ANNUAL FINANCIAL REPORT

CRA

Community Redevelopment Agency

CITY OF PORT ST. LUCIE

2023

For Fiscal Year ended September 30, 2023

City of Port St. Lucie

Community Redevelopment Agency

CRA GOVERNING BOARD

Shannon M. Martin, Mayor

Jolien Caraballo, Vice Mayor

Stephanie Morgan, Councilmember

David Pickett, Councilmember

Anthony Bonna, Councilmember

ADMINISTRATION

Jesus Merejo, City Manager/Executive Director

Jennifer Davis, CRA Director

Frank Knott, CRA Project Manager

City of Port St. Lucie, Florida

Community Redevelopment Agency

Annual Financial Report

For the Year Ended September 30, 2023

TABLE OF CONTENTS

PAGE

REPORT OF INDEPENDENT AUDITOR

Independent Auditor's Report 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion & Analysis 4

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements 11

Statement of Net Position 11

Statement of Activities 12

Governmental Fund Financial Statements 13

Balance Sheet - Governmental Fund 13

Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position 14

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund 15

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Fund to the Statement of Activities 16

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund 17

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements 18

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 31

Independent Auditor's Management Letter 33

Independent Accountant's Report 35



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying governmental activities and General Fund of the Port St. Lucie Community Redevelopment Agency (the "CRA"), a component unit of the City of Port St. Lucie, Florida as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the CRA, as of September 30, 2023, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 27, 2024, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 CRA's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Fort Lauderdale, Florida
June 27, 2024

City of Port St. Lucie
Community Redevelopment Agency
Management's Discussion and Analysis
For the Year Ended September 30, 2023

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, 2023. Readers are encouraged to consider this overview and analysis in combination with the CRA's financial statements and notes.

FINANCIAL HIGHLIGHTS

Total assets and deferred outflows of the CRA exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by $6.1 million (net position).

The CRA's total net position increased by $4.1 million over the course of this year's operations primarily due to the annual debt payment, of which reduced long term debt on the CRA TIF Refunding Bonds, Series 2016.

The CRA's revenues increased by $2.3 million or approximately 40% over the prior fiscal year. This increase was primarily a result of increased taxable values in the CRA which exceeded $284.3 million.

The CRA's revenue bond balance of $16.3 million is a result of a decrease during the fiscal year by $(4.0) million or (19)%. The decrease is attributed to the CRA’s annual bond payment mentioned above.

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. The summarized version of these statements are included in the 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.

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, 2023.

Net Position. As noted on previous page, 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 $6.1 million at the close of the fiscal year.

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

	2023	2022
Assets:		
Current and other assets	$ 1.1	$ 0.2
Capital assets	22.1	23.2
Total assets	23.2	23.4
Deferred outflows	-	0.1
Liabilities:		
Other liabilities	0.2	0.2
Long-term liabilities outstanding	16.9	21.4
Total liabilities	17.1	21.6
Net position:		
Net investment in capital assets	5.2	1.9
Restricted	0.9	-
Total net position	$ 6.1	$ 1.9

Capital Assets. The CRA's capital assets for the fiscal year ended September 30, 2023, amounts to $22.1 million, net of accumulated depreciation. This investment in capital assets includes land, building, and infrastructure.

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)

	2023	2022
Land	$ 7.2	$ 7.2
Buildings	8.5	9.1
Improvements other than buildings	0.5	0.7
Infrastructure	5.9	6.2
Total Capital Assets	$ 22.1	$ 23.2

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 2023, the CRA had total long-term liabilities of $16.9 million. As shown in the schedule below, the CRA experienced a decrease in long-term liabilities of $(4.5) 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)

	2023	2022
Revenue bonds	$ 16.3	$ 20.3
Unamortized bond premiums	0.6	1.1
Total long term liabilities	$ 16.9	$ 21.4

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

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

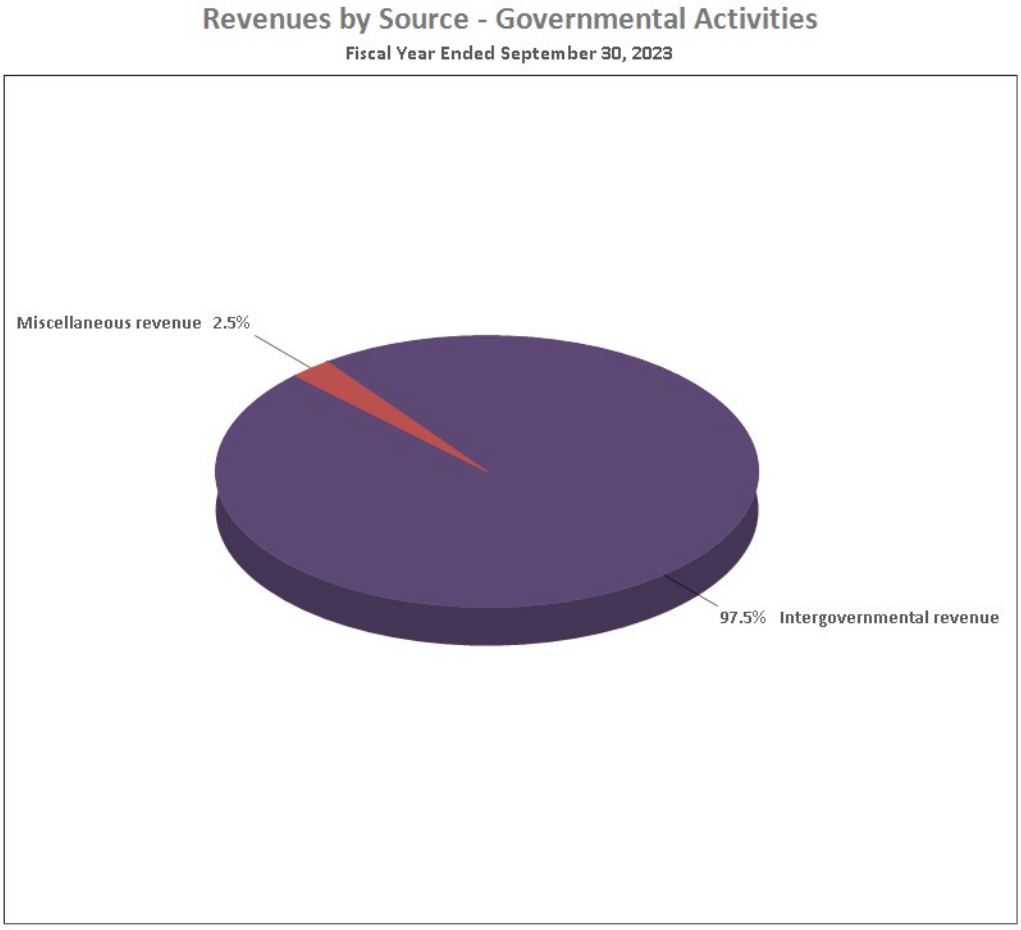
City of Port St. Lucie Community Redevelopment Agency
Changes in Net Position
for the year ended September 30,
(in Millions)

	2023	2022
General revenues:		
Intergovernmental revenue	$ 7.8	$ 5.1
Miscellaneous revenue	0.2	0.6
Total revenues	8.0	5.7
Expenses:		
Economic environment	3.3	2.2
Interest on long-term debt	0.5	0.7
Total expenses	3.8	2.9
Changes in net position	4.2	2.8
Net position - beginning	1.9	(0.9)
Net position - ending	$ 6.1	$ 1.9

The CRA's results of operations overall were positive. The CRA's net position increased by $4.2 million to $6.1 million.

Overall, revenues increased by $2.3 million to $8.0 million and expenses increased to $3.8 million. The increase in revenues was a result of higher taxable values in the CRA. The elevated taxable values also led to an increase in the Tax Increment Funding rebate, contributing to the rise in expenses.

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



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.

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. Commitments may be changed by the CRA Board amending or repealing the Ordinance that imposed the constraint initially.

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 $1.0 million, an increase from the prior year. The primary reason for the increase was an increase in the taxable value in the CRA.

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 18 of this report.

Economic Factors and Budget Outlook

CRA revenues and transfers in for 2024 are projected at $6.5 million, approximately $1.2 million higher than 2023. Expenditures are budgeted at $6.5 million, resulting in a balanced budget.

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 Finance Department, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida, 34984-5099. www.cityofpsl.com

City of Port St. Lucie, Florida
Community Redevelopment Agency
Statement of Net Position
September 30, 2023

	Governmental Activities
Assets	
Equity in pooled cash and investments	$ 1,046,255
Capital assets, net of depreciation	14,917,250
Capital assets, not depreciated	7,190,019
Total assets	23,153,524
Deferred outflows	
Deferred outflows - loss on bond defeasance	56,133
Total deferred outflows	56,133
Liabilities	
Current liabilities	
Accounts payable and other accrued expenses	4,155
Bond interest payable	204,313
Long-term liabilities due within one year	5,186,347
Noncurrent liabilities	
Long-term liabilities due in more than one year	11,762,275
Total liabilities	17,157,090
Net Position	
Net investment in capital assets	5,229,743
Restricted for:	
Economic environment	822,824
Total net position	$ 6,052,567

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, 2023

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Primary government:					
Economic environment	$ 3,335,264	$ 9,649	$ -	$ -	$ (3,325,615)
Debt service - interest	467,838	-	-	-	(467,838)
Total governmental activities	$ 3,803,102	$ 9,649	$ -	$ -	$ (3,793,453)
General Revenues:					
Intergovernmental revenue					$ 7,788,016
Miscellaneous revenue					124,061
Unrestricted investment income					27,695
Total general revenues and transfers					7,939,772
Change in net position					4,146,319
Net position - beginning					1,906,248
Net position - ending					$ 6,052,567

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

City of Port St. Lucie, Florida
Community Redevelopment Agency
Balance Sheet - Governmental Fund
September 30, 2023

	General Fund
Assets	
Cash and cash equivalents	$ 1,046,255
Total assets	$ 1,046,255
Liabilities and Fund Balances	
Liabilities	
Accounts payable	$ 1,142
Accrued salaries and wages	3,013
Total liabilities	4,155
Fund Balances	
Restricted	1,042,100
Total fund balances	1,042,100
Total liabilities and fund balances	$ 1,046,255

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, 2023

Fund Balances - Total Governmental Funds		$ 1,042,100
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.		22,107,268
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:	$ 16,345,000	
Compensated Absences:	14,964	(16,359,964)
Bond premiums are not financial resources, and therefore are not reported in the fund.		(588,657)
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.		(204,313)
The difference between the amount required to repay previously issued debt in a refunding transaction and the amount of the old debt is reported as a deferred outflow of resources in the government-wide financial statements.		56,133
Net position of governmental activities		$ 6,052,567

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, 2023

	General Fund
Revenues	
Intergovernmental	$ 7,788,016
Investment income	
Net change in fair value of investment	3,380
Interest	24,315
Other	9,649
Total revenues	7,825,360
Expenditures	
Current	
Economic environment	2,562,174
Debt Service:	
Principal	3,955,000
Interest	916,125
Total expenditures	7,433,299
Other financing sources (uses)	
Proceeds from sale of assets	381,726
Net change in fund balances	773,787
Fund balances, beginning of year	268,313
Fund balances, end of year	$ 1,042,100

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 Activites
For the Year Ended September 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$ 773,787
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.		(830,800)
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.		(257,665)
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.		3,955,000
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	$ 8,272	
Amortization of bond premium	501,862	
Governmental funds do not recognize expenditures for the liability associated with accrued interest payable on long-term debt.	49,438	
Governmental funds do not recognize expenditures for the liability associated with loss on bond defeasance on long-term debt.	(53,575)	505,997
Net change in net position - governmental activities		$ 4,146,319

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

City of Port St. Lucie, Florida
Community Redevelopment Agency
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Intergovernmental	$ 6,094,526	$ 7,268,026	$ 7,788,016	$ 519,990
Investment income	2,578	2,578	27,695	25,117
Other	-	-	9,649	9,649
Total revenues	6,097,104	7,270,604	7,825,360	554,756
Expenditures				
Economic environment	1,836,205	2,990,230	2,562,174	428,056
Debt Service				
Principal	3,955,000	3,955,000	3,955,000	-
Interest	687,625	916,125	916,125	-
Total expenditures	6,478,830	7,861,355	7,433,299	428,056
Excess (deficiency) of revenues over (under) expenses	(381,726)	(590,751)	392,061	982,812
Proceeds from sale of assets	381,726	381,726	381,726	-
Net change in budgetary fund balances	-	(209,025)	773,787	982,812
Fund balances, beginning of year			268,313	
Fund balances, end of year			$ 1,042,100	

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

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) in 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.

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 November 2023 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, 2023.

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 such as land, building infrastructure, leases, construction, and computer software with costs of $100,000 or more and machinery and equipment costs of $5,000 or more. Major capital outlays for capital assets, and improvements are capitalized as the projects are constructed. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. CAPITAL ASSETS (CONTINUED)

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

Assets	Years
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, 2023.

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. DEFERRED OUTFLOWS

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense). In the government-wide financial statements, the difference between the reacquisition price and the net carrying value of refunded debt is amortized over the terms of the respective bonds using the effective interest rate method and reported as deferred outflows.

H. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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.

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. The level of budgetary control is the department. The City Manager is authorized to transfer budgeted amounts within any fund. Revisions that increase the budgeted totals of any fund require approval of the City Council (acting as the CRA governing body). Unencumbered appropriations lapse at year-end.

e. Revisions that alter the budgeted totals require approval of the City Council (acting as the CRA governing body).

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

A. BUDGET AND BUDGETARY ACCOUNTING (CONTINUED)

Unencumbered appropriations lapse at year-end.

f. Budgets are adopted on a basis consistent with generally accepted accounting principles, except that encumbrances are presented as expenditures.

g. 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 positon presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. The first category represents capital assets net of accumulated deprecation, 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 postion 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.

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

B. FUND BALANCE/NET POSITION (CONTINUED)

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 initially imposed the constraint. Contractual obligations are included to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual obligations.

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, 2023, 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, 2023, 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.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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.

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.

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 location 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 for 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	$ 1,046,255			

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 a 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 organizations ("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.

Custodial credit risk is defined as the risk that the plan may not recover cash and investment held by another party in the event of a financial failure. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. The investments in mutual funds are considered unclassified pursuant to the custodial credit risk categories of GASBC I50, because they are not evidenced by securities that exist in physical or book-entry form.

NOTE 4. CAPITAL ASSETS

A. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated/amortized				
Land	$ 7,190,019	$ -	$ -	$ 7,190,019
Total Capital Assets, Not Being Depreciated	7,190,019	-	-	7,190,019
Capital Assets, Being Depreciated:				
Building	14,214,827	-	(381,726)	13,833,101
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	27,220,801	-	(381,726)	26,839,075
Less Accumulated Depreciation/Amortization for:				
Building	5,067,839	398,019	(124,061)	5,341,797
Improvements other than buildings	2,525,876	186,204	-	2,712,080
Machinery and equipment	1,087	144	-	1,231
Infrastructure	3,620,284	246,433	-	3,866,717
Total Accumulated Depreciation	11,215,086	830,800	(124,061)	11,921,825
Total Capital Assets, Being Depreciated - Net	16,005,715	(830,800)	(257,665)	14,917,250
Total	$ 23,195,734	$ (830,800)	$ (257,665)	$ 22,107,269

* Depreciation/Amortization expense was charged to functions as follow:

Governmental Activities:	
Economic Environment	$ 830,800
Subtotal	$ 830,800

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, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental Activities:					
CRA TIF Refunding Bonds, Series 2016	$20,300,000	$ -	$ 3,955,000	$16,345,000	$ 5,185,000
Subtotal	20,300,000	-	3,955,000	16,345,000	5,185,000
Unamortized bond premium	1,090,521	-	501,864	588,657	-
Subtotal	1,090,521	-	501,864	588,657	-
Total bonds payable, net	21,390,521	-	4,456,864	16,933,657	5,185,000
Compensated Absences	23,236	16,186	24,458	14,964	1,347
Subtotal	23,236	16,186	24,458	14,964	1,347
Total	$21,413,757	$ 16,186	$ 4,481,322	$16,948,621	$ 5,186,347

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.

NOTE 5. LONG-TERM LIABILITIES (CONTINUED)

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

The deferred and amortized amounts of accounting gains/losses on bond refundings (which are deferred outflows/inflows of resources) at September 30, 2023, are amortized as follows:

	Deferred Amount	Additions (Gains/Losses)	Reductions due to Refunding	Amortization Gains/(Losses)	Deferred Amount
CRA TIF Refunding Bonds, Series 2016	$ 109,708	$ -	$ -	$ (53,575)	$ 56,133
	$ 109,708	$ -	$ -	$ (53,575)	$ 56,133

C. DEBT SERVICE REQUIREMENTS

Long-term debt service requirements for each of the years subsequent to September 30, 2023 are:

	CRA TIF Refunding Bonds, Series 2016		
September 30,	Principal	Interest	Total
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	$ 16,345,000	$ 1,252,375	$ 17,597,375

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, 2023, 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	$ 4,074,948
St. Lucie County	12/29/2022	3,713,068
Sale of Capital Assets	Various	381,726
Lease Revenue	Monthly	9,649
Interest Earnings	Monthly	27,695
Total Deposits		$ 8,207,086

Use of Funds	Date	Amount
Debt Service - Principal	1/3/2023	$ 3,955,000
Debt Service - Interest	Semi-annual	916,125
Stormwater Utility Payment	3/7/2023	9,237
CRA Operating Expenses	Various	2,503,248
City of Port St. Lucie - Indirect Costs	Various	49,689
Total Withdrawals		$ 7,433,299



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Port St. Lucie Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's financial statements and have issued our report thereon dated June 27, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

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

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

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

Compliance and Other Matters

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

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the CRA in a separate management letter and Independent Accountant's Report dated June 27, 2024.

Purpose of this Report

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

MSL, P.A.
Certified Public Accountants

Fort Lauderdale, Florida
June 27, 2024



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the basic financial statements of the Port St. Lucie Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 27, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General.* Disclosures in those reports, which are dated June 27, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

Official Title and Legal Authority

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

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

Financial Condition

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.38(3)(b), Florida Statues. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific information of the CRA, a dependent district of the City of Port St. Lucie, Florida, that is required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, is reported in the City of Port St. Lucie's management letter for the fiscal year ended September 30, 2023.

Additional Matters

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

Purpose of this Letter

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

MSL, P.A.
Certified Public Accountants

Fort Lauderdale, Florida
June 27, 2024

MSL
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Port St. Lucie Community Redevelopment Agency's (the "CRA") compliance with the requirements of Sections 163.387(6) and (7) and 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the CRA's compliance with specified requirements.

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

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

MSL, P.A.
Certified Public Accountants

Fort Lauderdale, Florida
June 27, 2024

CRA

Community Redevelopment Agency



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