

# City of Satellite Beach

## Community Redevelopment Agency

### Annual Report

### FY 2021/2022



*Pelican Beach Park*

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  - a. Provide the Board of County Commissioners with the CRA's proposed budget for the upcoming fiscal year, 60 days prior to the beginning of the fiscal year
  - b. Provide the Board of County Commissioners any budget amendments to its operating budget within 10 days after the adoption by the CRA.

## **I. COMMUNITY REDEVELOPMENT AGENCY INTRODUCTION**

In partnership with Brevard County, the City of Satellite Beach created the CRA in 2002 to address aging conditions and outdated lot and access patterns along the City's commercial corridors. Since then, the CRA has completed the following in the Redevelopment District: beach access, park, and roadway projects; façade grant improvements; community policing initiatives; and land acquisition. The Community Redevelopment Plan was most recently amended September 20, 2017 by Ordinance No. 1142 to complete all remaining CRA projects by FY 2018/2019.

## **II. BOARD MEMBERS AND STAFF**

### **CRA Members**

Steve Osmer, Chairman

Dominick Montanaro, Vice Chair

Mindy Gibson

Jodi Rozycki

David Vigliotti

### **CRA Staff**

Courtney H. Barker, AICP, Executive Director

Clifford Shepard, P.A, General Counsel

Brittany Retherford, Assistant City Manager

Gwendolyn Peirce, City Clerk

### III. CRA BOUNDARY LINES (yellow)



**Satellite Beach Community Redevelopment District**

#### IV. HISTORY

- a. Creation Date: June 26, 2002 Ordinance No. 836

The Brevard County Commission adopted Resolution 02-136 on May 21, 2002 delegating to the City of Satellite Beach the authority to create and operate a Community Redevelopment Agency (CRA) pursuant to Florida Statute 163.410

- b. Plan Amendments Dates: 9/17/14 Ord 1097, 2/17/16 Ord 1115, 9/20/17 Ord 1142

- c. Applicable Resolution(s) and Ordinances

1. Brevard County Resolution 02-137 – Conveying Authority
2. SB Resolution 755 – Recognizing Blight Condition Area
3. SB Ord. No. 836 – Sat Bch CRA established
4. SB Ord. No. 837 – Creating CRA Trust Fund, TIF revenue provisions
5. SB Ord. No. 849 – Creating CRA Advisory Board

#### V. PROJECTS OVERVIEW FY 2021/2022

The following projects were undertaken in FY 2016/2017 and were completed in FY 2020/2021.

- **Civic Center Renovations:** The Civic Center is a meeting place for numerous local community-based groups and functions to include the 55+ Club, renovations will include ADA accessible bathrooms and interior finishes to update the 1960 area meeting spaces. Preliminary engineering and concepts began in FY 2016/2017 with substantial completion of phase 1 in FY2017/2018. Phase II bid was awarded in FY 2019/2020 and was completed by the end of FY 2020/2021.

**VI. FINANCIAL REPORTS:**

**Financial Statements and Balance Sheet (unaudited)**

FY 2021/2022 CRA Financial Statement  
 City of Satellite Beach Community Redevelopment Agency

Balance Sheet

<b>Assets</b>		
Cash and Equivalents	\$	622,584
Investments	\$	121,684
Prepaid Expenses	\$	-
<b>Total Assets</b>	<b>\$</b>	<b><u>744,268</u></b>
<b>Liabilities</b>		
Accounts Payable	\$	744,268
Due to Other Funds	\$	-
Due to Other Governments	\$	-
<b>Total Liabilities</b>	<b>\$</b>	<b><u>744,268</u></b>
<b>Reserves/Balances</b>		
Fund Balance - Reserves	\$	-
Change in Fund Balance	\$	0
<b>Total Reserves/Balance</b>	<b>\$</b>	<b><u>0</u></b>
<b>Total Liabilities &amp; Reserves</b>	<b>\$</b>	<b><u>744,268</u></b>

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Income Statement			
	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Taxes (County Portion)	\$ 876,279	\$ 876,279	\$ 876,279
Interest	\$ 1,500	\$ 3,228	\$ 3,228
Other Miscellaneous Revenues			
Designated Fund Balance	\$ -	\$ -	\$ -
Transfer From General Fund (TIF)	\$ 2,156,238	\$ 2,156,238	\$ 2,156,238
<b>Total Revenues</b>	<b>\$ 3,034,017</b>	<b>\$ 3,035,745</b>	<b>\$ 3,035,745</b>
<b>Expenditures</b>			
Operating Expenses:			
Banking Fees	\$ 100	\$ 13	\$ 13
Operating Expenses	\$ 3,000	\$ 5,500	\$ 5,500
Tuition, Membership, & Publication	\$ 175	\$ 175	\$ 175
Total:	\$ 3,275	\$ 5,688	\$ 5,688
Non-Operating Expenses:			
Brevard Co. Excess TIF Refund	\$ 760,397	\$ 744,268	\$ 744,268
Transfer to General Fund - Excess	\$ 1,774,259	\$ 1,822,173	\$ 1,822,173
Total:	\$ 2,534,656	\$ 2,566,441	\$ 2,566,441
Debt Services:			
CRA Line of Credit - Principal	\$ 386,800	\$ 382,800	\$ 382,800
CRA Line of Credit - Interest	\$ 109,286	\$ 82,219	\$ 82,219
Total:	\$ 496,086	\$ 465,019	\$ 465,019
Capital Outlay:			
Masters A1A Streetscape	\$ -	\$ -	\$ -
Civic Center Renovations	\$ -	\$ -	\$ -
Total:	\$ -	\$ -	\$ -
<b>Total Expenditures:</b>	<b>\$ 3,034,017</b>	<b>\$ 3,037,148</b>	<b>\$ 3,037,148</b>
<b>Net Effect for Fund Type Special Revenue</b>	<b>\$ -</b>	<b>\$ (1,403)</b>	<b>\$ (1,403)</b>

## VI. FINANCIAL REPORTS CON'T

### c. Summary of Projects, Grants and Debt

#### Summary of Projects

Civic Center Renovations

#### Grants

None

#### Debt

CRA Line of Credit with Bank of America

## VII. PERFORMANCE INFORMATION

- a. Total projects started, completed, and estimate cost for each project.
  - The Civic Center Project Phase 1 was started in Fiscal Year 2017 and was 95% completed in Fiscal Year 2018 with one payment made in Fiscal Year 2019 to complete Phase 1. Phase 1 was completed; Phase 2 began in Fiscal Year 2020, most of the work has been completed, and was 100% completed by June 30, 2021.
- b. Number of jobs created and sector of the economy from which these jobs were created within the CRA.
  - No created jobs were reported to the CRA.
- c. Number of jobs retained within the CRA.
  - No retained jobs were reported to the CRA.
- d. Assessed property values when CRA was enacted vs. current assessed property values.
  - Based on the Certified Tax Taxable Value DR-420TIF, the base year taxable value for 2001 was \$124,686,190. The taxable value for 2021 was \$383,343,890.
- e. Total amount expended for affordable housing.
  - No funds were expended for affordable housing.





**Satellite Beach**  
**Community Redevelopment Agency**  
**FINANCIAL STATEMENTS**  
For the Fiscal Year  
Ended September 30, 2022

**Satellite Beach Community Redevelopment Agency**  
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**Satellite Beach Community Redevelopment Agency  
Agency Officials  
Year Ended September 30, 2022**

CRA Members

Steven L. Osmer, Chairman  
Dominick Montanaro, Vice Chair  
Mindy Gibson  
Jodi Rozycki  
David Vigliotto

CRA Staff

Courtney H. Barker, AICP, Executive Director  
Clifford Shepard, P.A., General Counsel  
Brittany Retherford, Support Services Director  
Gwendolyn Peirce, City Clerk (Secretary)



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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Chairman and Board Members  
Satellite Beach Community Redevelopment Agency

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Satellite Beach Community Redevelopment Agency (the "Agency"), a component unit of the City of Satellite Beach, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency'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 major fund of the Satellite Beach Community Redevelopment Agency, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Satellite Beach Community Redevelopment Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Satellite Beach Community Redevelopment Agency'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 Satellite Beach Community Redevelopment Agency's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table

of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2023 on our consideration of the Satellite Beach Community Redevelopment 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Satellite Beach Community Redevelopment Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Satellite Beach Community Redevelopment Agency's internal control over financial reporting and compliance.

*Carr, Rigggs & Ingram, L.L.C.*

Melbourne, Florida  
March 3, 2023





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## Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

As management of the Satellite Beach Community Redevelopment Agency, Florida (the "Agency"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Satellite Beach Community Redevelopment Agency, Florida, for the fiscal year ended September 30, 2022.

### Financial Highlights

- The assets and deferred outflows of resources of the Satellite Beach Community Redevelopment Agency, Florida, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$5,203,803 (net position). Of this amount, (\$12,863) represents the unrestricted net deficit due to recording accrued interest for the Community Redevelopment Agency Variable Rate Tax Increment Revenue Note on September 30, 2022.
- The Satellite Beach Community Redevelopment Agency, Florida's total net position increased \$273,608 over the course of this year's operations.
- The Satellite Beach Community Redevelopment Agency, Florida's operating fund reported an ending fund balance of \$0, a reduction of \$(1,404) from the prior year.

### Overview of the Financial Statements

The financial section of this annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Satellite Beach Community Redevelopment Agency, Florida's finances, in a manner similar to a private-sector business. All the Satellite Beach Community Redevelopment Agency, Florida's activities are reported as governmental activities in the government-wide financial statements.

The statement of net position presents information on all of the Satellite Beach Community Redevelopment Agency, Florida's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Satellite Beach Community Redevelopment Agency, Florida is improving or deteriorating.

The statement of activities presents information showing how the Satellite Beach Community Redevelopment Agency, Florida's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 17 – 18 of this report.

## Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

**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 Satellite Beach Community Redevelopment Agency, Florida like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Satellite Beach Community Redevelopment Agency, Florida has only one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Satellite Beach Community Redevelopment Agency, Florida.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables but do not include capital assets such as land and buildings. The operating statement for governmental funds reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures are generally recorded when incurred.

The basic governmental fund financial statements can be found on pages 19 – 22 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 – 37 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) which is a comparison between the Satellite Beach Community Redevelopment Agency, Florida's adopted and final budget and actual financial results for its general fund. The Satellite Beach Community Redevelopment Agency, Florida adopts an annual budget for its general fund, and a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

Required supplementary information can be found on pages 41 – 42 of this report.

## Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an Agency's financial position. In the case of the Satellite Beach Community Redevelopment Agency, assets exceeded liabilities by \$5,203,803 at the close of the most recent fiscal year.

The following table reflects the condensed statement of net position:

#### Satellite Beach Community Redevelopment Agency, Florida's Net Position

	2022	2021
Current and other assets	\$ 781,915	\$ 857,732
Capital assets	6,819,066	6,936,206
Total assets	7,600,981	7,793,938
Deferred outflows of resources	-	-
Long-term liabilities outstanding	1,602,400	1,989,200
Other liabilities	757,131	700,173
Total liabilities	2,359,531	2,689,373
Deferred inflows of resources	37,647	174,370
Net Position:		
Net investment in		
capital assets	5,216,666	4,947,006
Restricted	-	-
Unrestricted (deficit)	(12,863)	(16,811)
Total net position	\$ 5,203,803	\$ 4,930,195

By far the largest portion of the Satellite Beach Community Redevelopment Agency's net position reflects its investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure); net of accumulated depreciation and any related debt used to acquire those assets still outstanding.

The Satellite Beach Community Redevelopment Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Satellite Beach Community Redevelopment Agency, reports net investment in capital assets, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the Satellite Beach Community Redevelopment Agency, is only able to report a positive balance in its net investment in capital assets. The Satellite Beach Community Redevelopment Agency reported an unrestricted net deficit of (\$12,863) primarily due to recording accrued interest for the Community Redevelopment Agency Variable Rate Tax Increment Revenue Note.

## Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

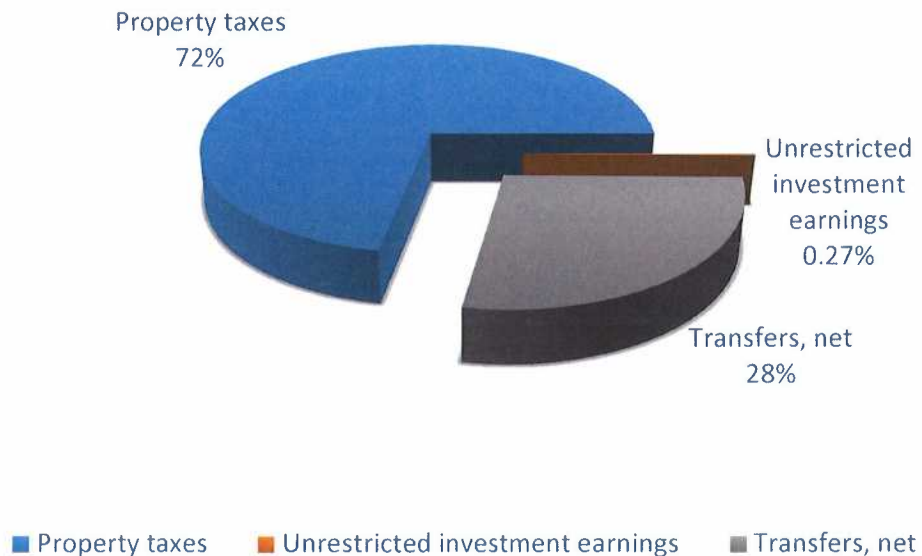
The following table shows condensed revenue and expense data:

### Satellite Beach Community Redevelopment Agency, Florida's Changes in Net Position

	2022	2021
General revenues:		
Property taxes	\$ 876,279	\$ 841,822
Unrestricted investment earnings	3,228	1,079
Transfers, net	334,065	489,508
Total revenues	<u>1,213,572</u>	<u>1,332,409</u>
Program expenses:		
General government	749,957	683,233
Community development	117,140	119,251
Interest and related costs on long-term debt	72,867	99,777
Total expenses	<u>939,964</u>	<u>902,261</u>
Change in net position	<u>273,608</u>	430,148
Net position- beginning	<u>4,930,195</u>	<u>4,500,047</u>
Net position- ending	<u>\$ 5,203,803</u>	<u>\$ 4,930,195</u>

The Satellite Beach Community Redevelopment Agency, net position increased by \$273,608 during the current fiscal year.

### Statement of Activities – Government-wide Revenues by Source



## Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

### Financial Analysis of the Satellite Beach Community Redevelopment Agency, Florida

As noted earlier, the Satellite Beach Community Redevelopment Agency, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Satellite Beach Community Redevelopment Agency, governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Satellite Beach Community Redevelopment Agency, financing requirements. In particular, fund balance may serve as a useful measure of an Agency's net resources available at the end of the fiscal year.

At the end of the current fiscal year, the Satellite Beach Community Redevelopment Agency, governmental fund reported ending fund balance of \$0, a decrease of \$1,404. Pursuant to Florida State Statute 163.387 section (7), on the last date of the fiscal year of the community redevelopment agency, any money which remains in the trust fund after the payment of expenses pursuant to subsection (6) for such year must be returned to the taxing authorities in the case of the Satellite Beach Community Redevelopment Agency, that is the City of Satellite Beach, Florida and Brevard County, Florida.

### Capital Asset and Debt Administration

**Capital assets.** The Satellite Beach Community Redevelopment Agency, investment in capital assets as of September 30, 2022, amounts to \$6,819,066 (net of accumulated depreciation). This investment in capital assets includes land, improvements, equipment, infrastructure, and construction in progress.

#### **Satellite Beach Community Redevelopment Agency, Florida's Capital Assets** (net of depreciation)

	2022	2021
Land	\$ 2,279,018	\$ 2,279,018
Buildings	888,969	904,036
Improvements other than buildings	1,288,560	894,290
Equipment	-	1,470
Infrastructure	2,362,519	2,187,754
Construction in progress	-	669,638
Total	\$ 6,819,066	\$ 6,936,206

Additional information on the Satellite Beach Community Redevelopment Agency, Florida's capital assets can be found in Note 2 on pages 33 of this report.

**Notes payable.** At the end of the current fiscal year, the Satellite Beach Community Redevelopment Agency, Florida, had notes payable outstanding of \$1,602,400.

The Satellite Beach Community Redevelopment Agency, Florida's notes payable balances decreased by \$386,800 during the current fiscal year.

## **Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis**

Additional information on the City of Satellite Beach, Florida's long-term debt can be found in Note 4.D. on pages 34 – 36 of this report.

### **Requests for Information**

This financial report is designed to provide a general overview of the Satellite Beach Community Redevelopment Agency, Florida's finances for all those with an interest in the Satellite Beach Community Redevelopment Agency, Florida's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Support Services Department, City of Satellite Beach, 565 Cassia Blvd., Satellite Beach, Florida, 32937.

**BASIC FINANCIAL STATEMENTS**





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**Satellite Beach Community Redevelopment Agency  
Statement of Net Position - Government-wide**

<i>September 30, 2022</i>	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 622,584
Investments	121,684
Derivative instrument - interest rate swap	37,647
Capital assets not being depreciated	
Land	2,279,018
Capital assets, net of accumulated depreciation	
Buildings	888,969
Improvements other than buildings	1,288,560
Infrastructure	2,362,519
Total assets	7,600,981
<b>LIABILITIES</b>	
Due to other governments	744,268
Accrued interest payable	12,863
Noncurrent liabilities:	
Due within one year	403,300
Due in more than one year	1,199,100
Total liabilities	2,359,531
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Accumulated increase in fair value of derivative instrument - interest rate swap	37,647
Total deferred inflows of resources	37,647
<b>NET POSITION</b>	
Net investment in capital assets	5,216,666
Unrestricted (deficit)	(12,863)
Total net position	\$ 5,203,803

*The accompanying notes are an integral part of this financial statement.*

**Satellite Beach Community Redevelopment Agency  
Statement of Activities - Government-wide**

*For the year ended September 30, 2022*

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
General government	\$ 749,957	\$ -	\$ -	\$ -	\$ (749,957)
Community development	117,140	-	-	-	(117,140)
Interest and related costs on long-term debt	72,867	-	-	-	(72,867)
<b>Total governmental activities</b>	<b>\$ 939,964</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(939,964)</b>

General revenues:

Property taxes	876,279
Unrestricted investment earnings	3,228
Transfers, net	334,065
<b>Total general revenues</b>	<b>1,213,572</b>
Change in net position	273,608
Net position, beginning of year	4,930,195
<b>Net position, end of year</b>	<b>\$ 5,203,803</b>

*The accompanying notes are an integral part of this financial statement.*

**Satellite Beach Community Redevelopment Agency  
Balance Sheet – Governmental Fund**

<i>September 30, 2022</i>	Community Redevelopment Agency
<b>ASSETS</b>	
Cash and cash equivalents	\$ 622,584
Investments	121,684
<b>Total assets</b>	<b>\$ 744,268</b>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Due to other governments	\$ 744,268
Total liabilities	744,268
Fund balance:	
Restricted	-
Total fund balance	-
<b>Total liabilities and fund balance</b>	<b>\$ 744,268</b>

*The accompanying notes are an integral part of this financial statement.*

**Satellite Beach Community Redevelopment Agency  
Reconciliation of the Balance Sheet of the Governmental Fund  
to the Statement of Net Position**

*As of September 30, 2022*

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Total fund balance for the governmental fund	\$ -
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	6,819,066
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund.	(1,602,400)
Interest on long-term debt is not accrued in governmental fund but rather is recognized as an expenditure when due.	(12,863)
<b>Net position of governmental activities</b>	<b>\$ 5,203,803</b>

*The accompanying notes are an integral part of this financial statement.*

**Satellite Beach Community Redevelopment Agency  
Statement of Revenues, Expenditures and Changes in Fund Balance –  
Governmental Fund**

*For the year ended September 30, 2022*

	Community Redevelopment Agency
<b>Revenues</b>	
Taxes	\$ 876,279
Investment and other income	3,228
<b>Total revenues</b>	<b>879,507</b>
<b>Expenditures</b>	
Current:	
General government	749,957
Debt service:	
Principal retired	386,800
Interest and other	78,219
<b>Total expenditures</b>	<b>1,214,976</b>
Deficiency of revenues under expenditures	<b>(335,469)</b>
<b>Other financing sources (uses)</b>	
Transfers in	2,156,238
Transfers out	(1,822,173)
<b>Net other financing sources (uses)</b>	<b>334,065</b>
Net change in fund balance	<b>(1,404)</b>
Fund balance, beginning of year	1,404
<b>Fund balance, end of year</b>	<b>\$ -</b>

*The accompanying notes are an integral part of this financial statement.*

**Satellite Beach Community Redevelopment Agency  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balance of the Governmental Fund to the Statement of Activities**

*For the year ended September 30, 2022*

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Net change in fund balance - total governmental fund \$ (1,404)

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

Governmental funds report capital outlays as expenditures. However in the  
statement of activities, the cost of those assets is allocated over their  
estimated useful lives as depreciation expense. This is the amount by which  
capital outlay exceeds depreciation expense in the current period. (117,140)

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal of long-term debt  
consumes the current financial resources of governmental funds. Neither  
transaction, however, has any effect on net position. This amount is the net  
effect of these differences in the treatment of long-term debt and  
related items, such as accrued interest. 392,152

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Change in net position of governmental activities \$ 273,608

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*The accompanying notes are an integral part of this financial statement.*

## Satellite Beach Community Redevelopment Agency Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Reporting Entity***

The Satellite Beach Community Redevelopment Agency (the "Agency"), a component unit of the City of Satellite Beach, Florida (the "City" and "Primary Government"), was created to promote the rehabilitation, conservation and/or redevelopment of the Community Redevelopment Area (the "Area"). The Agency was established by the City of Satellite Beach, Florida City Council ("City Council") via Ordinance No. 755 in June 2002. The Agency is a legal entity, separate, distinct, and independent of the City. The Agency is governed by a board comprised of five commissioners who also serve as members of the City Council. The Agency does not exercise control over other governmental agencies or authorities.

Revenue sources for the Agency consist primarily of property taxes. Any bond issue authorizations are approved by the City Council and the legal liability for the general obligation portion of the Agency's debt remains with the government.

The accompanying financial statements present only the operations of the Agency and are not intended to present the financial position and results of the City of Satellite Beach, Florida. Complete financial statements for the City of Satellite Beach, Florida may be obtained at the City's administrative offices located at:

565 Cassia Blvd  
Satellite Beach, Florida 32937

#### ***Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the Agency. *Governmental activities* are those which normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.



## Satellite Beach Community Redevelopment Agency Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)***

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within twelve months of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Agency.

#### ***Government-Wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund. Separate financial statements are provided for the governmental fund.

#### ***Fund Financial Statements***

The fund financial statements provide information about the Agency's fund. The emphasis of fund financial statements is on the major governmental fund.

## Satellite Beach Community Redevelopment Agency Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Fund Financial Statements (Continued)***

The Agency reports the following major governmental fund:

The *Community Redevelopment Agency Fund* is the Agency's operating fund. It accounts for all financial resources of the Agency.

#### ***Budgetary Information***

The Agency has elected, as permitted by Section 2400: *Budgetary Reporting* of the GASB Codification, to disclose all budgetary information in the notes to the required supplementary information.

#### ***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity***

##### *Cash and cash equivalents*

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

##### *Investments*

Investments for the Agency are reported at fair value (generally based on quoted market prices) except for the position in the State Board of Administration Local Government Surplus Trust Fund (Florida PRIME) and the Florida Public Assets for Liquidity Management (PALM). Florida PRIME and Florida PALM are local government investment pools which meet all of the specified criteria in Section In5: *Investment Pools (External)* of the GASB Codification (GASBC) to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the Agency's position in the pool is equal to the value of the pooled shares.

##### *Receivables and payables*

All trade and property tax receivables are considered to be fully collectible.

##### *Capital Assets*

Capital assets, which include property, improvements, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of \$2,000 or more and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**Satellite Beach Community Redevelopment Agency  
Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)***

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, improvements, and equipment are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Building improvements	12-20
Infrastructure	60
Equipment	3-18

*Deferred inflows of resources and derivative instrument*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has one item which qualifies for reporting as deferred inflows of resources.

The Agency has engaged in an effective interest rate swap agreement and has recorded the swap agreement at fair value in accordance with Section 150: *Investments* of the GASB Codification.

*Interfund Transactions*

Interfund transactions (transactions between the Agency and the Primary Government) are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs at cost, charged the appropriate benefitting fund, and reduces its related costs as reimbursements. All other interfund transactions are treated as transfers.

*Long-Term Obligations*

In the government-wide financial statements in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and are recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

## Satellite Beach Community Redevelopment Agency Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)*

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

#### *Categories and Classification of Fund Equity*

*Net position flow assumption* – Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund balance flow assumptions* – Sometimes the Agency will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance.

Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Agency itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

*Nonspendable fund balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

## Satellite Beach Community Redevelopment Agency Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)***

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Agency’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Agency that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the Agency for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned fund balance* – Unassigned fund balance is the residual classification for fund balance not meeting criteria to be reported as nonspendable, restricted, committed, or assigned.

#### ***Revenues and Expenditures/Expenses***

*Program revenues* – Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues. The Agency has no program revenues in the fiscal year ended September 30, 2022.

*Property taxes* – Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year’s levy based on the prior year’s taxes; the second billing (mailed on January 1) reflects adjustments to the current year’s actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

#### ***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

## Satellite Beach Community Redevelopment Agency Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 3, 2023, and determined there were no events that occurred that required disclosure.

#### ***Recently Issued and Implemented Accounting Pronouncements***

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after June 30, 2023. However, if the sunset date for LIBOR as a reference rate is extended beyond this date or LIBOR continues to be published using new methodology, implementation will take place when LIBOR ceases to be published using the methodology in place as of December 31, 2021.

GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

## Satellite Beach Community Redevelopment Agency Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Recently Issued and Implemented Accounting Pronouncements (continued)***

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Agency is evaluating the requirements of the above statements and the impact on reporting.

### **Note 2: DETAILED NOTES ON ALL FUNDS**

#### ***Deposits and Investments***

##### *Deposits*

The Agency pools its deposits with the Primary Government. At September 30, 2022, the Agency's carrying amount of deposits was \$622,584. \$250,000 of the Agency's deposits is covered by the Federal Depository Insurance Corporation (FDIC). Monies invested in excess of FDIC insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Agency pursuant to Section 280.08, Florida Statutes.

##### *Investments*

The Agency has not adopted an investment policy and the Agency's investment policies are governed by state statutes. The Agency pools its investments with the Primary Government. Investment earnings of the pool are allocated to the participating funds at the end of each month based on the ratio of each participant funds' investment to the total pooled investment.

## Satellite Beach Community Redevelopment Agency Notes to Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

At the close of the fiscal year, the Agency held a portion of its investments in the Local Government Surplus Funds Trust Fund ("Florida PRIME") external investment pool. The Florida PRIME is administered by the Florida State Board of Administration (SBA), who provides regulatory oversight.

#### *Deposits and Investments (Continued)*

During the year ended September 30, 2022, the Agency also participated in the Florida Public Assets for Liquidity Management (Florida PALM) external investment pool. The Florida PALM is a common law trust established under the laws of the State of Florida and is designed to meet the cash management and short term needs of its participants.

The Florida PALM fund is sponsored by the Florida School Boards Association and the Florida Association of District School Superintendents and is directed by the board of trustees.

Florida PRIME and Florida PALM currently meet all of the necessary criteria set forth in GASB Codification Section In5: *Investment Pools (External)* to measure its investments at amortized cost; therefore, the Agency's account balance in the Florida PRIME and the Florida PALM are reported at amortized cost.

Under GASB Codification Section I50: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in the notes to the financial statements.

As of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Agency's access to 100 percent of their account value in the Florida PRIME or the Florida PALM external investment pools.

*Custodial credit risk* – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the Agency places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

*Interest rate risk* – The Agency's investment policy does not address interest rate risk.

*Credit risk* – GASB Codification Section I50: *Investments* requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations.

*Foreign currency risk* – The Agency's investments are not exposed to foreign currency risk. The Agency's investment policy does not address foreign currency risk.



**Satellite Beach Community Redevelopment Agency  
Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (Continued)***

*Concentration of credit risk* – GASB Codification Section 150: *Investments* requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The Agency’s investment policy does not address concentration risk.

*Fair Value* – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

- Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.
- Level 2 (L2): Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

At September 30, 2022, the Agency had the following investments:

Investment type	Fair Value	Weighted Average to Maturity (WAM)	Rating	Agency
SBA (Florida PRIME)	\$ 88,476	50 days	AAAm	S&P
Florida PALM	33,208	26 Days	AAAm	S&P
Total	\$ 121,684			

**Satellite Beach Community Redevelopment Agency  
Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (Continued)***

*Interest Rate Swap*

The Agency's investment in the interest rate swap derivative investment of \$37,647 is valued using a market approach that considers benchmark interest rates (Level 2 inputs).

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Agency believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

***Capital Assets***

Capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,279,018	\$ -	\$ -	\$ 2,279,018
Construction in progress	669,638	-	(669,638)	-
Total capital assets, not being depreciated	2,948,656	-	(669,638)	2,279,018
Capital assets, being depreciated:				
Buildings	904,036	-	-	904,036
Improvements other than buildings	1,172,015	-	646,047	1,818,062
Equipment	67,577	-	(44,377)	23,200
Infrastructure	2,782,076	669,638	(601,670)	2,850,044
Total capital assets being depreciated	4,925,704	669,638	-	5,595,342
Less accumulated depreciation for:				
Buildings	-	(15,067)	-	(15,067)
Improvements other than buildings	(277,725)	(39,181)	(212,596)	(529,502)
Equipment	(66,107)	(1,470)	44,377	(23,200)
Infrastructure	(594,322)	(61,422)	168,219	(487,525)
Total accumulated depreciation	(938,154)	(117,140)	-	(1,055,294)
Total capital assets being depreciated, net	3,987,550	552,498	-	4,540,048
Governmental activities capital assets, net	\$ 6,936,206	\$ 552,498	\$ (669,638)	\$ 6,819,066

Depreciation expense of \$117,140 was charged to the Community Development function.

**Satellite Beach Community Redevelopment Agency  
Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Intergovernmental Receivables, Payables, and Transfers***

Transfers for the year ended September 30, 2022:

	Transfers in:			Total
	Primary Government	Community Redevelopment Agency		
Transfers out:				
Primary Government	\$ -	\$ 2,156,238	\$ 2,156,238	
Community Redevelopment Agency	(1,822,173)	-	(1,822,173)	
<b>Total</b>	<b>\$ (1,822,173)</b>	<b>\$ 2,156,238</b>	<b>\$ 334,065</b>	

Transfers are used to (1) move revenues from the fund that is required (per statute or budget) to collect them to the fund that is required (per statute or budget) to expend them and (2) return excess revenues not expended during the year back to the general fund at year-end in accordance with state statutes.

***Long-Term Debt and Liabilities***

*Notes payable*

**Community Redevelopment Agency Variable Rate Tax Increment Revenue Note:** On May 4, 2006, the Community Redevelopment Agency entered into a loan agreement with a bank in an amount not to exceed \$8,000,000 to purchase real property and various capital improvements. The initial amount drawn on the note was \$6,250,000. Quarterly payments ranging from \$114,291 to \$117,988, including principal and interest, are due through the maturity date of May 1, 2026.

The note is secured by revenues of the Community Redevelopment Agency fund. Principal and interest paid for the current fiscal year was \$465,019. As of September 30, 2022, principal and interest to maturity in 2026 to be paid from pledged future revenues totaled \$1,719,355. At September 30, 2022, accrued interest for the Community Redevelopment Agency Variable Rate Tax Increment Revenue Note is \$12,863.

As a means of lowering its borrowing costs, when compared against fixed rate borrowings at the time of issuance in May 2006, the Agency entered into an interest rate swap agreement with the bank issuing it a \$6,250,000 variable rate note. The intention of the swap was to effectively change the Agency's variable rate note to a synthetic fixed rate of 4.23%. Under the swap agreement, the Agency pays the counterparty interest calculated at a fixed rate of 4.23%. In return, the counterparty owes the Agency interest based on 63.7% of the London Interbank Offering Rate (LIBOR) plus a spread of 0.50%. Only the net difference in the interest payments is actually exchanged with the counterparty. The \$6,250,000 in note principal is not exchanged; it is only the basis on which the interest payments are calculated. The swap agreement has a term of 20 years and a notional amount of \$1,602,400 as of September 30, 2022.

## Satellite Beach Community Redevelopment Agency Notes to Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Long-Term Debt and Liabilities (Continued)*

The associated variable-rate note has a \$1,602,400 principal amount as of the same date and has a like term. There are no embedded options on the swap agreements and no cash was paid or received when the swap agreements were entered into.

The debt service requirements of the variable-rate debt and net swap payments are shown below assuming current interest rates remain the same. The current variable rate on the \$6,250,000 note is 1.72% as of September 30, 2022. Therefore, the interest rate related to the \$6,250,000 swap is 2.51% as of the same date, calculated as the difference between the synthetic fixed rate of 4.23% and the 1.72% variable rate.

The interest rate swap agreement has a negative fair value of \$37,647 as of September 30, 2022. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate note payable, creating lower synthetic rates. Because the payments on the Agency's variable-rate notes payable adjust to changing interest rates, the note payable does not have corresponding fair value increases. The fair value of the swap was obtained from the counterparty and is based on the quoted market price using the mark-to-market method. The change in fair value for the year ended September 30, 2022 is a positive of approximately \$136,723.

As of September 30, 2022, the Agency was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the Agency would be exposed to credit risk in the amount of the derivatives' fair value. As of September 30, 2022, the swap's counterparty was rated AA- by Fitch. The calculation of variable interest payments is an estimate. It is calculated based upon the total interest to be paid less the calculated amount of swap interest to be paid.

The derivative (interest rate swap) contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Agency or the counterparty may terminate the swap if the other party fails to perform under the terms of the contracts. If the swap was terminated, the variable-rate notes and bonds would no longer carry synthetic interest rates. Also, if at the time of termination a swap has a negative fair value, the Agency would be liable to the counterparty for a payment equal to the swap's fair value as of that date. As of September 30, 2022, the Agency has no intention of terminating its swap agreement.

**Satellite Beach Community Redevelopment Agency  
Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Debt and Liabilities (Continued)***

Pledged revenues and principal and interest payments are as follows:

Pledged Revenue	Amount of issue	Future Principal and Interest	Current Pledged Revenue	Current Principal & Interest	Current Percentage of Revenue
Community Redevelopment Agency Variable Rate Tax Increment Revenue Note	\$ 6,250,000	\$ 1,719,355	\$ 3,032,517	\$ 455,822	15%

Annual debt service requirements to maturity for the Agency's note payable are as follows:

<i>September 30,</i>	Principal	Interest	Interest (swap)	Total
2023	\$ 403,300	52,522	\$ 8,931	\$ 464,753
2024	420,700	37,438	6,683	464,821
2025	438,800	21,703	4,338	464,841
2026	339,600	5,292	1,893	346,785
<b>Totals</b>	<b>\$ 1,602,400</b>	<b>\$ 116,955</b>	<b>\$ 21,845</b>	<b>\$ 1,741,200</b>

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Notes from direct borrowings:					
Note payable – CRA	\$ 1,989,200	\$ -	\$ (386,800)	\$ 1,602,400	\$ 403,300
Total notes from direct borrowings	1,989,200	-	(386,800)	1,602,400	403,300
Total long-term liabilities	\$ 1,989,200	\$ -	\$ (386,800)	\$ 1,602,400	\$ 403,300

The note payable – CRA is liquidated by tax revenues received by the Community Redevelopment Agency fund.

***Governmental Fund Balance***

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Agency is bound to observe constraints imposed upon the use of the resources in the governmental funds.

**Satellite Beach Community Redevelopment Agency  
Notes to Financial Statements**

**Note 3: RISK MANAGEMENT**

***Insurance***

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the primary government carries insurance through Preferred Government Insurance Trust (PGIT). Coverage provided by PGIT includes general liability, auto liability, property and workers' compensation.

***Litigation***

Various suits in the ordinary course of operations are pending against the Agency. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Agency, the liabilities that may arise from such action would not result in losses that would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial position of the Agency or results of operations.



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**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**





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**Satellite Beach Community Redevelopment Agency  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual – Community Redevelopment Agency Fund**

<i>For the year ended September 30, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 876,279	\$ 876,279	\$ 876,279	\$ -
Investment and other income	1,500	3,228	3,228	-
<b>Total revenues</b>	<b>877,779</b>	<b>879,507</b>	<b>879,507</b>	<b>-</b>
<b>Expenditures</b>				
Department:				
General government	763,672	749,957	749,957	-
Debt service:				
Principal retired	386,800	382,800	386,800	(4,000)
Interest	109,286	82,219	78,219	4,000
<b>Total expenditures</b>	<b>1,259,758</b>	<b>1,214,976</b>	<b>1,214,976</b>	<b>-</b>
<b>Deficiency of revenues under expenditures</b>	<b>(381,979)</b>	<b>(335,469)</b>	<b>(335,469)</b>	<b>-</b>
<b>Other financing sources</b>				
Transfers in	2,156,238	2,156,238	2,156,238	-
Transfers out	(1,774,259)	(1,822,173)	(1,822,173)	-
<b>Net other financing sources</b>	<b>381,979</b>	<b>334,065</b>	<b>334,065</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(1,404)</b>	<b>(1,404)</b>	<b>-</b>
<b>Fund balances, beginning of year</b>	<b>1,404</b>	<b>1,404</b>	<b>1,404</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 1,404</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## **Satellite Beach Community Redevelopment Agency Budgetary Notes to Required Supplementary Information**

### **Note 1. BUDGETARY INFORMATION**

An annual budget is adopted by the Agency's Board on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

The Agency's Executive Director or their designee may make transfers of appropriations within a department as long as the total budget of the department is not increased. Transfers of appropriations between departments require the approval of the Agency's Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The Agency's Board made several supplemental budgetary appropriations during the year.

Encumbrance accounting is employed for this governmental fund. Open commitments are recognized as expenditures in the period in which the actual goods or services are received and a liability is incurred. Encumbrances (e.g., contracts) outstanding at year end for unfulfilled obligations are cancelled and reappropriated in the succeeding year's budget. Accordingly, there were no encumbrances outstanding at year end.



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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 Chairman and Board Members  
Satellite Beach Community Redevelopment Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Satellite Beach Community Redevelopment Agency, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Satellite Beach Redevelopment Agency's basic financial statements, and have issued our report thereon dated March 3, 2023.

**Report on Internal Control over Financial Reporting**

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Satellite Beach 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.

*Carr, Rigg & Ingram, L.L.C.*

Melbourne, Florida

March 3, 2023



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## **INDEPENDENT AUDITORS' MANAGEMENT LETTER**

The Honorable Chairman and Board Members  
Satellite Beach Community Redevelopment Agency

### **Report on the Financial Statements**

We have audited the financial statements of the Satellite Beach Community Redevelopment Agency (the "Agency") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 3, 2023.

### **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 March 3, 2023 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 financial audit report. There were no findings and recommendations made in the preceding financial audit report.

### **Official Title and Legal Authority**

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

## Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Satellite Beach Community Redevelopment Agency 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 Satellite Beach 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 Satellite Beach Community Redevelopment Agency. It is management's responsibility to monitor the Satellite Beach Community Redevelopment Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

### Specific Information (unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6-8, Rules of the Auditor General, the Satellite Beach Community Redevelopment Agency reported the information below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

- |  |                  |
|--|------------------|
| a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as  | <b>None</b>      |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as  | <b>None</b>      |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.   | <b>None</b>      |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.   | <b>None</b>      |
| e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the following fiscal year being reported, together with the total expenditures for such projects as | <b>None, \$0</b> |

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes.

See Page 41

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Satellite Beach Community Redevelopment Agency reported:

- a. The millage rate or rates imposed by the Agency. **8.6312**
- b. The total amount of ad valorem taxes collected by or on behalf of the Agency. **\$ 3,032,517**
- c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds as **None**

Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General: The Satellite Beach Community Redevelopment Agency has not imposed any special assessments and therefore no reporting is required by Section 218.39(3), Florida Statutes.

#### **Additional Matters**

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

#### **Purpose of this Letter**

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

*Carr, Rigg & Ingram, L.L.C.*

Melbourne, Florida  
March 3, 2023





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## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Honorable Chairman and Board Members  
Satellite Beach Community Redevelopment Agency

We have examined the Satellite Beach 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, 2022. Management of the Agency 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied with the specified requirements, in all material respects. 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 we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Agency complied with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022, in all material respects.

This report is intended solely for the information and use of the Agency's Board, 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.

*Carr, Riggs & Ingram, L.L.C.*

Melbourne, Florida  
March 3, 2023



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## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REDEVELOPMENT TRUST FUND**

The Honorable Chairman and Board Members  
Satellite Beach Community Redevelopment Agency

We have examined the Satellite Beach Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 163.387(6) and (7), Florida Statutes, Redevelopment Trust Fund Policies, during the year ended September 30, 2022. Management of the Agency 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied with the specified requirements, in all material respects. 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 we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Agency complied with the requirements of Section 163.387(6) and Section 163.387(7), Florida Statutes, Redevelopment Trust Fund, for the year ended September 30, 2022, in all material respects.

This report is intended solely for the information and use of the Agency's Board, 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.

*Carr, Riggs & Ingram, L.L.C.*

Melbourne, Florida  
March 3, 2023