

Waterfront Community Redevelopment Agency

(A Component Unit of City of Gulfport, Florida)



2024

Annual Financial Report

Fiscal Year Ended September 30, 2024

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Waterfront Community Redevelopment Agency
Annual Financial Report

City of Gulfport, Florida
for the
Fiscal Year Ended September 30, 2024

Karen Love, Mayor
April Thanos, Vice Mayor
Marlene Shaw, Council Member
Cosima "Cosi" Jackson, Council Member
Nancy Earley, Council Member



City Manager
James E. O'Reilly

City Clerk
Theresa Carrico

Finance Director
Chris Caddell

Prepared by: City of Gulfport Finance Department

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**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)
ANNUAL REPORT**

**Table of Contents
Year Ended September 30, 2024**

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	13
Statement of Activities	14
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Fund	15
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position	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 of Governmental Funds to the Statement of Activities	18
<i>Notes to Financial Statements</i>	19
Required Supplementary Information:	
<i>Budgetary Comparison Schedules:</i>	
General Fund	27

COMPLIANCE SECTION

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> - Independent Auditor's Report	31
Independent Accountant's Report on Compliance with Sections 163.387(6), 163.387(7) and 218.415, Florida Statutes	33
Management Letter	35

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Financial Section

This section contains the following subsections:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

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Independent Auditor's Report

Members of the Waterfront Community Redevelopment Agency Board
City of Gulfport, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the City of Gulfport, Florida Waterfront Community Redevelopment Agency (the "CRA"), a component unit of the City of Gulfport, Florida as of and for the year ended September 30, 2024, 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 in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the CRA as of September 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Statements

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 Responsibilities for the Audit of the Financial Statements

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 GAAS and *Government 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 GAAS and *Government 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the general fund budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 July 23, 2025, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the CRA's 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.

Forvis Mazars, LLP

Tampa, Florida
July 23, 2025

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**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

MANAGEMENT’S DISCUSSION AND ANALYSIS

This supplement to the Financial Statements has been developed in accordance with the Government Accounting Standards Board Statement No. 34. It is intended to provide the readers of this report with a general overview of the financial activities of the City of Gulfport Waterfront Community Redevelopment Agency (the Waterfront CRA). The Waterfront CRA provides the following discussion and analysis of the Waterfront CRA’s financial activities for the fiscal year ended September 30, 2024. Management’s Discussion and Analysis is designed to: (a) assist the reader to focus on significant financial issues, (b) provide an overview of the Waterfront CRA’s financial activities, (c) identify changes in the Waterfront CRA’s financial position, (d) identify material deviations from the financial plan, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the Waterfront CRA’s financial statements.

The Waterfront CRA

The Waterfront CRA was created under Chapter 163, Florida Statutes, and City of Gulfport (the City) Resolutions No. 92-25 and 92-55. The Governing Board of the Waterfront CRA (the Board) is the City Council and, therefore, the City exercises significant influence over its operations and fiscal management. The Waterfront CRA is considered a component unit of the City for financial reporting purposes and is included as a blended special revenue fund within the City’s overall basic financial statements.

These financial statements are presented for the purpose of complying with state law, specifically Florida Statute Section 163.387(8)(a), which requires separate audited financial statements for each Community Redevelopment Agency that has revenues or expenditures that exceed \$100,000.

Financial Highlights

- The assets of the Waterfront CRA exceeded the liabilities at the close of the most recent fiscal year by \$3,317,083.
- The Waterfront CRA’s fund balance increased by \$297,788.
- General Fund expenditures and payments to the City were \$114,113 less than the final budgeted expenditures.
- Capital assets of the Waterfront CRA increased by \$97,576 from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Waterfront CRA’s basic financial statements, which are comprised of the following four (4) components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Waterfront CRA’s finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents financial information on all of the Waterfront CRA’s assets and liabilities, with the difference 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 Waterfront CRA is improving or deteriorating. The *Statement of Activities* presents information showing how the Waterfront 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 for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements listed above distinguish functions of the Waterfront CRA that are principally supported by ad-valorem taxes and 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 activity of the Waterfront CRA is community development/redevelopment. The Waterfront CRA currently has no business-type activities.

The government-wide financial statements include only the activities of the Waterfront CRA. However, the Waterfront CRA is considered a blended component unit of the City and, as such, the financial information of the Waterfront CRA is also included in the City’s annual financial report for each fiscal year.

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 Waterfront CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 the Waterfront CRA’s near-term financing requirements.

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Statements – Continued

Governmental Funds – Continued

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 Waterfront CRA's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

General Fund

The General Fund is the primary operating fund of the Waterfront CRA and accounts for all financial resources of the Waterfront CRA.

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.

Required Supplementary Information (RSI)

Included in this section of the report is the Budgetary Comparison Schedule.

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the Waterfront CRA's financial position. In the case of the Waterfront CRA, assets exceeded liabilities by \$3,317,083 (*net position*) as of the close of the most recent fiscal year, an increase of \$395,364 in comparison with the prior year. Capital assets increased by \$97,576 due to projects placed in service and increased depreciation during the fiscal year for waterfront projects during FY24 as well as construction in progress.

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Fund Financial Statements – Continued

Statement of Net Position – Continued

The following table reflects a summary of the *Statement of Net Position* as of September 30:

CITY OF GULFPORT, FLORIDA		
WATERFRONT COMMUNITY REDEVELOPMENT AGENCY		
	2024	2023
ASSETS		
Current and Other Assets	\$ 1,111,819	\$ 898,842
Capital Assets (Net)	2,206,404	2,108,828
Total Assets	3,318,223	3,007,670
LIABILITIES		
Current and Other Liabilities	1,140	85,951
Total Liabilities	1,140	85,951
Net Position		
Investment in Capital Assets	2,206,404	2,108,828
Restricted	476,188	486,059
Unrestricted	634,491	326,832
Total Net Position	\$ 3,317,083	\$ 2,921,719

Statement of Activities

The following table reflects the *Statement of Activities* for the fiscal year ended September 30:

CITY OF GULFPORT, FLORIDA		
WATERFRONT COMMUNITY REDEVELOPMENT AGENCY		
	2024	2023
REVENUES		
Program Revenues:		
Capital Grants and Contributions	\$ 300,000	\$ -
Total Program Revenues	300,000	-
General Revenues:		
Property Taxes	608,909	527,777
Miscellaneous Revenue	7,659	3,929
Total General Revenues	616,568	531,706
Total Revenues	916,568	531,706
EXPENSES		
Community Development/Redevelopment	521,204	684,297
Total Expenses	521,204	684,297
Net Change in Net Position	395,364	(152,591)
Net Position, Beginning of Year	2,921,719	3,074,310
Net Position, End of Year	\$ 3,317,083	\$ 2,921,719

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Fund Financial Statements – Continued

Statement of Activities – Continued

Fiscal year 2024 activities increased the Waterfront CRA’s net position by \$395,364 from the prior year. This change resulted from an increase in tax increment financing revenues of \$81,132 due to an increase in property values within the Waterfront CRA district. Additionally, capital grants and contributions increased by \$300,000 for a contribution from the Senior Center Trust Fund. Expenses decreased by \$163,093 from the prior year due to a contribution expense of \$300,000 to the City’s Senior Center Trust Fund that was not repeated in the current year.

Financial Analysis of the Waterfront CRA’s Fund

Governmental Fund

The focus of the Waterfront CRA’s governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Waterfront CRA’s financing requirements. In particular, 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 Waterfront CRA’s fund balance of \$476,188 is restricted for redevelopment projects within the Waterfront CRA district, and \$634,491 is assigned and available for spending in the upcoming year.

Property taxes totaling \$608,909 represented approximately 66.4% of all revenues. The Waterfront CRA’s fund balance increased by \$297,788 in the current year. The increase in tax increment financing revenues and contribution from the Senior Center Fund were addressed previously in the governmental activities discussion. Expenditures increased by \$311,901 from the prior year for additional capital costs to carry out the Waterfront CRA’s initiatives.

Budgetary Highlights

An annual budget is prepared for the Waterfront CRA and approved by the Board. The legal level of control is maintained at the fund level. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of the fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles. The Waterfront CRA underspent the final amended budget for expenditures by \$114,113 for redevelopment project costs that carried over to the next year.

Capital Assets and Debt Administration

As of September 30, 2024, the Waterfront CRA had \$2,206,404 invested in infrastructure and equipment capital assets as compared to \$2,108,828 in the prior fiscal year. This represents a net increase of \$97,576, and resulted from capital additions of \$355,167 in excess of depreciation expense of \$257,591. Depreciation expense was in line with the prior year.

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

MANAGEMENT’S DISCUSSION AND ANALYSIS

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Construction in Progress	\$ 107,554	\$ 35,913	\$ 71,641
Infrastructure and Improvements	5,018,930	4,735,404	283,526
Equipment	181,960	181,960	-
	<u>5,308,444</u>	<u>4,953,277</u>	<u>355,167</u>
Less Accumulated Depreciation	(3,102,040)	(2,844,449)	(257,591)
	<u>\$ 2,206,404</u>	<u>\$ 2,108,828</u>	<u>\$ 97,576</u>

Additional detailed information regarding the Waterfront CRA’s capital assets can be found in Note 3 of the notes to the financial statements.

Economic Factors and Future Developments

The Waterfront CRA commenced in 1993 and by ordinance was set to be funded for a period not to exceed 30 years. For the year ended September 30, 2024, the Waterfront CRA received the final payment of tax increment financing payment (TIF) from Pinellas County. The Waterfront CRA will continue to manage existing assets and fund balance over the near term as strategies developed to wind down the CRA. Additional information can be found in Note 4 of the notes to the financial statements.

Request for Information

This financial information is designed to present users with a general overview of the Waterfront CRA’s finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City’s Finance Director at City Hall located at 2401 53rd Street South, Gulfport, FL 33707.

Basic Financial Statements

The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The government-wide financial statements present financial information about the reporting government, as a whole, except for its fiduciary activities. The fund financial statements present financial information about major funds individually. The notes to the financial statements present information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements.

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**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

STATEMENT OF NET POSITION
September 30, 2024

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 1,111,819
Capital Assets:	
Capital Assets Not Being Depreciated	107,554
Capital Assets Being Depreciated, net	2,098,850
Total Capital Assets	2,206,404
Total Assets	3,318,223
LIABILITIES	
Accounts Payable	1,097
Accrued Liabilities	43
Total Liabilities	1,140
NET POSITION	
Investment in Capital Assets	2,206,404
Restricted	
Redevelopment Projects	476,188
Unrestricted	634,491
Total Net Position	\$ 3,317,083

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

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Community Development/Redevelopment	\$ 521,204	\$ -	\$ -	\$ 300,000	\$ (221,204)
Total Governmental Activities	\$ 521,204	\$ -	\$ -	\$ 300,000	\$ (221,204)
General Revenues:					
					608,909
					7,659
					616,568
					395,364
					2,921,719
					\$ 3,317,083

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

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

**BALANCE SHEET - GOVERNMENTAL FUND
September 30, 2024**

	General Fund
ASSETS	
Cash and Cash Equivalents	\$ 1,111,819
Total Assets	1,111,819
 LIABILITIES AND FUND	
BALANCE	
Liabilities:	
Accounts Payable	1,097
Accrued Liabilities	43
Total Liabilities	1,140
Fund Balance:	
Restricted for Waterfront Redevelopment	476,188
Assigned for Beach Renourishment	120,000
Assigned for Williams Pier	514,491
Total Fund Balance	1,110,679
Total Liabilities and Fund	
Balance	\$ 1,111,819

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

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balance of governmental fund	\$ 1,110,679
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 not reported in the fund. The cost of the assets is \$5,308,444 and the accumulated depreciation is \$3,102,040.	<u>2,206,404</u>
Total net position of governmental activities	<u><u>\$ 3,317,083</u></u>

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

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended September 30, 2024

	General Fund
REVENUES	
Taxes	\$ 608,909
Intergovernmental Revenues	300,000
Miscellaneous Revenues	7,659
Total Revenues	916,568
EXPENDITURES	
Current:	
Community Development/Redevelopment	618,780
Total Expenditures	618,780
Excess of Expenditures Over Revenues	297,788
Net Change in Fund Balance	297,788
Fund Balance - Beginning	812,891
Fund Balance - Ending	\$ 1,110,679

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

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2024

**Amounts reported for governmental activities in the statement of activities are
different because:**

Net change in fund balance - total governmental fund	\$ 297,788
Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which the cost of capital purchases (\$365,017) were greater than depreciation (\$257,591) and loss on disposal of equipment (\$9,850).	<u>97,576</u>
Change in net position of governmental activities	<u><u>\$ 395,364</u></u>

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

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Gulfport Waterfront Community Redevelopment Agency's (the Waterfront CRA) financial statements are prepared in accordance with generally accepted accounting principles, as applicable to governments. The following is a summary of the more significant policies:

A. REPORTING ENTITY

In August 1992, the Waterfront CRA was created under the Florida Statutes, Chapter 163 Part III, and City of Gulfport (the City) Resolutions No. 92-25 and 92-55. In 1993, the City established the Waterfront Area Redevelopment Plan in Ordinance 93-2 (amended in 2000 and 2009) with the purpose of establishing the redevelopment priorities and geographical boundaries for the designated CRA. The Governing Board of the Waterfront CRA (the Board) is the City Council and, therefore, the City exercises significant influence over its operations and fiscal management. The Waterfront CRA is considered a component unit of the City for financial reporting purposes and is included as a blended special revenue fund within the City's overall basic financial statements.

B. BASIC FINANCIAL STATEMENTS

These financial statements are presented for the purpose of complying with state law, specifically Florida Statutes, Section 163.387(8)(a), which requires separate audited financial statements for each Community Redevelopment Agency that has revenues or expenditures that exceed \$100,000. Entity-wide financial statements are prepared at the City-wide level by the City and include the Waterfront CRA. Copies of that report can be obtained from the City's Finance Department.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are resources when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION *(Continued)*

Fund Financial Statements

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 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recorded only when payment is due.

Considering that the fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

Tax increment financing revenue and interest associated with the current fiscal period is considered to be measurable and has been recognized as revenues of the current fiscal year, if available.

When both restricted and assigned resources are available for use, it is the Waterfront CRA's policy to use restricted resources first, and then assigned resources as they are needed.

The Waterfront CRA reports the General Fund as a major governmental fund. The General Fund is used to account for all financial resources received by the Waterfront CRA. The General Fund serves as the primary operating fund of the Waterfront CRA. The Waterfront CRA does not have any non-major funds.

D. ASSETS, LIABILITIES AND FUND EQUITY

Budgets and Budgetary Accounting

An annual budget is prepared for the Waterfront CRA as part of the City's budget process. The budget amounts presented in the accompanying financial statements are as originally adopted, or as legally amended, by the Council during the year ended September 30, 2024. The City Manager is authorized to transfer budgeted amounts within the fund; however, all budget amendments require Waterfront CRA Board approval and any budget amendments that alter the total expenditures of the fund must be approved by the Council. During 2024, the Council approved supplemental budget appropriations to provide for carryforward fund balance. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles.

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

D. ASSETS, LIABILITIES AND FUND EQUITY *(Continued)*

Cash and Investments

The Waterfront CRA participates in the City's consolidated pooled cash account. The City's cash and cash equivalents are considered to be cash on hand. Further information on the City's pooled cash and investments can be found in the notes to the annual financial statements of the City.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported on the government-wide financial statements. The Waterfront CRA defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life of beyond one year. These assets are recorded at historical cost if purchased, and acquisition value if donated. Depreciation on all capital assets is provided on a straight-line basis over the following estimated useful lives: buildings 20-50 years, infrastructure and improvements other than buildings 3-70 years, and equipment 3-20 years.

Prepaid Expenditures / Expenses

Payments made to vendors for services that will benefit periods beyond September 30, 2024, are recorded as prepaid items. These payments are recorded as expenditures when consumed rather than when purchased.

Fund Balance

In accordance with GAAP, the Waterfront CRA classified governmental fund balances as follows:

- **Nonspendable Fund Balance** - Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Waterfront CRA's highest level of decision-making authority, which is an ordinance. Committed amounts cannot be used for any other purpose unless the Waterfront CRA removes those constraints by taking the same type of action. The Board can establish, modify or rescind a fund balance commitment through the formal approval of an ordinance.

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

D. ASSETS, LIABILITIES AND FUND EQUITY *(Continued)*

Fund Balance *(Continued)*

- **Assigned Fund Balance** - Assigned fund balances are amounts that are constrained by the Waterfront CRA's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board or (b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The City Manager has the official authority to assign fund balance in accordance with the City's Fund Balance Policy. Additionally, this category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget.
- **Unassigned Fund Balance** - Unassigned fund balance is the residual classification for the General Fund.

The Waterfront CRA intends that restricted amounts be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that would prohibit doing this, such as grant agreements with dollar-for-dollar spending. Additionally, the Waterfront CRA would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is presented in three components - investment in capital assets, restricted, and unrestricted.

- **Investment in Capital Assets** - This component of net position consists of capital assets, net of accumulated depreciation.
- **Restricted**- This component consists of net position that has constraints placed either externally by third parties (grantors and contributors) or by law, through constitutional provisions of enabling legislation. The Waterfront CRA would typically use restricted net position first, as appropriated opportunities arise, but reserves the right to selectively defer the use of these funds.
- **Unrestricted** - This component consists of net position that does not meet the definition of "investment in capital assets" and "restricted." Allocations or earmarks of net position made by the Waterfront CRA's management are included in this component because these types of constraints are internal and management can remove or modify them.

E. PROPERTY TAXES

The assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the Pinellas County Property Appraiser and Pinellas County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten mills. The millage rate in effect for the fiscal year ended September 30, 2024 was 4.026 mills.

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

F. OTHER SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

NOTE 2 – CASH, POOLED CASH, AND INVESTMENTS

At September 30, 2024, the Waterfront CRA’s funds are part of the City’s cash and investment pool. The Waterfront CRA’s balance in the pool as of September 30, 2024 is \$1,111,819. The City’s cash deposits are held by a bank that qualifies as a public depository under the *Florida Security for Public Deposits Act* as required by Chapter 280, Florida Statutes. The City maintains an investment policy managing pooled cash and investments. Further information on the City’s pooled cash and investments can be found in the notes to the annual financial statements of the City.

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2024 was as follows:

	Beginning Balance <u>10/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>9/30/2024</u>
Non-depreciated Assets				
Construction In Progress	\$ 35,913	\$ 142,204	\$ (70,563)	\$ 107,554
Depreciated Assets				
Infrastructure and Improvements	4,735,404	283,526	-	5,018,930
Equipment	181,960	9,850	(9,850)	181,960
Total Capital Assets at Historical Cost	<u>4,953,277</u>	<u>435,580</u>	<u>(80,413)</u>	<u>5,308,444</u>
Less Accumulated Depreciation for:				
Infrastructure and Improvements	2,754,261	247,593	-	3,001,854
Equipment	90,188	9,998	-	100,186
Total Accumulated Depreciation	<u>2,844,449</u>	<u>257,591</u>	<u>-</u>	<u>3,102,040</u>
Governmental Activities Capital Assets, net	<u>\$ 2,108,828</u>	<u>\$ 177,989</u>	<u>\$ (80,413)</u>	<u>\$ 2,206,404</u>

Depreciation expense of \$257,591 was charged to the development/redevelopment function.

**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024**

NOTE 4 – TAX INCREMENT FINANCING REVENUE

The Waterfront CRA is primarily funded through tax increment financing (TIF) revenue. The tax increment revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations within the Waterfront CRA district, using the year in which it was established as the “base year” (1992 for the Waterfront district). The City and Pinellas County are required to contribute 95% of the incremental property taxes levied each year for the Waterfront district. For fiscal year 2024, the Waterfront CRA received its calculated share of \$275,347 using a millage rate of 4.0258 from the City and \$333,562 using a millage rate of 4.5947 from Pinellas County. Fiscal year 2024 was the final year of the 30-year commitment of the City and Pinellas County to contribute property taxes to the Waterfront CRA. The CRA will be closed out pursuant to Chapter 163, Florida Statutes.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Litigation

The Waterfront CRA is subject to various disputes and legal proceedings which arise in the normal course of its operations. In the opinion of management, the amount of ultimate liability with respect to these activities will not be material in the Waterfront CRA’s financial condition and would be handled by the City, with any applicable charges allocated to the Waterfront CRA.

Encumbrances

At September 20, 2024, the Waterfront CRA had an outstanding encumbrance for \$116,980 that is reported in the restricted fund balance.

Outstanding Commitments

At September 30, 2024, the Waterfront CRA did not have any significant commitments for projects over the \$100,000 threshold used for reporting.

Required Supplementary Information

This financial statement section provides the following schedule:

Budgetary comparison schedule for *Major Fund*

- General Fund

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**WATERFRONT COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF GULFPORT, FLORIDA)**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 641,551	\$ 641,551	\$ 608,909	\$ (32,642)
Intergovernmental Revenues	300,000	300,000	300,000	-
Miscellaneous Revenues	-	-	7,659	7,659
Total Revenues	<u>941,551</u>	<u>941,551</u>	<u>916,568</u>	<u>(24,983)</u>
EXPENDITURES				
Community Development/Redevelopment				
Operating	511,511	552,893	459,320	(93,573)
Capital Outlay	580,000	180,000	159,460	(20,540)
Total Expenditures	<u>1,091,511</u>	<u>732,893</u>	<u>618,780</u>	<u>(114,113)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(149,960)</u>	<u>208,658</u>	<u>297,788</u>	<u>89,130</u>
Net Change in Fund Balance	<u>(149,960)</u>	<u>208,658</u>	<u>297,788</u>	<u>89,130</u>
Fund Balance - Beginning	<u>149,960</u>	<u>(208,658)</u>	<u>812,891</u>	<u>1,021,549</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,110,679</u>	<u>\$ 1,110,679</u>

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Compliance Section

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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*

Independent Auditor's Report

Members of the Waterfront Community Redevelopment Agency Board
City of Gulfport, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and the general fund of the City of Gulfport, Florida Waterfront Community Redevelopment Agency (the "CRA") a component unit of the City of Gulfport, Florida as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated July 23, 2025.

Report on 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) as a basis for designing 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 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, 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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the CRA in a separate management letter and Independent Accountant's Report Dated July 23, 2025.

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 CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Tampa, Florida
July 23, 2025**

Independent Accountant's Report

Members of the Waterfront Community Redevelopment Agency Board
City of Gulfport, Florida

We have examined the City of Gulfport, Florida Community Redevelopment Agency's (the "CRA") compliance with the requirements of Sections 163.387(6), 163.387(7) and 218.415, Florida Statutes, during the year ended September 30, 2024. 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 with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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. Our examination does not provide a legal determination on the CRA's compliance with specified requirements.

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

Forvis Mazars, LLP

**Tampa, Florida
July 23, 2025**

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Management Letter

Members of the Waterfront Community Redevelopment Agency Board
City of Gulfport, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Gulfport, Florida Waterfront Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated July 23, 2025.

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 on Compliance and Other Matters Based on an Audit of 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, which are dated July 23, 2025, 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. There were no recommendations made in the preceding 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 legal authority is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the CRA 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 CRA 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 CRA. 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

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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a, *Rules of the Auditor General*, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the CRA's boundaries during the fiscal year under audit.

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 218.38(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 CRA reported:

- a. The total number of CRA employees compensated in the last pay period of the CRA fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as 3.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$289,863.
- e. Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as listed below:
 - i. Recreation Center Elevator - \$107,554
 - ii. ADA Ramps and Sidewalk Improvements - \$149,609
 - iii. William Pier Engineering - \$32,699
- 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 CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$0.

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 which 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 CRA's Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Forvis Mazars, LLP

Tampa, Florida
July 23, 2025

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