at 4%, is payable semi-annually and sinking fund installments ranging from \$580,000 to \$845,000 through May 1, 2031. Proceeds used to defease the Series 2015B Capital Improvement Revenue Refunding Note. Current portion is \$610,000.

CRA revenue bonds outstanding at September 30, 2022, consist of the following:

	Purpose	Amount Issued	Amount Outstanding	Interest Rate	Maximum Annual Debt Svc.
Fort Pierce Redevelopment Revenue Refunding Bonds,2021	Refunding	\$ 6,875,000	5,650,000	4.00%	878,800
		<u>\$ 6,875,000</u>	<u>\$ 5,650,000</u>		

Fort Pierce Redevelopment Agency
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE E – LONG TERM OBLIGATIONS (CONTINUED)

The CRA’s outstanding notes from direct borrowing and direct placements of \$11,325,000 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.

\$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 \$1,180,000 to \$1,615,000 through May 1, 2031. Proceeds used to refund the Fort Pierce Redevelopment Bonds, Series 2005 and 2006. Current portion is \$1,260,000.

CRA revenue notes outstanding at September 30, 2023, consist of the following:

	<u>Purpose</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maximum Annual Debt Svc.</u>
Fort Pierce Redevelopment Revenue Refunding Notes,2015A	Refunding	\$ 20,000,000	11,325,000	3.20%	1,666,680
		<u>\$ 20,000,000</u>	<u>\$11,325,000</u>		

Fort Pierce Redevelopment Agency
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE E – LONG TERM OBLIGATIONS (CONTINUED)

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

	Revenue Bonds			Revenue Notes		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 610,000	\$ 226,000	\$ 836,000	\$ 1,260,000	\$ 362,400	\$ 1,622,400
2025	635,000	201,600	836,600	1,300,000	322,080	1,622,080
2026	655,000	176,200	831,200	1,345,000	280,480	1,625,480
2027	680,000	150,000	830,000	1,385,000	237,440	1,622,440
2028	715,000	122,800	837,800	1,425,000	193,120	1,618,120
2029-2031	2,355,000	192,600	2,547,600	4,610,000	299,520	4,909,520
	<u>\$ 5,650,000</u>	<u>\$ 1,069,200</u>	<u>\$ 6,719,200</u>	<u>\$ 11,325,000</u>	<u>\$ 1,695,040</u>	<u>\$ 13,020,040</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.

At September 30, 2023 the following bonds are considered defeased:

Bond Issue	Series	Beginning Balance 10-1-2022	Additions	Retirement	Ending Balance 9-30-2023
Redevelopment Revenue Bonds	2003	760,000	-	730,000	30,000
Redevelopment Revenue Bonds	2006	10,580,000	-	835,000	9,745,000
		<u>\$ 11,340,000</u>	<u>\$ -</u>	<u>\$ 1,565,000</u>	<u>\$ 9,775,000</u>

NOTE F - 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 \$168,000 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 \$2,484,000.

Fort Pierce Redevelopment Agency
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE G - INTERFUND TRANSFERS

The composition of inter-fund transfers for the year ended September 30, 2023 was as follows:

	Special Revenue		Debt Service Funds		Total
	Fund				
	Community Redevelopment Agency	Ft. Pierce Redevelopment Refunding 2015	Ft. Pierce Redevelopment Refunding 2021		
Transfer out:					
Community Redevelopment Agency	\$ -	\$ 1,621,440	\$ 829,200	\$ 2,450,640	
	<u>\$ -</u>	<u>\$ 1,621,440</u>	<u>\$ 829,200</u>	<u>\$ 2,450,640</u>	

Transfers into the Ft. Pierce Redevelopment Refunding 2015 debt service fund and the Ft. Pierce Redevelopment Refunding 2021 were for debt service payments on the CRA's outstanding Revenue notes.

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, 2023, the CRA paid premiums of approximately \$65,000 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.

Fort Pierce Redevelopment Agency
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE J – LEASES

For the year ended September 30, 2023 the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

CRA as lessor

Following is a summary of receivables and deferred inflows on long-term leases in which the CRA is the lessor, as of September 30, 2023:

	<u>Lease Receivable</u>			<u>Deferred Inflows</u>
	<u>Current</u>	<u>Long-term</u>	<u>Total</u>	
Fort Pierce Redevelopment:				
Cobbs Landing	71,182	131,614	202,796	148,029
Total	<u>\$ 71,182</u>	<u>\$ 131,614</u>	<u>\$ 202,796</u>	<u>\$ 148,029</u>

Cobbs Landing-On December 15, 2005 the City’s Redevelopment Agency, 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. Ianco, LLC, with the permission of the Agency, assigned the lease to Salty4Eleven, LLC DBA Cobb’s Landing. The original lease agreement expired on June 30, 2021, and at that time both parties agreed to exercise the 5-year option stated in the original lease. 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. The lease has an incremental interest rate of 4%. Inflows of \$53,808 were recognized during the fiscal year ended September 30, 2023, related to this lease.

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, 2023, 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 27, 2024.

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 27, 2024

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, 2023. 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.

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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 27, 2024

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, 2023. 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.

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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 27, 2024

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, 2023, and have issued our report thereon dated March 27, 2024, 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 27, 2024, 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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Ft. Pierce Redevelopment Agency reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year. **Zero**
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year. **Zero**
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. **Zero**
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. **Zero**

e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project. The CRA had two projects in 2023: Improvements to the highwaymen museum, total project of \$513,945, with current year expenditures of \$101,053 and road improvements at the Oaks at Moore's Creek Phase II, total project and current year expenditures of \$141,174.

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: The CRA's original budgeted revenue totaled \$9,271,702 was increased through amendment by \$544,622, and the CRA's original budgeted expenditures (including transfers out) of \$9,271,702 was decreased through amendment by \$1,788,726.

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 27, 2024