

ANNUAL
REPORT

CRA

COMMUNITY

REDEVELOPMENT AGENCY

Port
St. Lucie



2020



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Mayor Gregory J. Oravec



Vice Mayor
Shannon Martin

District 3



Councilwoman
Stephanie Morgan

District 1



Councilman
David Pickett

District 2

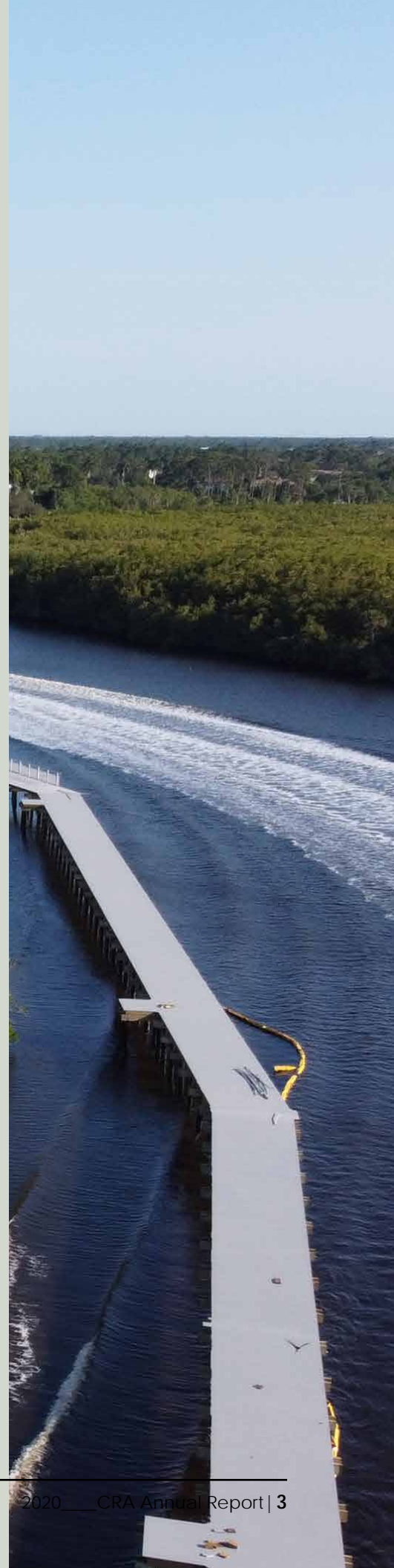


Councilwoman
Jolien Caraballo

District 4



Russ Blackburn,
City Manager/Executive
Director



Introduction

A Community Redevelopment Agency refers to a public entity created by a city or a county to implement the community redevelopment activities outlined under Chapter 163, Part III, Florida Statutes.

The Community Redevelopment Act of 1969 outlines the physical, economic, and blight conditions that can support the creation of a Community Redevelopment Area (CRA). It provides a vehicle for counties and municipalities to form a Community Redevelopment Agency and create a Redevelopment Trust Fund for financing improvements within a target area pursuant to the approved community redevelopment plan.

The City of Port St. Lucie Community Redevelopment Agency (Agency) was created in 2001 by the City of Port St. Lucie City Council. The governing body of the City of Port St. Lucie CRA is the City of Port St. Lucie City Council sitting as the CRA Board of Directors. The City Council is comprised of five members.

The Agency was established to address the lack of land set aside for commercial uses to serve the projected population in the original platted development of the city. Under the original developer's plan, most of the land in Port St. Lucie was platted for low density, single-family residential development. As a result, there is no central "core" or traditional "downtown" and many residents work, shop, and seek entertainment outside of the city. This increases traffic, negatively impacts the City's tax base, hinders the City's ability to meet the service demands generated by growth, impedes the City's ability to efficiently utilize its resources, and detracts from the quality of life. In 2001, the City designated a CRA along U.S. 1 in eastern Port St. Lucie and formally adopted a community redevelopment plan on June 11, 2001 following an extensive community-driven planning process which included design charrettes and workshops. The redevelopment strategy is to create a central business district or commercial town center along U.S. Highway 1 and a series of mixed-use pedestrian and transit friendly districts.

As stated in the vision statement, the CRA is intended to be a central gathering place that creates an identity for the city, as well as provides entertainment and economic opportunities. It will include a variety of development districts and connective open space to better serve current and future residents.

Since the CRA's creation in 2001, three additional areas have been formally designated as part of the CRA: Lentz Grove (now known as East Lake Village) in 2003; Port St. Lucie Boulevard/Riverwalk District (CRA Expansion Area) in 2006; and Southern Grove in 2012. The boundary lines for the CRAs are depicted in Figure 1.

The four (4) redevelopment areas comprise approximately 5,627 +/- acres as follows:

- U.S. Highway 1 Corridor: 1,600 +/- acres
- CRA Expansion Area: 321 +/- acres
- East Lake Village: 100 +/- acres
- Southern Grove: 3,606 +/- acres

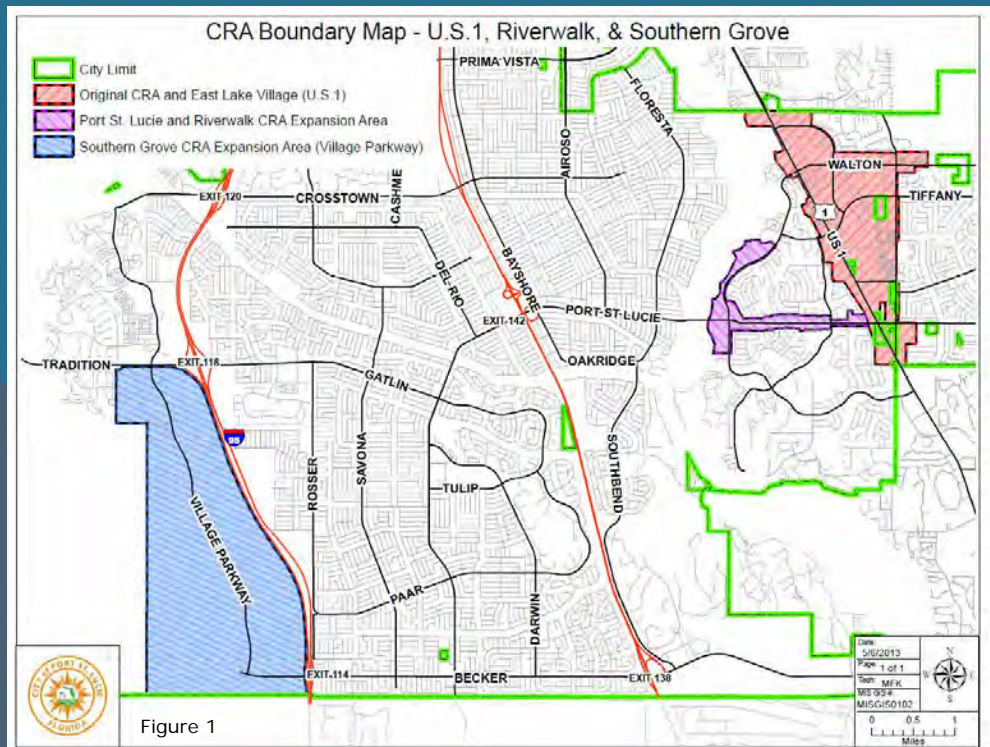


Figure 1

Requirements for an Annual Report

Pursuant to Section 163.356(3)(d), Florida Statutes and 163.371(2), Florida Statutes, the City of Port St. Lucie Community Redevelopment Agency (Agency) is required to file with the governing body, on or before March 31 of each year, a report of its activities for the preceding fiscal year. The report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year. At the time of filing this report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the municipality and that the report is available for inspection during business hours in the office of the clerk of the city and in the office of the agency.

The City of Port St. Lucie Community Redevelopment Agency Annual Report for Fiscal Year 2019-20 (FY 2019-20) covers all activities for the period October 1, 2019 to September 30, 2020. It includes a complete financial statement of the Agency's revenues and expenses, amount of tax increment funds collected, and a record of activities for the fiscal year.

Funding Source

The major funding source for the Port St. Lucie CRAs is tax increment revenue. Tax increment revenue is a mechanism available to cities and counties to re-invest new property tax dollars within a targeted redevelopment area. When a CRA is created, the current assessed values of the property as determined by the Property Appraiser are designated as the base year value. Taxing authorities that contribute to the tax increment continue to receive ad valorem (property tax) revenue based on the base year value. Ad valorem revenues from increases in real property value above the base year amount ("increment") are deposited in a redevelopment trust fund and dedicated to the community redevelopment area. Since the tax increment is used to finance and/or fund redevelopment, the term tax increment is commonly referred to as tax increment financing, tax increment funding, or TIF.

Tax increment revenue is calculated separately for each of the four (4) CRA Districts. The tax increment revenue generated by the Original CRA, East Lake Village, and the CRA Expansion Area is used to fund public improvements in the eastern portion of the CRA. The tax increment revenue generated by Southern Grove is used to fund improvements within Southern Grove.

Jurisdictions remitting tax increment revenue to the Port St. Lucie CRA include the City of Port St. Lucie and St. Lucie County (General Fund and Fine & Forfeiture Fund). Pursuant to an Interlocal Agreement between the City and St. Lucie County Fire District, the Fire District originally remitted tax increment revenue, but stopped participating in FY 2007-08.

In both the Original CRA and East Lake Village, the participating taxing authorities levying property taxes within these areas are required to annually deposit an amount equal to 95% of the incremental property tax revenues they receive from properties within those corresponding areas. In the CRA Expansion Area, the participating taxing authorities are required to annually deposit an amount equal to 95% of the incremental property tax revenues they receive from properties within the CRA Expansion Area; however, this requirement is subject to the following major exception set forth by Section 163.387(1)(b)(1)(a), Florida Statutes:

If a taxing authority imposes a millage rate that exceeds the millage rate imposed by the governing body that created the trust fund, the amount of tax increment to be contributed by the taxing authority imposing the higher millage rate shall be calculated using the millage rate imposed by the governing body that created the trust fund.

Based upon this exception, if the County's millage rate is higher than the City's, which it has been historically, the County shall calculate its tax increment payment for the CRA Expansion Area only by using the City's millage rate instead of its own higher rate.

The Southern Grove CRA was established in 2012 and is subject to the same exception noted above. In addition, Ordinance 12-30 set the tax increment at 50% of the difference between the current valuation of all levied properties within the Southern Grove CRA boundary compared to the base year valuation of the same properties.

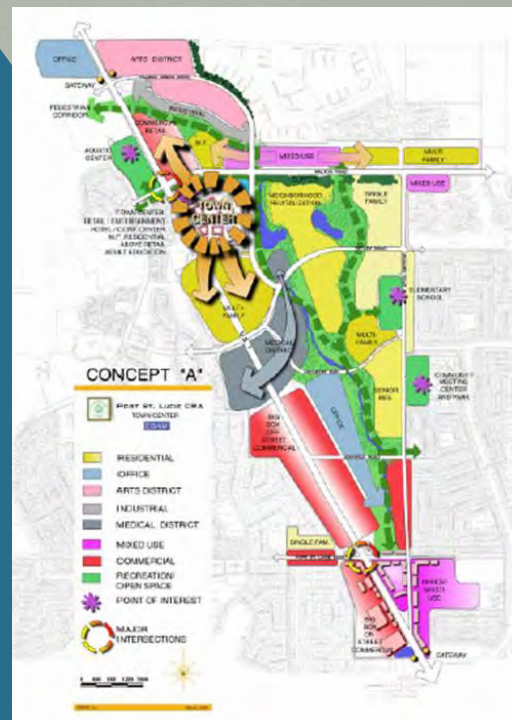
The following pages will provide an overview of the individual CRAs in the City of Port St. Lucie, as well as provide an update from the current reporting year.

The Original CRA

The City's original CRA is approximately 1,600 acres or 2.7 square miles. The original CRA boundary includes the City's U.S. Highway 1 (Federal Highway) corridor from just north of Village Green Drive, south to the St. Lucie/Martin County line. Lennard Road forms most of the eastern boundary, and the western boundary is predominantly the rear property line of those properties fronting U.S. Highway 1. The major goals of the redevelopment plan for the U.S. Highway 1 corridor center on the development of a town center at U.S. Highway 1 and Walton Road (City Center) and a variety of mixed-use, commercial, office, residential, and recreational districts.

In 2005, the City and the Agency entered into a public-private partnership with a developer to redevelop a 69-acre shopping center at the southeast corner of U.S. Highway 1 and Walton Road into a mixed-use town center consisting of 253,820 square feet of retail space, 247,000 square feet of office space and 1,125 residential dwelling units (including 150 hotel rooms).

By 2008, the City and Agency completed construction of a 100,000 square foot civic center, a public plaza with interactive fountain, a structured parking garage, and other improvements. The civic center includes 20,000 square feet of meeting space, a gymnasium, and art gallery. Infrastructure improvements were also completed in 2008 and include an urban street grid system with on street parking, lighting, landscaping, irrigation and stormwater improvements.



East Lake Village

The Community Redevelopment Plan was amended in 2003 to include Lentz Grove, now known as East Lake Village. Although located within the CRA original study area, East Lake Village was a 100+/- acre unincorporated St. Lucie County enclave when the CRA was established and was annexed into the City of Port St. Lucie in 2003. East Lake Village was developed pursuant to a public-private partnership agreement between the City, the Agency, and St. Lucie East Development Company, LLC. East Lake Village is a planned community that utilizes traditional neighborhood development design concepts. It is a mix of residential housing types within a neighborhood setting of pedestrian friendly streets, public open spaces, neighborhood squares and a greenway trail system linking its residents to the rest of the CRA. Recreational amenities include Mary Ann Cernuto Park and the East Lake Village Segment of the Wood Stork Trail.



Wood Stork Trail

The recreational component of the redevelopment plan contemplated transforming the drainage swales, ditches and ponds of the CRA into a better functioning stormwater drainage system and a linear park, which interconnect the entire district. The Wood Stork Trail is an open space network that connects East Lake Village, Hillmoor Lake and City Center. A master plan for the Wood Stork Trail was adopted in October 2005 and following approval of such, the Agency constructed a 1.5-mile trail around Hillmoor Lake, paved trails around the stormwater treatment areas in City Center, and added wooden boardwalks and outlooks in East Lake Village and Hillmoor Lake.



Expansion Area

In 2006, the Community Redevelopment Area was expanded to include the Port St. Lucie Boulevard/Riverwalk District. The 321 +/- acre CRA Expansion Area extends along Port St. Lucie Boulevard from Gowin Drive west to the edge of the North Fork of the St. Lucie River and includes portions of Westmoreland Boulevard and Veterans Memorial Parkway. In 2010, the City opened the Port St. Lucie Botanical Gardens on Westmoreland Boulevard in an area known as Riverwalk South. The redevelopment strategy for this area is to support the development of a vibrant residential, entertainment, and recreation area that protects and enhances existing neighborhoods.

The current CRA Expansion Area Master Plan is depicted in Figure 3.

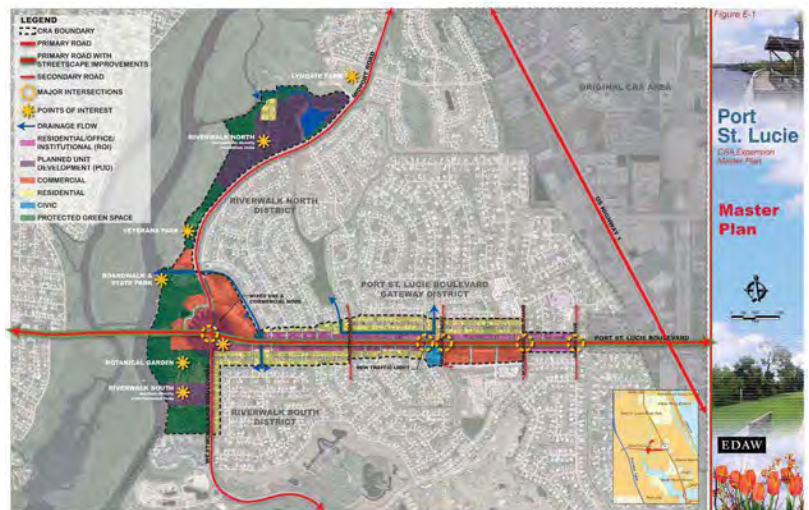


Figure 3

Southern Grove

On June 25, 2012, the City Council approved an amendment to the Community Redevelopment Plan to include the area known as Southern Grove and amended the Community Redevelopment Trust Fund to provide for additional funding for community redevelopment within Southern Grove. Formerly a citrus grove, the 3,606-acre property was annexed into the City in 2004 and approved as a Development of Regional Impact (DRI) in 2006. Southern Grove is bounded by Tradition Parkway to the north, Martin County to the south, Interstate 95 to the east, and the Riverland Kennedy DRI to the west. With four (4) miles of frontage along Interstate 95, Southern Grove is envisioned as a mixed-use regional employment center and retail destination, pursuant to the approved Southern Grove DRI Development Order.

Infrastructure improvements were constructed as part of a special assessment district and include roads, access to Interstate 95, and water and sewer lines. Southern Grove is home to a 150-acre research and development park known as Tradition Center for Innovation that includes the Cleveland Clinic Tradition Hospital and the Torrey Pines Institute for Molecular Studies.

The current Southern Grove Master Plan is shown in Figure 4.

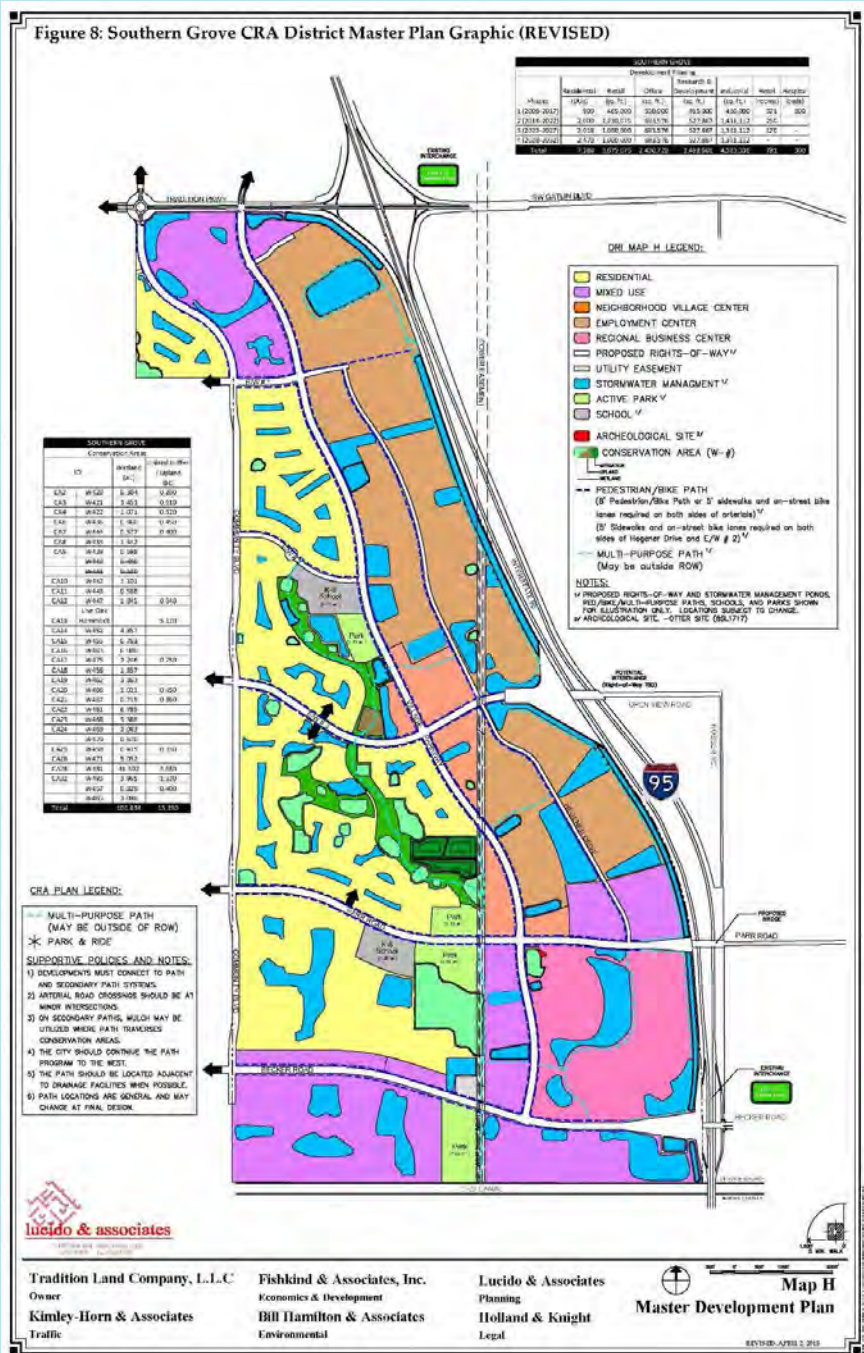


Figure 4



Activities for FY 19-20



In the past, this area was referred to as the Riverwalk Boardwalk or Westmoreland Park Project. The City's Communication Team developed naming/branding for this area based on public input, followed by City Council approval. The overall area is now known as The Port District, with numerous internal destinations such as the Boardwalk, Botanical Gardens, Dining Docks, Event Lawn, Historic Homes, the Preserve, and Pioneer Park. In September 2020 Brothers' Construction completed construction of the Boardwalk that spanned from the Banyan Tree up to and connecting with Bridge Plaza. In addition, Brothers' Construction contract was amended to include the construction of the "Southern Segment" of the Boardwalk (adjacent to the Preserve) and anticipates completion of same by the end of 2020. The contract amendment allowed the City to recognize cost savings related to mobilization efforts in constructing the next segment of the Boardwalk. In early 2020, the City successfully negotiated a lease agreement with Manatee Island Bar and Grill to construct a waterfront restaurant near the Banyan Tree. However, due to the onset of the COVID-19 pandemic, the lease was not executed and any progress for development was put on pause by the restaurateur. The City continued to pursue other restaurants for this site, and this area will be developed as a pad-ready site with the overall site improvements. It will be utilized as outdoor dining area and will be known as Dining Docks until a restaurant has been identified. In March 2020, the Botanical Gardens celebrated their 10th Anniversary. In Summer 2020, City Council approved the overall WOW Playground design concept, to be known as Pioneer Park. Several rounds of public input were sought and construction is anticipated to commence in late Summer 2021. Also in September, the City entered into a lease agreement with the Port St. Lucie Historical Society for the Historic Peacock Structures.

Once renovated, the Society will utilize the Lodge as a museum to tell the story of the City's history and will have meeting and office space available. The City initiated efforts for the Master Planning of the entire Port District. This activity will involve numerous opportunities for public input, with a design concept anticipated in Summer 2021.



City Center

With twenty-two (22) of the City Center parcels continuing to be held under Receivership with the Securities and Exchange Commission (SEC), development progress has been at a standstill with lack of private development's ability to carry the outstanding debt associated with these parcels. In Fiscal Year 2019-20, the City began to pursue the feasibility of acquiring the parcels from the SEC Receiver, and is hopeful that this approach will allow the City to retain certain properties for public use, while marketing the remaining properties for private development. The City intends on bringing an offer forward to the SEC Receiver in late 2020. In addition, the City secured the planning services of Kimley-Horn to assist in creating a Small Area Plan for City Center, a project set to wrap up in early- to mid-2021. MidFlorida Credit Union successfully secured the naming rights to the civic center through multi-year deal. Also, with the onset of COVID-19, the startup WE LOVE LUCIE concert series was only able to hold one event, STYX in February 2020; other concerts were rescheduled for future dates. The Event Center also assisted in local needs for safe, socially distanced summer camp and virtual schooling opportunities.



Southern Grove

The City continued to receive interest in the Southern Grove CRA in FY 2019-20. Mattamy Homes is the master developer for a large portion of land in Southern Grove. In 2018, Approximately 1,223 acres, inclusive of the Tradition Center for Commerce, were transferred to the Port St. Lucie Governmental Finance Corporation (GFC), a not-for profit corporation controlled by the City of Port St. Lucie. Below are some highlights of activity within Southern Grove.

Though a longstanding business in Port St. Lucie, **OCULUS** Surgical committed to relocating to the Tradition Center for Commerce in Southern Grove to expand their operations. They acquired 10 acres of land to construct a 50,000 square foot manufacturing, distribution, sales and service facility, creating upwards of 50 new jobs. As a leader in the ophthalmic surgical market, OCULUS Surgical has made advancements in wide angle viewing and new, innovative tools for today's ophthalmic surgeon.



In November 2019, the City approved a Purchase and Sale agreement with **AHS Residential** for a 19.84-acre parcel of land located just south of SW Discovery Way, along Village Parkway. AHS plans on building a multi-family residential project consisting of 372 market rate rental apartments and ancillary recreational amenities. Construction is expected to begin fourth quarter of 2020.

Cleveland Clinic Lerner Research Institute is ranked as one of the top healthcare providers in the world and recently decided to add the **Florida Research and Innovation Center (FRIC)** in Port St. Lucie as their first expansion in research outside of its home base of Cleveland. They leased a City-owned 100,000 square foot plus, state-of-the-art research facility that was formerly occupied by the Vaccine and Gene Therapy Institute (VGTI). With an anticipated capital investment of over \$50 million, the nearly century old healthcare institution will use this facility to create a discovery and translational immunotherapy research institute designed to advance patient care and improve health outcomes. The Institute is currently working on collaborative partnerships in biomedical research, developing therapies in the areas of cancer, neuroscience, infectious disease and allergies.



ACCEL International is a manufacturer servicing the aerospace, medical, industrial and computer marketplace with silver-plated, nickel-plated and tinplated copper products. ACCEL sought to expand their southeast operations and selected a site in the Tradition Center for Commerce. They will construct a 150,000 square foot manufacturing and distribution facility of high-performance conductors, and anticipates the creation of 125 new jobs.

The GFC recently executed into a Purchase and Sale Agreement with the **Sansone Group** for the development of nearly 64 acres at the northwest corner of Becker Road and I-95. Founded in 1957 and based out of St. Louis, Sansone is a commercial real estate firm that specializes in management, brokerage and development of retail, industrial, office and residential properties.



They are looking to develop a Class A industrial park that will be known as “Legacy Park at Tradition”, consisting of 3.2 million square feet of building area in a phased approach. Sansone will be responsible for all infrastructure development to serve each phase of the property and has committed to attracting employment opportunities with targeted industries paying above the county’s average wage.



01 NE AERIAL VIEW
SCALE: 1/8" = 1'-0"



02 PERSPECTIVE
RETAIL SCALE: 1/8" = 1'-0"



03 PERSPECTIVE
RETAIL SCALE: 1/8" = 1'-0"



04 PERSPECTIVE
RETAIL & HOTEL SCALE: 1/8" = 1'-0"



05 PERSPECTIVE
HOTEL SCALE: 1/8" = 1'-0"



06 PERSPECTIVE
HOTEL SCALE: 1/8" = 1'-0"

Discovery Plaza and Hotel will be situated on three acres at the northeast corner of Southwest Discovery Way and Village Parkway. Two single-story retail buildings will flank a four-story Tru by Hilton hotel.

In July 2020, the City entered into a Letter of Intent for 75 acres located at the southern end of Southern Grove, near Becker Road. This economic development project is known as **Project Bullet** and will provide for a 230,000 square foot distribution facility to be constructed starting in mid-2021.

Tax Increment Revenue Pledge/ Financial Obligations

The following section provides a brief overview of the presently outstanding increment pledges and financial obligations of the City of Port St. Lucie Community Redevelopment Agency.

City of Port St. Lucie Community Redevelopment Agency Redevelopment Trust Fund Refunding Revenue Bonds, Series 2016 (\$38,260,000)

These bonds are payable from and collateralized by a lien upon and pledge of the net tax increment revenues generated in the Community Redevelopment Area, due in annual principal installments ranging from \$2,225,000 to \$5,715,000 plus interest semiannually at a rate ranging from 2% to 5% through January 2026. Proceeds were used to refund the remaining balances of the outstanding \$11,870,000 CRA Bonds, Series 2004, and the \$46,450,000 CRA Bonds Series 2006.

Revenue Transfer Southern Grove CDD No. 1

In 2014, the City and Agency entered into an Interlocal Agreement with the Southern Grove Community Development District No. 1 (SG CDD No. 1) that provides for SG CDD No. 1 to assist the City and CRA in the execution of the redevelopment plan for the Southern Grove CRA District. Under the terms of the Agreement, the City and CRA are required to transfer 95% of the 50% tax increment revenue generated in Southern Grove to SG CDD No. 1, who will use it to help cover the costs of the special assessment payments on qualified properties. At the end of each fiscal year, SG CDD No. 1 is required to provide the City and Agency with a report that identifies the transferred revenue received, the annual credit amounts determined for each property, and the plan payments that were made. In FY 2019-20, the transferred revenue amount was \$413,984.

Financial Statement

The City of Port St. Lucie Community Redevelopment Agency is considered a blended component unit of the City. As a blended component unit, the Agency's operating fund and capital improvements funds are accounted for as major governmental funds of the City and included in the City's Comprehensive Annual Financial Report (the "CAFR"). An annual budget is also adopted by the CRA Board.

The following tables contain the Agency's assets, liabilities, income and operating expenses for the fiscal year ending September 30, 2020. The tables presented are based on unaudited financial information as provided by the City of Port St. Lucie's Finance Department. The CAFR, in its entirety, is expected to be available for inspection in the Office of the City Clerk and the Finance Department within 60 days.

TABLE 1: Community Redevelopment Agency Trust Fund FY 2019-20 Tax Increment Funding Values

CRA 1: Original CRA (U.S. 1; Est 2001 (OR 01-23))			
		SLCBOCC	City of Port St. Lucie
2019 Taxable Value		\$428,613,372.00	\$432,523,584.00
Base Year Total Taxable Value (2001)		\$(231,826,024.00)	\$(231,826,024.00)
Increment for FY 2019-20		\$196,787,348.00	\$200,697,560.00
95% Increment for FY 2019-20		\$186,947,980.60	\$190,662,682.00
Taxing Authority			
	Millage	Payment Amount	
SLCBOCC – Gen Fund	.0043077	\$805,315.82	
SLCBOCC – Fine and Forfeiture Fund	.0032324	\$604,290.65	
City of Port St. Lucie	.0050547		\$963,742.66
Total		\$1,409,606.47	\$963,742.66

CRA 2: East Lake Village (fka Lentz Grove; Est 2003 (OR 03-76))			
		SLCBOCC	City of Port St. Lucie
2019 Taxable Value		\$54,084,464.00	\$54,558,964.00
Base Year Total Taxable Value (2003)		\$(279,481.00)	\$(279,481.00)
Increment for FY 2019-20		\$53,804,983.00	\$54,279,483.00
95% Increment for FY 2019-20		\$51,114,733.85	\$51,565,508.85
Taxing Authority			
	Millage	Payment Amount	
SLCBOCC – Gen Fund	.0043077	\$220,186.94	
SLCBOCC – Fine and Forfeiture Fund	.0032324	\$165,223.27	
City of Port St. Lucie	.0050547		\$260,648.18
Total		\$385,410.20	\$260,648.18

CRA 3: CRA Expansion Area (Riverwalk and Port St. Lucie Boulevard; Est 2007 (OR 07-114))

		SLCBOCC	City of Port St. Lucie
2019 Taxable Value		\$74,491,077.00	\$77,084,419.00
Base Year Total Taxable Value (2006)		\$(67,616,925.00)	\$(67,996,925.00)
Increment for FY 2019-20		\$8,874,152.00	\$9,087,494.00
95% Increment for FY 2019-20		\$8,430,444.40	\$8,633,119.30
Taxing Authority	Millage	Payment Amount	
SLCBOCC – Gen Fund	0.0043077		
SLCBOCC – Fine and Forfeiture Fund	0.0032324		
County Sub Total	0.0075401		
Less County Cap:	0.0024854		
Net County Millage:	0.0050547	\$42,613.37	
City of Port St. Lucie	0.0050547		\$43,637.83
Total		\$42,613.37	\$43,637.83

CRA 4: Southern Grove District; Est 2012 (OR 12-30)

		SLCBOCC	City of Port St. Lucie
2019 Taxable Value		\$101,767,611.00	\$101,792,611.00
Base Year Total Taxable Value (2012)		\$(15,568,706.00)	\$(15,568,706.00)
Increment for FY 2019-20		\$86,198,915.00	\$86,223,905.00
50% Increment for FY 2019-20		\$43,099,452.50	\$43,111,952.50
Taxing Authority	Millage	Payment Amount	
SLCBOCC – Gen Fund	0.0043077		
SLCBOCC – Fine and Forfeiture Fund	0.0032324		
County Sub Total	0.0075401		
Less County Cap:	0.0024854		
Net County Millage:	0.0050547	\$217,854.80	
City of Port St. Lucie	0.0050547		\$217,917.99
Total		\$217,854.80	\$217,917.99
Total Due to CRA		\$2,055,484.84	\$1,485,946.65

Property Valuation

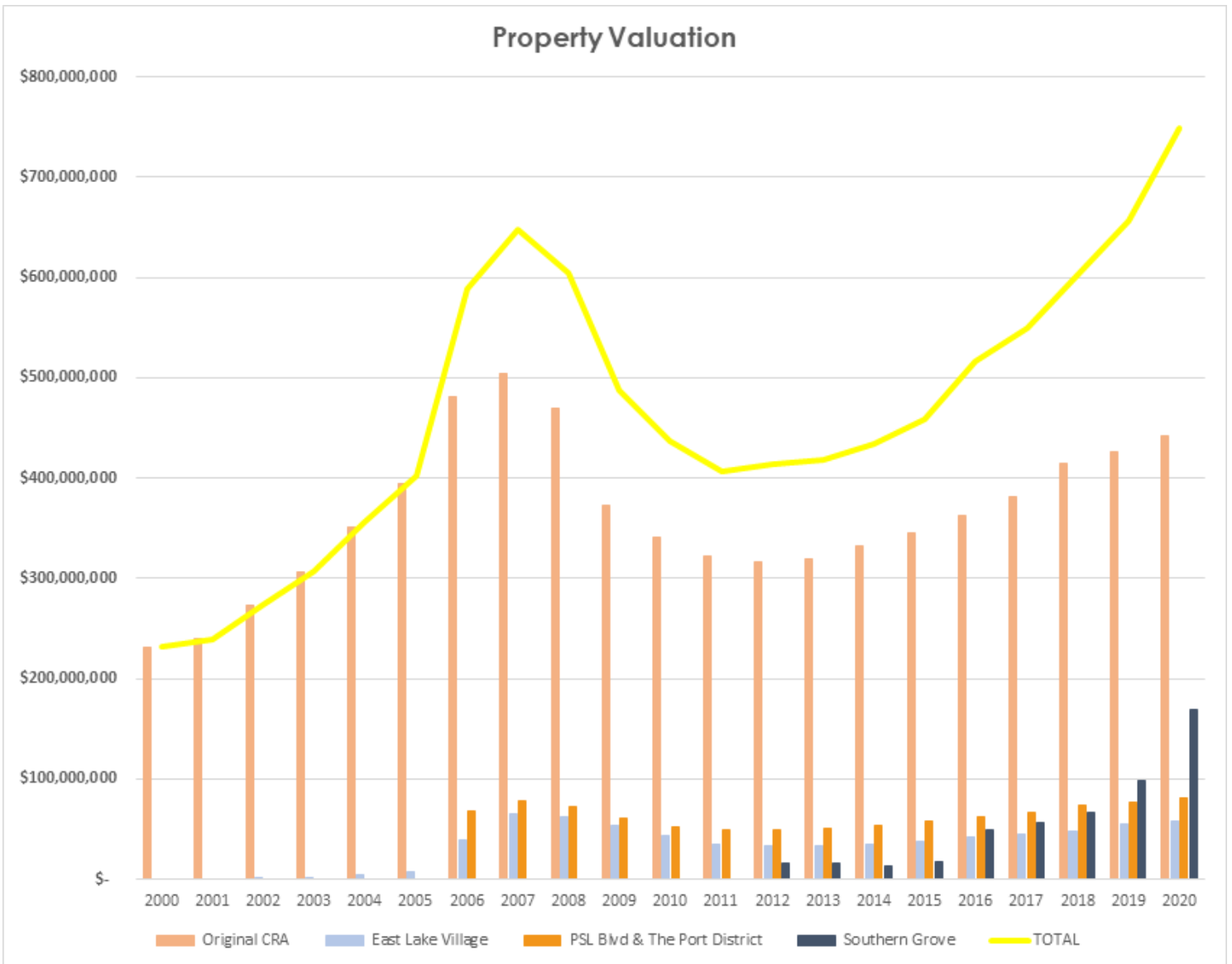


TABLE 2: Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual – Community Redevelopment Fund, Year Ended September 30, 2020

	Original Budget Amount	Final Budget Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues							
Intergovernmental (SLC Ad Valorem Revenue)	1,847,475	1,902,664	2,055,485	-	-	2,055,485	152,821
Interest Income on Investments	8,200	8,200	4,416	-	-	4,416	(3,784)
Other	20,600	20,600	20,064	-	-	20,064	(536)
Total Revenue	1,876,275	1,931,464	2,079,964	-	-	2,079,964	148,000
Expenditures							
Operating Expenditures	713,305	852,290	766,883	-	-	766,883	(85,407)
Capital Outlay	0	0	0	-	-	0	0
Principal	3,120,000	3,120,000	3,120,000	-	-	3,120,000	0
Interest	1,460,750	1,460,750	1,460,750	-	-	1,460,750	0
Interfund Transfer	46,799	46,799	47,740	-	-	47,740	941
Total Expenditures	5,340,854	5,479,839	5,395,373	-	-	5,395,373	(84,466)
Excess of Revenues over (under) expenditures	(3,464,579)	(3,548,375)	(3,315,409)	-	-	(3,315,409)	232,966
Other Financing Sources (uses)							
Transfers In	1,569,886	1,653,682	1,636,217	-	-	1,636,217	(17,465)
Proceeds from Sale of Assets (Parks MSTU)	1,700,000	1,700,000	1,700,000	-	-	1,700,000	0
Payment to Escrow Agent	0	0	0	-	-	0	0
Total Other Financing Sources (uses)	3,269,886	3,353,682	3,336,217	-	-	3,336,217	(17,465)
Net Change in Fund Balance	(194,693)	(194,693)	20,808	-	-	20,808	215,501
Fund Balance – beginning	0	0	237,047	-	-	237,047	237,047
Fund Balance - ending	(194,693)	(194,693)	257,855	-	-	257,855	452,548

Source: City of Port St. Lucie Finance Department (UNAUDITED)

TABLE 3: Community Redevelopment Fund Balance Sheet, September 30, 2020

Assets	
Equity in pooled cash	\$257,855
Receivables	\$0
Assessments Receivable	\$0
Due from Other Funds	\$0
Due from Other Government Units	\$0
Prepaid Items	
Deposits	\$0
Inventories	\$0
Restricted Equity in Pooled Cash and Investments	\$0
Total Assets	\$257,855
Liabilities:	
Accounts Payable and Accrued Liabilities	\$419
Accrued Salaries and Wages	\$13,477
Due to other funds	\$0
Unearned Revenue	\$0
Deposits Payable	\$0
Retainage Payable	\$0
Total Liabilities	\$13,896
Deferred Inflows:	
Unavailable Revenue	\$0
Total Deferred Inflows	\$0
Fund Balance:	
Non-Spendable	
Restricted	\$243,959
Committed	\$0
Assigned	\$0
Unassigned	\$0
Total Fund Balances	\$243,959
Total Liabilities and Fund Balances:	\$257,855

TABLE 4: Community Redevelopment Trust Fund Transactions, Year ended September 30, 2020

Source of Deposits	
City of Port St. Lucie	\$1,636,217
St. Lucie County (Ad Valorem) (TIF)	\$2,055,485
Sale of Capital Assets (Parks MSTU)	\$1,700,000
City of Port St. Lucie Utility Systems Department	\$20,064
Interest Earnings	\$4,416
Total Deposits	\$5,416,181
Purpose of Withdrawals	
Debt Service Principal	\$3,120,000
Debt Service Interest	\$1,460,750
Special Assessment District Payment	\$413,984
Stormwater Utility Payment	\$8,692
Interfund Transfer	47,740
CRA Operating Expenses	\$343,937
Total Withdrawals	\$5,395,373

Source: City of Port St. Lucie Finance Department (UNAUDITED)

TABLE 5: Community Redevelopment Tax Increment Bonds

Principal and Interest on Indebtedness	Principal	Interest	Total
Series 2016 Bonds	\$27,655,000	\$4,570,875	\$32,225,875

Source: City of Port St. Lucie Finance Department (UNAUDITED)

TABLE 6: Contribution from Parks MSTU Fund for Civic Center and Village Plaza

FY 2012-13	\$1,000,000
FY 2013-14	\$2,711,570
FY 2014-15	\$3,300,000
FY 2015-16	\$3,000,000
FY 2016-17	\$1,800,000
FY 2017-18	\$1,600,000
FY 2018-19	\$1,600,000
FY 2019-20	\$1,700,000

Source: City of Port St. Lucie Finance Department (UNAUDITED)

CRA

Community Redevelopment
Agency

ANNUAL
REPORT

CRA

COMMUNITY

REDEVELOPMENT AGENCY

Port
St. Lucie

2020



City of Port St. Lucie

Community Redevelopment Agency

CRA GOVERNING BOARD

Gregory J. Oravec, Mayor
Shannon M. Martin, Vice Mayor
Stephanie Morgan, Councilmember
Jolien Caraballo, Councilmember
David Pickett, Councilmember

ADMINISTRATION

Russ Blackburn, City Manager/Executive Director
Wesley McCurry, CRA Director
Jeffery Snyder, CPA, Chief Financial Officer
Jennifer Davis, CRA Project Manager

City of Port St. Lucie, Florida
Community Redevelopment Agency
Annual Financial Report
For the Year Ended September 30, 2020

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Port St. Lucie Community Redevelopment Agency

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Honorable Mayor and Members of the City Council
City of Port St. Lucie Community Redevelopment Agency
Page Two

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the City of Port St. Lucie Community Redevelopment Agency as of September 30, 2020, and the respective changes in financial position and the budgetary comparison schedule for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Honorable Mayor and Members of the City Council
City of Port St. Lucie Community Redevelopment Agency
Page Three

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021 on our consideration of the Agency'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Cam, Riggs & Ingram, L.L.C.

Melbourne, Florida
June 25, 2021

**City of Port St. Lucie
Community Redevelopment Agency
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

The City of Port St. Lucie Community Redevelopment Agency (the "CRA") Management's Discussion and Analysis (the "MD&A") presents an overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2020. Readers are encouraged to consider this overview and analysis in combination with the CRA's financial statements and notes.

FINANCIAL HIGHLIGHTS

At the end of fiscal year 2020, the CRA's assets were less than its liabilities at the close of the most recent fiscal year by \$(3.4) million (net position).

The CRA's total net position increased by \$2.6 million over the course of this year's operations primarily from the reduction of debt.

The CRA's revenues increased by \$0.4 million or approximately 13% over the prior fiscal year, as a result of increased taxable values in the CRA.

The CRA's revenue bond balance decreased during the fiscal year by \$(3.1) million or (11)%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the CRA's Basic Financial Statements. The Basic Financial Statements are comprised of three components: 1) the 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.

1) Basic Financial Statements - 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. Summarized version of these statements are included in this Management Discussion & Analysis (MD&A).

The *Statement of Net Position* presents information on all the CRA's assets and liabilities and the difference between the components as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the CRA's financial position.

The *Statement of Activities* presents information showing how the CRA's net position changed during the 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. This is the accrual basis of accounting. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both the Statement of Net Position and the Statement of Activities divide the functions of the CRA that are principally supported by taxes and intergovernmental revenues (Governmental Activities). The Governmental Activities of the CRA are mainly economic environment activities.

**City of Port St. Lucie
Community Redevelopment Agency
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

Government-Wide Financial Statement Analysis

The following tables, graphs, and analysis discuss the financial position and changes to the financial position for the CRA as of the year ended September 30, 2020.

Net Position. As noted above, net position may serve over time as a useful indicator of a government's financial position. The CRA's net position, the amount by which assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources, was \$(3.4) million at the close of the fiscal year.

City of Port St. Lucie Community Redevelopment Agency
Net Position as of September 30,
(in Millions)

	2020	2019
Assets:		
Current and other assets	\$ 0.3	\$ 0.3
Capital assets	26.9	29.0
Total assets	27.2	29.3
Liabilities:		
Other liabilities	0.5	1.0
Long-term liabilities outstanding	30.1	34.1
Total liabilities	30.6	35.1
Net position:		
Net investment in capital assets	(3.2)	(5.1)
Restricted	0.2	0.2
Unrestricted	(0.4)	(1.1)
Total net position	\$ (3.4)	\$ (6.0)

**City of Port St. Lucie
Community Redevelopment Agency
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

Capital Assets. The CRA's capital assets for the fiscal year ended September 30, 2020, amounts to \$26.5 million, net of accumulated depreciation. This investment in capital assets includes land, building, and infrastructures.

The following table provides a detailed listing of the CRA's capital assets, net of accumulated depreciation.

City of Port St. Lucie Community Redevelopment Agency
Capital Assets (net of depreciation)
as of September 30,
(in Millions)

	2020	2019
Land	\$ 6.6	\$ 6.6
Buildings	12.6	14.3
Improvements other than buildings	1.1	1.2
Infrastructure	6.6	6.9
Total Capital Assets	<u>\$ 26.9</u>	<u>\$ 29.0</u>

Additional information regarding the CRA's capital assets can be found in the Notes to the Financial Statements, in Note 4, Capital Assets.

Long-term Liabilities. At the end of fiscal year 2020, the CRA had total long-term liabilities of \$30.1 million. As shown in the schedule below, the CRA experienced decreases in long-term liabilities of \$(4.0) million. The CRA has a Revenue bond payable from and collateralized by a lien upon and pledge of the net tax increment revenues generated in the Community Redevelopment Area.

City of Port St. Lucie Community Redevelopment Agency
Long-Term Liabilities
as of September 30,
(in Millions)

	2020	2019
Revenue bonds	\$ 27.7	\$ 30.8
Compensated absences	-	-
Unamortized bond premiums	2.4	3.3
Total long term liabilities	<u>\$ 30.1</u>	<u>\$ 34.1</u>

Additional information on the CRA's long-term liabilities can be found in the Notes to the Financial Statements, Note 5, Long-Term Liabilities.

**City of Port St. Lucie
Community Redevelopment Agency
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

Changes in Net Position. Details of the following summarized information can be found on page 9, the Statement of Activities.

City of Port St. Lucie Community Redevelopment Agency
Changes in Net Position
for the year ended September 30,
(in Millions)

	2020	2019
General revenues:		
Intergovernmental revenue	\$ 2.1	\$ 1.8
Miscellaneous revenue	1.3	1.2
Total revenues	<u>3.4</u>	<u>3.0</u>
Expenses:		
Economic environment	0.9	0.4
Interest on long-term debt	1.5	1.6
Total expenses	<u>2.4</u>	<u>2.0</u>
Change in net position before transfers	1.0	1.0
Transfers, net	<u>1.6</u>	<u>1.3</u>
Changes in net position	<u>2.6</u>	<u>2.3</u>
Net position - beginning	<u>(6.0)</u>	<u>(8.3)</u>
Net position - ending	<u>\$ (3.4)</u>	<u>\$ (6.0)</u>

The CRA's results of operations overall were negative. The CRA's change in net position increased by \$0.3 million to \$2.6 million.

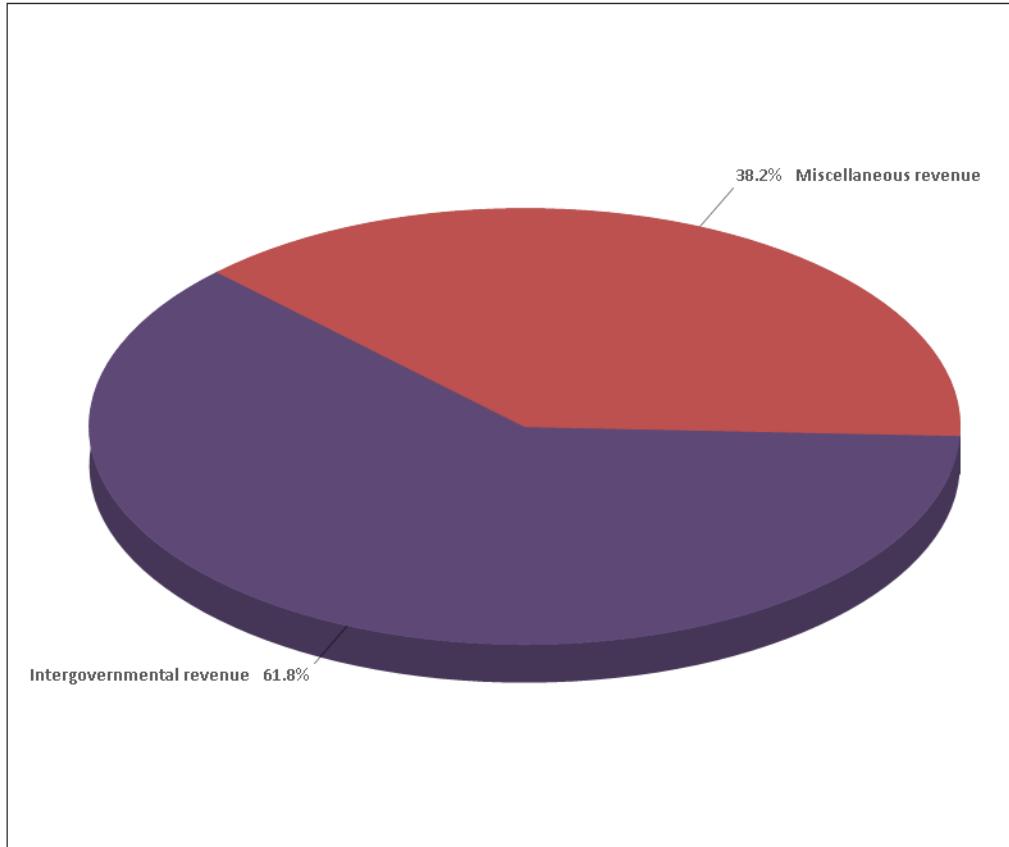
Revenues overall increased by \$0.4 million to \$3.4 million and expenses increased by \$0.4 to \$2.4 million.

**City of Port St. Lucie
Community Redevelopment Agency
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

The sources of the revenues shown previously are portrayed in the following chart by percentage for Governmental Activities:

Revenues by Source - Governmental Activities

Fiscal Year Ended September 30, 2020



2) Basic Financial Statements - 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 primary government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and has multiple funds, the CRA, being one of them.

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 CRA's near-term financing requirements.

**City of Port St. Lucie
Community Redevelopment Agency
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

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 the comparison between *governmental funds* and *governmental activities*.

Fund balance is segregated between non-spendable and spendable components. The segregation of the equity section is designed to indicate the extent to which the CRA is bound to honor constraints on the specific purpose for which amounts in the fund can be spent. The five components of fund balance are as follows:

Non-spendable: Amounts not in spendable form such as inventory and pre-paid items.

Spendable Fund balances:

Restricted: Spendable resources which are restricted by external legal restrictions such as bond covenants and state and federal grants.

Committed: Spendable resources which are committed by ordinances of the CRA Board and contracts approved by the City Council.

Assigned: Spendable resources which are assigned by the CRA Board to specific uses such as capital projects and amounts to cover anticipated revenue shortfalls in the ensuing fiscal year.

Unassigned: Spendable resources which can be used for any CRA purpose.

As of the end of the current fiscal year, the CRA reported an ending fund balance of \$0.2 million, an increase from the prior year. The primary reason for the increase was collections from the remittance of tax increment revenue to the CRA from St. Lucie County, and the St. Lucie County Fine and Forfeiture Fund..

3) Basic Financial Statements - 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 Basic Financial Statements can be found beginning on page 15 of this report.

Economic Factors and Budget Outlook

CRA revenues and transfers in for 2021 are projected at \$5.4 million, approximately 0.28% lower than 2020 actual receipts. Expenditures are budgeted at \$5.4 million, resulting in a balanced budget. The CRA's operating ad valorem tax rate decreased to 4.9807 mills from 5.0547 mills per \$1,000 of assessed value as established by the St. Lucie County Property Appraiser.

**City of Port St. Lucie
Community Redevelopment Agency
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

Request 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 provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida, 34984-5099.

**City of Port St. Lucie, Florida
Community Redevelopment Agency
Statement of Net Position
September 30, 2020**

	<u>Community Redevelopment Fund</u>
Assets	
Equity in pooled cash and investments	\$ 257,855
Capital assets, net of depreciation	20,288,122
Capital assets, not depreciated	<u>6,604,781</u>
Total assets	\$ 27,150,758
Liabilities	
Current liabilities	
Accounts payable and other accrued expenses	\$ 13,896
Bond interest payable	345,688
Noncurrent liabilities	
Long-term liabilities due within one year	3,586,444
Long-term liabilities due in more than one year	<u>26,555,407</u>
Total liabilities	<u>30,501,435</u>
Net Position	
Net investment in capital assets	(3,232,899)
Restricted for:	
Economic environment	243,959
Unrestricted	<u>(361,737)</u>
Total net position	<u>\$ (3,350,677)</u>

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

City of Port St. Lucie, Florida
Community Redevelopment Agency
Statement of Activities
For the Year Ended September 30, 2020

	Program Revenues			Governmental Activities	Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
Function/Programs					
Primary government:					
Economic environment	\$ 851,818	\$ 20,064	\$ -	\$ -	\$ (831,754)
Debt service - interest	1,460,750	-	-	-	(1,460,750)
Total governmental activities	<u>\$ 2,312,568</u>	<u>\$ 20,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,292,504)</u>
General Revenues:					
Intergovernmental revenue					\$ 2,055,485
Miscellaneous revenue					1,275,000
Unrestricted investment income					4,416
Transfer from Primary Government, net					<u>1,636,217</u>
Total general revenues and transfers					<u>4,971,118</u>
Change in net position					2,678,614
Net position - beginning					<u>(6,029,291)</u>
Net position - ending					<u>\$ (3,350,677)</u>

**City of Port St. Lucie, Florida
Community Redevelopment Agency
Balance Sheet - Governmental Fund
September 30, 2020**

	Community Redevelopment Agency Fund
Assets	
Cash and cash equivalents	\$ 257,855
Total assets	<u>\$ 257,855</u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 419
Accrued salaries and wages	13,477
Total liabilities	<u>13,896</u>
Fund Balances	
Restricted	<u>243,959</u>
Total fund balances	<u>243,959</u>
Total liabilities and fund balances	<u>\$ 257,855</u>

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

**City of Port St. Lucie, Florida
Community Redevelopment Agency
Reconciliation of the Balance Sheet of Governmental Fund
To the Statement of Net Position
September 30, 2020**

Fund Balances - Total Governmental Funds		\$ 243,959
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 funds. The cost of the assets and the accumulated depreciation.		26,892,903
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds. Long-term liabilities at year end consist of:		
Bonds Payable:	\$ 27,655,000	
Compensated Absences:	<u>16,049</u>	(27,671,049)
Bond premiums are not financial resources, and therefore are not reported in the fund.		(2,470,802)
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.		<u>(345,688)</u>
Net position of governmental activities		<u><u>\$ (3,350,677)</u></u>

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

**City of Port St. Lucie, Florida
Community Redevelopment Agency
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund
For the Year Ended September 30, 2020**

	Community Redevelopment Agency Fund
Revenues	
Intergovernmental	\$ 2,055,485
Interest income	4,416
Other	20,064
Total revenues	2,079,965
Expenditures	
Current	
Economic environment	766,884
Debt Service	
Principal	3,120,000
Interest	1,460,750
Total expenditures	5,347,634
Other financing sources (uses)	
Transfers in	1,636,217
Transfers out	(47,740)
Proceeds from sale of assets	1,700,000
Total other financing sources (uses)	3,288,477
 Net change in fund balances	 20,808
 Fund balances, beginning of year	 223,151
 Fund balances, end of year	 \$ 243,959

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

City of Port St. Lucie, Florida
Community Redevelopment Agency
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Fund to the Statement of Activities
For the Year Ended September 30, 2020

Net Change in Fund Balances - Total Governmental Funds		\$ 20,808
Amounts reported for governmental activities in the statement of activities are different because:		
The amount of depreciation expense associated with capital assets is recorded as expense in the current period in the Statement of Activities.		(867,422)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale or transfer. In the statement of activities, a gain or loss is reported for each disposal.		(425,000)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This is the amount of repayment of principal of long-term debt recorded in the current period in the governmental fund.		3,120,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences	\$ (8,678)	
Amortization of bond premium	877,906	
Change in accrued interest expense	(39,000)	830,228
Net change in net position - governmental activities		<u>\$ 2,678,614</u>

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

City of Port St. Lucie, Florida
Community Redevelopment Agency
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Intergovernmental	\$ 1,847,475	\$ 1,902,664	\$ 2,055,485	\$ 152,821
Interest income	8,200	8,200	4,416	(3,784)
Other	20,600	20,600	20,064	(536)
Total revenues	<u>1,876,275</u>	<u>1,931,464</u>	<u>2,079,965</u>	<u>148,501</u>
Expenditures				
Economic environment	713,305	852,290	766,884	85,406
Principal	3,120,000	3,120,000	3,120,000	-
Interest	1,460,750	1,460,750	1,460,750	-
Total expenditures	<u>5,294,055</u>	<u>5,433,040</u>	<u>5,347,634</u>	<u>85,406</u>
Excess (deficiency) of revenues over (under) expenses	<u>(3,417,780)</u>	<u>(3,501,576)</u>	<u>(3,267,669)</u>	<u>233,907</u>
Transfers in	1,569,886	1,653,682	1,636,217	(17,465)
Transfers out	(47,740)	(47,740)	(47,740)	-
Proceeds from sale of assets	1,700,000	1,700,000	1,700,000	-
Total other financing sources (uses)	<u>3,222,146</u>	<u>3,305,942</u>	<u>3,288,477</u>	<u>(17,465)</u>
Net change in budgetary fund balances	<u>(195,634)</u>	<u>(195,634)</u>	<u>20,808</u>	<u>216,442</u>
Fund balances, beginning of year			<u>223,151</u>	
Fund balances, end of year			<u>\$ 243,959</u>	

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

City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Port St. Lucie Community Redevelopment Agency (the "CRA") is an incremental tax district and component unit created by the City of Port St. Lucie (the "City"). The City adopted a Findings and Declaration of Necessity Report on January 22, 2001 (Resolution #01-R2) and created the CRA (Ordinance 01-01) February 12, 2001, pursuant to Florida Statutes 163, Part III. The governing body of the CRA consists of the five members of the City Council with the Mayor of the City serving as Chair of the CRA and pursuant to the appointment of the governing body, the Vice Mayor serving as Vice Chair.

In 2001, the City designated a CRA along U.S. 1 in eastern Port St. Lucie (the "Original CRA"). Since 2001, three additional areas have been formally designated as part of the Community Redevelopment Area: Lentz Grove (now known as "East Lake Village") in 2003, the Port St. Lucie Boulevard/Riverwalk District in 2006 (the "CRA Expansion Area"), and the Southern Grove District in 2012.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The government-wide financial statements include a statement of net position and a statement of activities. These statements report financial information for the CRA as a whole. These statements include the statement of net position and the statement of activities.

The Statement of Net Position reports all assets and liabilities of the CRA, including long-term assets and long-term liabilities and other obligations. Under the 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. Property taxes and intergovernmental revenues are recognized as revenues in the year for which they are levied.

The Statement of Activities demonstrates the degree to which the direct expenses and indirect costs of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect Expenses are those costs that are allocated to functions and activities in accordance with the CRA's and City's adopted indirect cost allocation plan combined. The "Expenses" column includes both direct and indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not assigned as program revenues are reported instead as general revenues.

City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 CRA considers revenues to be available if they are collected within 45 days after the end of the current fiscal period. Property taxes are accounted for when measurable and available. No accruals for the property tax levy becoming due in the November 2020 are included in the accompanying financial statements since such taxes are levied for the subsequent fiscal year and are not yet considered available at September 30, 2020.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt, and expenditures related to claims and judgments, which are recognized when due.

C. POOLED CASH AND INVESTMENTS

The CRA's cash and cash equivalents are considered to be cash on hand, and demand deposits. The City established an investment policy in accordance with Section 218.415, Florida Statutes that allows the CRA to invest in relatively low risk securities, such as certificates of deposit, money market accounts, and U. S. Government Securities and Agencies. Investments are stated at fair value or amortized cost, which approximates fair value. Resources of all the City funds (including the CRA), have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and dividends and realized and unrealized gains and losses on investments. Investment revenue on pooled investments are allocated monthly based upon equity balances of the respective funds. Accrued interest on pooled investments is grouped with pooled cash and investments on the balance sheet at year-end.

D. CAPITAL ASSETS

The CRA's property and infrastructure assets with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The CRA has no capital assets that meet the definition of intangible assets per GASB No. 51, *Accounting and Financial Reporting for Intangible Assets*. The CRA maintains infrastructure asset records consistent with all other capital assets. Donated assets are stated at acquisition value on the date donated. The CRA generally capitalizes assets with cost of \$5,000 or more as purchases and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. CAPITAL ASSETS (CONTINUED)

Estimated useful lives, in years, for depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	5 - 50
Improvements, other than buildings	2 - 50
Infrastructure	20 - 50
Mobile equipment	3 - 30
Furniture, machinery, and equipment	3 - 30

E. COMPENSATED ABSENCES

It is the CRA's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from CRA service if they meet certain criteria. These benefits, plus their related taxes, are classified as compensated absences. The accumulated compensated absences are accrued when incurred in the government-wide financial statements for both the current and long-term portions. Compensated absences are reported in the CRA fund financial statements only if they are due and payable as of September 30, 2020.

F. LONG-TERM DEBT AND BOND DISCOUNTS/PREMIUMS

In the government-wide financial statements outstanding debt is reported as liabilities. Bond discounts or premiums are amortized over the terms of the respective bonds using the effective interest rate method.

G. 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 statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's estimates.

H. PROPERTY TAXES / INTERGOVERNMENTAL

The jurisdictions remitting tax increment revenue to the CRA include the City of Port St. Lucie and St. Lucie County. Pursuant to an Interlocal Agreement between the City and St. Lucie County Fire District, the St. Lucie County Fire District stopped remitting Tax increment Revenues to the CRA in Fiscal year 2007-2008.

**City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. PROPERTY TAXES / INTERGOVERNMENTAL (CONTINUED)

In both the Original CRA and East Lake Village, the participating taxing authorities levying property taxes within these areas are required to annually deposit an amount equal to 95% of the incremental property tax revenues they receive from properties within those corresponding areas. In the CRA Expansion Area, the participating taxing authorities are required to annually deposit an amount equal to 95% of the incremental property tax revenues they receive from properties within the CRA Expansion Area. However, this requirement is subject to the following major exception set forth by Section 163.387(1)(b)(1)(a), Florida Statutes:

If the taxing authority imposes a millage rate that exceeds the millage rate imposed by the governing body that created the trust fund, the amount of the tax increment to be contributed by the taxing authority imposing the higher millage rate shall be calculated using the millage rate imposed by the governing body that created the trust fund.

Ordinance 12-30 set the tax increment at 50 percent of the difference the current valuation of all levied properties within the Southern Grove Community Redevelopment Area boundary compared to the base year valuation of the same properties. The ordinance established the base year as January 1, 2012, and the collection of tax increment revenue within the Southern Grove District of the Community Redevelopment Area began in Fiscal Year 2013-2014.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGET AND BUDGETARY ACCOUNTING

The CRA follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The proposed operating budget is submitted by the City Manager to the City Council, and the CRA Director submits it to the CRA Board for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. The budget is legally enacted through the passage of an ordinance by City Council (acting as the CRA governing body) on or before the thirtieth day of September of the fiscal year currently ending.
- d. Revisions that alter the budgeted totals require approval of the City Council (acting as the CRA governing body). Unencumbered appropriations lapse at year-end.
- e. Budgets are adopted on a basis consistent with generally accepted accounting principles, except that encumbrances are presented as expenditures.

City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. BUDGET AND BUDGETARY ACCOUNTING (CONTINUED)

f. Encumbrances - Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance for construction and long-term contracts and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

B. FUND BALANCE/NET POSITION

The government-wide fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. The first category represents capital assets net of accumulated depreciations, less outstanding debt related to the acquisition or construction of the capital assets.

The restricted category, if any, represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation. Unrestricted net position represents resources that are available for spending.

Fund balance classifications reflect not only the nature of the fund, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is limited to negative residual fund balance.

When both restricted and unrestricted fund balance are available the CRA uses restricted amounts first. Furthermore, the CRA would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

In accordance with Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Nonspendable

Nonspendable fund balance includes amounts that cannot be spent because they are not in spendable form, such as inventories and prepaid amounts.

Spendable Fund Balance

Restricted - fund balance amounts that are constrained for specific purposes which are externally imposed through debt covenants or amounts constrained by federal and state law.

Committed - fund balance amounts that can only be used for the specific purposes that are internally imposed by CRA Board Ordinances. Commitments may be changed by the CRA Board amending or repealing the Ordinance that imposed the constraint initially. Contractual obligations are included to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual obligations.

City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. FUND BALANCE/NET POSITION (CONTINUED)

Assigned - fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. This indicates that resources in these funds are, at a minimum, intended to be used for the purposes of that fund. Fund balance may be assigned by CRA Board Resolution, by transfer to a special revenue or capital project fund as authorized by CRA Board, or an appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.

Unassigned - unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

NOTE 3. CASH AND INVESTMENTS

The City operates using pooled cash and investments and cash balances from all funds (including the CRA fund), which are combined and invested to the extent available. Earnings are allocated monthly to each fund based on average daily balances of cash and investments.

A. CASH AND CASH EQUIVALENTS

As of September 30, 2020, the CRA's cash and cash equivalents included deposits with financial institutions. Cash deposits are subject to custodial risk which is the risk that in the event of a bank failure, the CRA's deposits may not be returned. Deposits with financial institutions were entirely covered by federal deposit insurance and collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirement of Florida Statutes and have been designated as Qualified Public Depositories ("QPD") by the State Treasurer of Florida. The Florida bank deposit insurance exists because Florida Statutes require state and local governmental units to only deposit monies with financial institutions classified as QPD. For a financial institution to qualify as QPD, it must participate in the state's deposit insurance pool that requires collateral to be deposited based on the financial institution's rating and the value of public funds it has on deposit. Upon default of any QPD, the pooled collateral is used to guarantee the state and local government deposits. This pool is additional insurance above the federal depository insurance. As of September 30, 2020, the CRA has bank deposits only with QPD institutions.

Cash, cash equivalents and investments held separately or where contractual arrangement or bond covenants require otherwise, are classified as "restricted assets". When both restricted and unrestricted resources are available for use, it is the CRA's policy to use restricted resources first, then unrestricted resources as they are needed.

B. INVESTMENTS

The City's investment policy applies to all investment activity, including that of the CRA, and shall include all available funds in excess of amounts needed to meet short-term expenses, but shall not apply to pension funds, trust funds, or funds related to the issuance of debt where there are other existing policies or indentures in effect. The policy objective is to invest funds in a manner with highest priority on preservation of principal and safety of liquidity with optimization of investment returns being secondary consideration. Treasury securities are the benchmark used for riskless investment transactions with a minimum standard for rate of return.

**City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020**

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

The investment guidelines allow the following investments:

Negotiable obligations unconditionally guaranteed by the United States Government and its agencies.

Fully collateralized United States Agency obligations, which carry an implied guarantee and the implied full faith and credit of the United States Government.

Other United States Agency obligations, which carry an implied guarantee and the implied full faith and credit of the United States Government.

Interest-bearing savings accounts, money market accounts, certificates of deposit, or time deposits constituting direct obligations of any bank or savings and loan association certified as a Qualified Public Depository by the State of Florida.

Repurchase agreements collateralized by U.S. Treasury Bills or Notes.

State of Florida Local Government Surplus Funds Trust Fund (F.S. Chapter 218).

Local government investment pool shares organized under F.S. Chapter 163 and rated AAA.

Money market mutual fund shares of any money market fund registered as an investment company under the federal "Investment Company Act of 1940", as amended.

The policy also establishes guidelines for diversification by the above classification varying from a maximum of 5% to 90% in each category and to maintain no more than 20% of available resources in any one financial institution.

Except for the investments held in local government investment pools, the City's pooled investments are 100% insured through a combination of the implied guarantee of the United States Government, the Federal Depository Insurance Corporation (FDIC), and Florida's Qualified Public Depository coverage. United States Agency and Treasury obligations are held for the City by a third-party safe-keeping custodian through a "delivery-versus-payment" (DVP) process.

**City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020**

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

The Florida local government investment pool balance consists of six governmental investment pools: Florida Cooperative Liquid Assets Securities System (FLCLASS), Florida Surplus Asset Fund (FLSAFE), Florida Public Assets for Liquidity Management (FL PALM), Florida Fixed Income Trust (FLFIT), Florida Short Term Asset Reserve (FLSTAR), and Florida Local Government Investment Trust. The pools are organized under Florida Statutes Section 163, the Florida Interlocal Cooperation Act, by Florida public agencies for the purpose of operating an independent investment pool for local governments in Florida and administered by a Board of Trustees elected by the participants in the pool. FLCLASS and FLSAFE are operated in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value, to report net position used to compute share prices if certain conditions are met. Those conditions included restrictions on the types of investments held, restrictions on the term to maturity of individual investment and the dollar weighted average of the portfolio, requirement for portfolio diversification, and requirement of divestiture considerations in the event of security downgrades and defaults and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. The fair value of the position in the pools is considered to be the same as the City's account balance (amortized cost) in the pool. The investment in FL PALM includes shares in the Term Series, which are purchased to mature at pre-determined maturity dates selected by the City. FL PALM shares are redeemable at fair value at least 7 days notice, less a premature redemption penalty.

Fair Value of Investments: The City (including the CRA) follows the provisions of GASB Statement 72 Fair Value Measurement and Application, which establishes a framework for measuring the fair value of investments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under GASB 72 are described below:

Level 1 - Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 - Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 - Investments reflect prices based upon unobservable inputs.

The table below represents all investments the CRA categorized in the fair value hierarchy.

Investments by fair value level	Total	Level 1	Level 2	Level 3
Money market funds	\$ 257,855			
Total Cash and Investment	\$ 257,855			

**City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020**

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

C. INVESTMENT RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of fixed income securities. In order to limit interest rate risk the City's investment policy (including that of the CRA) provides for maximum maturity period of 5 years.

Credit risk for fixed income securities is the risk that the issuer will not fulfill its obligations. Nationally recognized statistical rating organization ("NRSRO"), such as Moody's and Standard and poor's, assign credit ratings to security issuers and issues that indicate a measure of potential credit risk to investors. The City's investment policy addresses credit risk by limiting investments to the safest types of securities which are generally those receiving the highest credit ratings from NRSRO.

Concentration risk is the risk of amplified losses that may occur from having a large portion of your holdings in a particular investment, asset class or market segment relative to the overall portfolio. The City's investment policy (including that of the CRA) requires diversification of investments to minimize potential losses on individual securities.

City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020

NOTE 4. CAPITAL ASSETS

A. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Governmental Activities					
Capital Assets, not being depreciated/amortized					
Land	\$ 6,604,781	\$ -	\$ -	\$ -	\$ 6,604,781
Total Capital Assets, Not Being Depreciated	6,604,781	-	-	-	6,604,781
Capital Assets, Being Depreciated/Amortized:					
Building	19,514,827	-	(1,700,000)	-	17,814,827
Improvements other than buildings	3,209,614	-	-	-	3,209,614
Machinery and equipment	1,231	-	-	-	1,231
Infrastructure	9,795,129	-	-	-	9,795,129
Total Capital Assets, Being Depreciated	32,520,801	-	(1,700,000)	-	30,820,801
Less Accumulated Depreciation/Amortization for:					
Building	5,240,690	436,049	(425,000)	-	5,251,739
Improvements other than buildings	1,968,233	184,694	-	-	2,152,927
Machinery and equipment	349	246	-	-	595
Infrastructure	2,880,985	246,433	-	-	3,127,418
Total Accumulated Depreciation	10,090,257	867,422	(425,000)	-	10,532,679
Total Capital Assets, Being Depreciated - Net	22,430,544	(867,422)	(1,275,000)	-	20,288,122
Total	<u>\$ 29,035,325</u>	<u>\$ (867,422)</u>	<u>\$ (1,275,000)</u>	<u>\$ -</u>	<u>\$ 26,892,903</u>

**City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020**

NOTE 5. LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES

Governmental Activities Debt

The following is a summary of the changes in long-term liabilities for the year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental Activities:					
CRA TIF Refunding Bonds, Series 2016	\$ 30,775,000	\$ -	\$ 3,120,000	\$ 27,655,000	\$ 3,585,000
Subtotal	<u>30,775,000</u>	<u>-</u>	<u>3,120,000</u>	<u>27,655,000</u>	<u>3,585,000</u>
Unamortized bond premium	3,348,708	-	877,906	2,470,802	-
Subtotal	<u>3,348,708</u>	<u>-</u>	<u>877,906</u>	<u>2,470,802</u>	<u>-</u>
Total bonds payable, net	<u>34,123,708</u>	<u>-</u>	<u>3,997,906</u>	<u>30,125,802</u>	<u>3,585,000</u>
Compensated Absences	7,371	22,470	13,792	16,049	1,444
Subtotal	<u>7,371</u>	<u>22,470</u>	<u>13,792</u>	<u>16,049</u>	<u>1,444</u>
Total	<u>\$ 34,131,079</u>	<u>\$ 22,470</u>	<u>\$ 4,011,698</u>	<u>\$ 30,141,851</u>	<u>\$ 3,586,444</u>

B. COMMUNITY REDEVELOPMENT AGENCY REDEVELOPMENT TRUST FUND REFUNDING BONDS, SERIES 2016

\$38,260,000 Community Redevelopment Agency Redevelopment Trust Fund Refunding Revenue Bonds, Series 2016 - payable from and collateralized by a lien upon and pledge of the net tax increment revenues generated in the Community Redevelopment Area, due in annual principal installments ranging from \$2,225,000 to \$5,715,000 plus interest semiannually at a rate ranging from 2.0% to 5.0% through January 2026. Proceeds were used to refund the remaining balances of the outstanding \$11,870,000 CRA Bonds, Series 2004, and the \$46,450,000 CRA Bonds, Series 2006.

**City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020**

NOTE 5. LONG-TERM LIABILITIES (CONTINUED)

C. DEBT SERVICE REQUIREMENTS

Long-term debt service requirements for each of the years subsequent to September 30, 2020 are:

CRA TIF Refunding Bonds, Series 2016

<u>September 30,</u>	Principal	Interest	Total
2021	\$ 3,585,000	\$ 1,293,125	\$ 4,878,125
2022	3,770,000	1,109,250	4,879,250
2023	3,955,000	916,125	4,871,125
2024	5,185,000	687,625	5,872,625
2025	5,445,000	421,875	5,866,875
2026	5,715,000	142,875	5,857,875
Total	<u>\$ 27,655,000</u>	<u>\$ 4,570,875</u>	<u>\$ 32,225,875</u>

NOTE 6. CRA TRUST FUND

A. CRA TRUST FUND

The Community Redevelopment Agency has responsibility for the tax increment districts. Pursuant to Section 163.387, Florida Statutes, a Redevelopment Trust Fund serves to process the transactions relating to the tax increment district. The following schedule shows the amount and source of funds and the amount and use of funds for the trust fund during the fiscal year ended September 30, 2020, as well as principal and interest paid during the year on the debt which is pledged with tax increment revenues. The balance of the debt remaining is presented as part of governmental activities debt.

Source of Funds	Date	Amount
City of Port St. Lucie	Various	\$ 1,636,217
St. Lucie County	1/2/20	2,055,485
Sale of Capital Assets	Various	1,700,000
City of Port St. Lucie Utility Department	Monthly	20,064
Interest Earnings	Monthly	4,416
Total Deposits		<u>\$ 5,416,182</u>

**City of Port St. Lucie, Florida
Community Redevelopment Agency
Notes to the Financial Statements
For the Year Ended September 30, 2020**

NOTE 6. CRA TRUST FUND (CONTINUED)

A. CRA TRUST FUND (CONTINUED)

Use of Funds	Date	Amount
Debt Service - Principal	1/2/20	\$ 3,120,000
Debt Service - Interest	Semi-annual	1,460,750
Stormwater Utility Payment	4/16/20	8,962
CRA Operating Expenses	Various	757,922
City of Port St. Lucie - Indirect Costs	Various	47,740
Total Withdrawals		\$ 5,395,374

NOTE 7. SUBSEQUENT EVENTS

The CRA has evaluated all subsequent events through the date of the independent auditor's report, the date the financial statements were available to be issued.



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INDEPENDENT AUDITORS' 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*

Honorable Mayor and Members of the City Council
City of Port St. Lucie Community Redevelopment Agency

We have audited, 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, the financial statements of the City of Port St. Lucie Community Redevelopment Agency, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Port St. Lucie Community Redevelopment Agency's basic financial statements, and have issued our report thereon dated June 25, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Port St. Lucie Community Redevelopment Agency's internal control over financial reporting (internal control) as a basis for designing 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 City of Port St. Lucie Community Redevelopment Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Port St. Lucie Community Redevelopment Agency's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Cam, Riggs & Ingram, L.L.C.

Melbourne, Florida
June 25, 2021



INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Mayor and Members of City Council
City of Port St. Lucie Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the City of Port St. Lucie Community Redevelopment Agency, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 25, 2021.

Auditors' 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' 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 June 25, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address finding and recommendations made in the preceding audit report. However, no recommendations were 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 authorities for the City of Port St. Lucie Community Redevelopment Agency are disclosed in the footnotes. The City of Port St. Lucie Community Redevelopment Agency does not have component units.

Financial Condition and Management

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

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

Additional Matters

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

Purpose of this Letter

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

Carly Riggs & Ingram, L.L.C.

Melbourne, Florida
June 25, 2021

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

To the Honorable Mayor and Members of City Council
City of Port St. Lucie, Florida

We have examined the City of Port St. Lucie Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements 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 Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency 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 obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020.

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

Melbourne, Florida
June 25, 2021

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REDEVELOPMENT TRUST FUND

To the Honorable Mayor and Members of City Council
City of Port St. Lucie Community Redevelopment Agency

We have examined the City of Port St. Lucie Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 163.387(6) and Section 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2020. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements 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 Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency 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 obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

Our examination disclosed the following noncompliance with Section 163.387(6)b, Florida Statutes, *Redevelopment Trust Fund* applicable to the Agency during the year ended September 30, 2020. Section 16.387(6)b states "A community redevelopment agency created by a municipality shall submit its annual budget to the board of county commissioners for the county in which the agency is located within 10 days after the adoption of such budget and submit amendments of its annual budget to the board of county commissioners within ten days after the adoption date of the amended budget." The Agency provided the St. Lucie County Board of County Commissioners the budget and budget amendment after the prescribed ten days.

In our opinion, the CRA complied, in all material respects, with the requirements of Sections 163.387(6) and 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2020.

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

Case, Riggs & Ingram, L.L.C.

Melbourne, Florida
June 25, 2021

CRA
Community Redevelopment
Agency