

City of Titusville

Community Redevelopment Agency



Annual Report

FY 2020 - 2021

Prepared by
City of Titusville
Community Development
& Finance Departments

Downtown Community Redevelopment Agency

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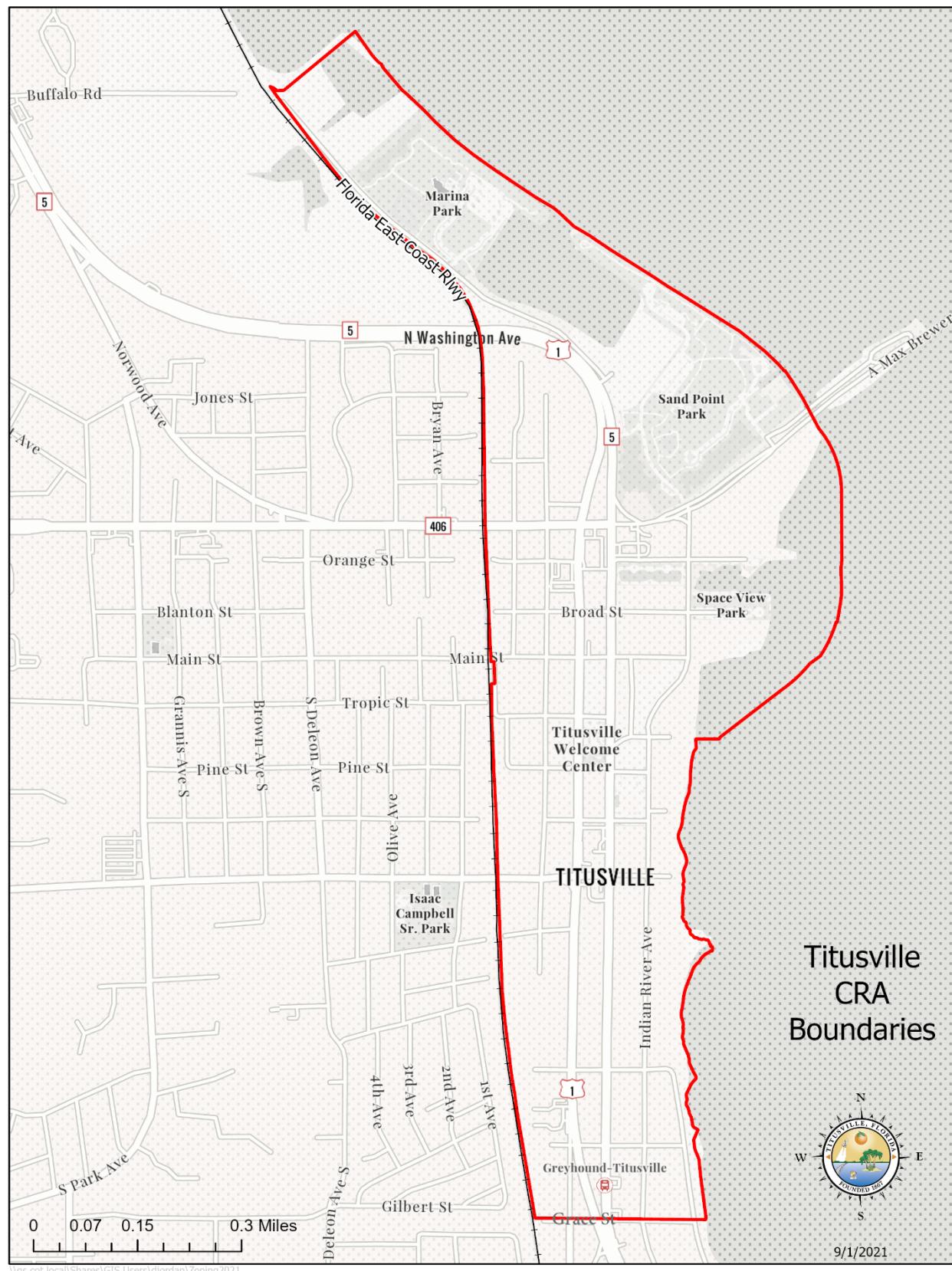
Introduction

The City of Titusville's Community Redevelopment Agency (CRA) was created by the State of Florida in 1982, and the Community Redevelopment Plan was adopted in 1984. Since its creation, the Titusville Community Redevelopment Agency has played an integral role in the revitalization of the Downtown area and the surrounding community. The Downtown area has faced many challenges similar to those in other areas of Florida and the nation. The vision of Titusville's Downtown was established by residents who attended workshops in the 1980's, 1990's and 2000's and determined a set of goals and priorities that have evolved over the years. The original vision of the Redevelopment Plan still stands as a foundation for redevelopment in the Downtown and surrounding neighborhoods.

In an effort to provide residents and visitors with a memorable experience, the City envisions the addition of new mixed-use buildings on infill lots, renovated historic buildings, new open space amenities, enhanced streetscape conditions, new public facilities such as water and sewer infrastructure, and low impact development (LID) techniques for storm water. Development standards will be aimed at increasing the area's capacity to accommodate new growth while preserving the historic character of the community. By combining these features with a smarter approach to growth, the City will realize a downtown that will attract sustainable growth and create a unique sense of place in which all residents can be proud.

The Downtown CRA encompasses approximately 300 (299.42) acres of land on the eastern edge of the City and is over a mile and half from its northernmost area at the municipal waterfront park and marina complex, to its southern terminus at Grace Street. The CRA includes the Historic Downtown, or core area and a number of small neighborhoods. The CRA is bounded by the Indian River waterfront on the

east and north and by the Florida East Coast Railroad tracks on the west. The CRA parallels the Indian River and includes over 1.9 miles of waterfront as shown on the following map.



Assessed Real Property Values & Tax Increment Fund Revenue History

The original base year real property value for the Titusville Downtown CRA in 1982 was \$20,495,020. The Titusville Downtown CRA assessed property value in the reporting year of FY 2021 was \$115,007,903, which is an increase of \$6,775,988 in value from the FY 2020 assessed property value.

A history of the Titusville CRA Tax Increment Revenue per year since FY2005–2006 is found in Table-1 below. Prior to FY 2005–2006 the Downtown CRA had a steady but low tax increment since its inception in 1982. Over the past decade, the CRA's tax increment revenue has been more volatile due to the impacts of both new development and economic conditions.

Table 1: Tax Increment Revenues by Year (Audited)

FY 2005-2006	\$286,787
FY 2006-2007	\$589,533
FY 2007-2008	\$922,899
FY 2008-2009	\$876,391
FY 2009-2010	\$792,703
FY 2010-2011	\$724,997
FY 2011-2012	\$655,653
FY 2012-2013	\$631,488
FY 2013-2014	\$699,901
FY 2014-2015	\$712,212
FY 2015-2016	\$766,683
FY 2016-2017	\$793,838
FY 2017-2018	\$867,986
FY 2018-2019	\$919,020
FY 2019-2020	\$961,910
FY 2020-2021	\$979,345

The Tax Increment Financing (TIF) revenues for the Downtown CRA increased substantially in fiscal year 2006 - 2007 due to the completion of the Harbor Pointe condominium complex. The first building was added to the tax rolls in fiscal year 2006-2007. This revenue allowed the CRA to complete projects that were not possible with revenues from the previous years.

The three remaining Harbor Pointe buildings were added to the tax rolls in fiscal year 2007 - 2008. Due to the economic downturn, increased foreclosures nationwide, and the end of the NASA Space Shuttle Program, the revenue in fiscal years 2008 - 2009 to 2012-2013 decreased. The reduction in revenues during those years resulted in a greater percentage of revenues being dedicated to debt service, thereby limiting redevelopment projects that were being undertaken by the CRA during those years. After bottoming out in FY2012-2013, tax increment revenues have increased each year since to where they have surpassed the FY2007-2008 high.

In 2011, the CRA authorized issuance of a Public Improvement Revenue Note in an amount not to exceed \$2,535,000 to finance roadway and landscaping improvements in conjunction with the FDOT U.S. 1 project. In February 2013, the CRA approved partial repayment of the loan for \$850,000. The repayment funds were the result of lower than anticipated projects costs. The CRA's action produced a total savings of \$1.27 million. The CRA also paid off the Commons Project Bond at a cost of approximately \$95,000. The loan repayments reduced the annual debt service in FY2014-2015 from 34% to 19% of the Annual Revenues, thus providing more opportunities for capital projects in the

future. The percentage of annual debt service to annual tax increment values has continued to decline due to a combination of the increase in tax increment values and debt payments. The ratio of debt service to revenue in FY2020-2021 was 13.99%.



Harbor Pointe Condominiums on Indian River Avenue

Fiscal Year 2020-2021 Capital and Non-Capital Projects

The Downtown CRA has continued with existing projects during the 2020 - 2021 fiscal year as well as started new projects as shown below.

Completed Capital Projects and Their Estimated Cost:

- ❖ Commercial Interior Building Renovation, Commercial Beautification, and Permit & Fee Grant Programs (operational – see detailed grant payouts in the narrative below),
- ❖ Four (4) Street Lamp Post Holiday L.E.D. Lighted Wreath Decorations (\$1,354),
- ❖ Utilities Sewer Main Cured In-place Pipe Lining (\$295,686)
- ❖ U.S. 1 Landscaping Infill (\$34,825)
- ❖ Landscape Bed Mulching (\$15,000)
- ❖ Two (2) Bicycle Repair Stations (\$3,335)
- ❖ Trash Receptacle for Main Street (\$1,179)

Capital Projects Started but not Completed in the Fiscal Year and Their Estimated Cost:

- ❖ Stormwater Cured In-place Pipe Lining (\$130,000)
- ❖ Sidewalk Infill (\$58,000)
- ❖ Julia Street Light Improvements (\$60,253)

More detail about these projects follows.

Commercial Interior Building Renovation, Commercial Beautification, and Permit and Impact Fee Incentive Grant Programs

In FY 2016 – 2017 the CRA created a Commercial Interior Renovation Incentive Grant Program to assist property owners and commercial tenants of older buildings to bring their structures up to current Americans with Disabilities Act (ADA), the Florida Fire Protection Code, and the Florida Building Code standards. The Commercial Interior Building Renovation Incentive Grant Program helps to expand and improve under-used buildings to increase commercial and mixed use intensity, bring buildings up to

code, assist small businesses in the CRA to grow and prosper, and to promote job creation in the district. This grant program offers financial assistance in the form of a reimbursable, fifty percent (50%) matching grant up to a maximum of \$50,000 to the property owner or business owner for eligible expenses associated with the renovation and rehabilitation of the following interior elements of commercial and mixed use building space:

- ❖ ADA requirements
- ❖ Florida Fire Protection Code requirements
- ❖ Florida Building Code requirements including:
 - Interior plumbing to meet code
 - Interior electrical system including lighting to meet code
 - HVAC system to meet code

During fiscal year 2017-2018 the CRA expanded its matching Building Grants Incentive Programs by drafting and approving a new Permit & Impact Fee Incentive Grant Program, revising the Commercial Interior Renovation Grant Program and reactivating and revising its Commercial Beautification Grant Program. The Permit & Impact Fee Program provides a maximum \$50,000 matching one-to-one grant to help offset the cost of permits and impact fees for new construction in the CRA. The Commercial Interior Renovation Grant Program was revised to provide an additional \$50,000 matching one-to-one grant for interior building renovations that provide residential and nonresidential mixed-use as an incentive for residential units to be added to the CRA and spur housing in the downtown. The Commercial Beautification Grant Program provides a \$40,000 matching one-to-one grant for façade and exterior improvements to buildings in the CRA to improve the appearance of the CRA/downtown and to eliminate blight. The Grant Programs were further revised to provide payment of seventy-five (75%) of the grant award at project completion and the remaining twenty-five (25%) of the grant award with occupancy of the building at one (1) year after completion of the improvements as an incentive for building owners to have their buildings occupied and not sit empty. The expanded grant program became operational in FY 2019.

One (1) Permit & Impact Fee grant for the construction of a new building in the CRA district was awarded in FY2021. The estimated total cost of the new building was \$248,650. The total amount of the grant awarded was \$8,796.50 based on an estimated total of \$17,594.12 in impact and building fees.

Four (4) grant payouts were made during the fiscal year. The grant payments were for three (3) Commercial Beautification grants and one (1) Permit & Impact Fee grant. The total payout for the grants during the fiscal year was \$46,219.05.

Since these are fifty (50%) matching reimbursable grants with a maximum cap, the grant program leverages more than double the grant amount of investment in the CRA. A CRA Grant Return on Investment History Report completed in FY 2019 found that for completed grant projects and for grant projects under construction the return on investment was \$14.71 for every \$1 of CRA grant money awarded. Considering only completed grant projects since 2008, the ROI was \$3.14 for \$1 of CRA grant money. The reason for the large difference between completed project and both completed and under construction is that there are two (2) major construction projects presently taking place in the CRA, the Launch Now project with an estimated cost of \$5 million of construction and the Beachwave project with an estimated cost of \$3 million. The Beachwave project was completed in FY2021. The Launch Now project is slated to be completed in FY2022.

The return on investment study shows how the grant program is helping to prevent deterioration of older historic properties in the CRA; stimulate interest and investment in the District; encourage the development of business and job growth; and encourage the utilization of existing business stock and new construction in the CRA.

Street Lamp Post Holiday Wreath Decorations

In FY2021 the CRA expanded its holiday decorations by adding four (4) 40-inch L.E.D. lighted holiday pole wreaths to be placed on pedestrian light poles at the intersections of US Route 1 with Garden Street at the north and South Street at the south. The four (4) wreaths were added to four (4) wreaths purchased in FY2020 so that there would be wreaths on each side of S. Washington Avenue and S. Hopkins Avenue. The total cost of the four (4) wreaths was \$1,956.



L.E.D. Lighted 40 inch Wreath

Utility Infrastructure - Sewer Main Pipe Lining

Due to aged sewage main pipes in the CRA which are in danger of leaking and rupturing and affecting the nearby Indian River Lagoon, and to the large estimated cost of \$12 million to repair and replace old sewer mains in the city, the CRA budgeted \$128,216 to assist in funding cure in-place sewer main pipe lining in the CRA district.



On Christmas Eve of 2020 a major sewer force main broke underneath a U.S. 1 drainage pond near the intersection of N. Washington Avenue and A. Max Brewer Parkway and Sand Point Park causing sewage to spill into the drainage pond and an overflow ditch to the Indian River Lagoon. The CRA and City Council approved two (2) budget amendments to add \$48,870 and \$118,600 to provide a total of \$295,686 to help expedite cure in-place sewer lining in the CRA district. The funding directly paid for 27 sewer pipe lines or 4,991 linear feet of eight (8) inch pipe and seven (7) sewer pipe lines or 1,924 linear feet of ten (10) inch

sewer pipe to be repaired with cure in-place pipe lining. With this action the Titusville CRA helped to prolong the life of the sewer lines and helped to protect the nearby Indian River Lagoon's water quality.

US-1 Landscape Infill

In March of 2021, the CRA funded the landscaping infill of the landscape islands in the US-1 right-of-way (S. Washington Avenue and S. Hopkins Avenue) from Grace Street to Broad Street. The bulk of the plantings were installed in the area between South Street and Grace Street. Mulch was also added to the landscape beds on US-1 and other areas in the CRA. The contract was awarded to JB Lawn Control at a cost of \$34,825.



Landscape Bed Mulching



Mulch was purchased and installed by Public Works employees to the US-1 beds and other landscape beds in the CRA for an approximate cost of \$15,000.

Bicycle Repair Stations

With the closing of the bicycle shop at the Downtown Welcome Center in FY 2020 due to the Covid pandemic and supply and manufacturing shortages, there was a need for self-repair bicycle stations in the downtown and along the Downtown Connector bicycle trail. The CRA purchase two (2) bicycle repair stations at total cost of \$3,335. One of the repair stations was installed at the Downtown Welcome

Center and the other was installed at the trail adjacent to Indian River Avenue near the intersection of Broad Street and Indian River Avenue by Space View Park. Due to the popularity of the repair stations and the need for a repair station at Sand Point Park as informed by North Brevard County Parks & Recreation staff, a third bike repair station was ordered during the fiscal year but was not delivered until FY2022 due to manufacturing and distribution supply issues caused by the Covid pandemic.



Welcome Center Repair Station



Indian River Ave. Repair Station

Main Street Trash Receptacle

Based on input from the Titusville Downtown Merchants Association regarding the need for an additional trash receptacle on Main Street between S. Washington Avenue and Indian River Avenue, a trash receptacle was purchased at a cost of \$1,179. The trash can was located near the southeast corner of the intersection of Mariners Way and Main Street, midway between S. Washington Avenue and Indian River Avenue.



Stormwater Cured In-place Pipe Lining

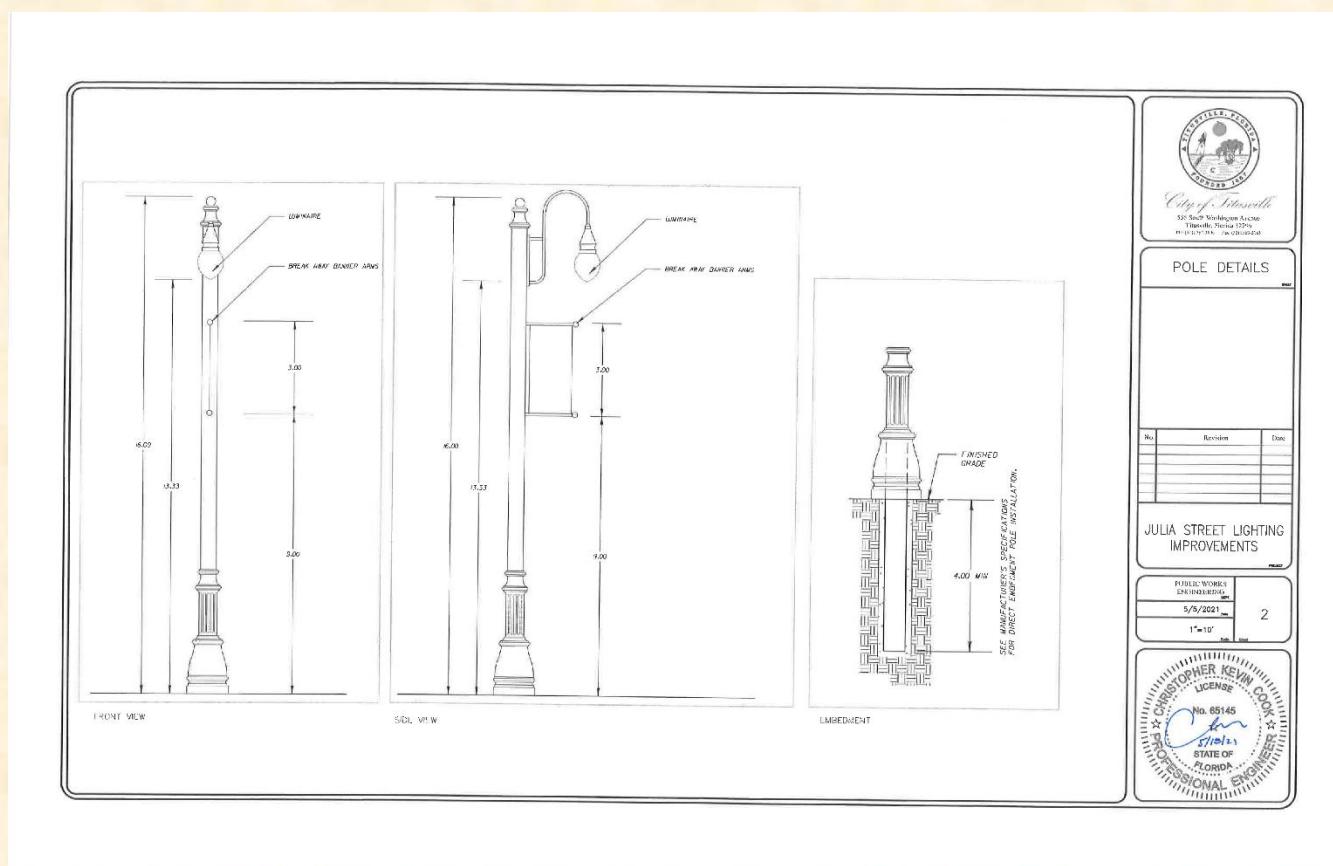
In July of 2021 the CRA and City Council approved a Budget Amendment in the amount of \$130,000 to install stormwater cured in-place pipe liner at two (2) locations in the CRA. The locations were Grace Street between US-1 and S. Hopkins Avenue and Palm Avenue between Main Street and Julia Street. Both locations were in critical need of repair. The cured in-place method is more cost effective and allows the roadways to remain open and usable during the process. The slip lining also allows for Grace Street to be resurfaced in FY2022 and prevents the excavation of newly paved Palm Avenue in order to repair the pipes. The project was started in FY2021 but was not completed until November, 2022.

Sidewalk Infill

The CRA proposed to provide infill sidewalks and Americans with Disabilities Act (ADA) improvements on Lemon Avenue and Broad Street. Due to issues with trying to piggy back the sidewalk and concrete repair work with Brevard County's Sidewalk and Concrete Repair Contract, the CRA's Sidewalk Infill project was moved to FY2021 so that a citywide sidewalk and concrete repair proposal could be advertised. The Public Works Department decided to complete the sidewalk work in-house due to issues with soliciting bid proposals. The sidewalk was designed during the fiscal year but will not be installed until FY2022.

Julia Street Light Improvements

During FY2020 Public Works staff worked on designing street lighting on the north side of Broad Street between S. Palm Avenue and Indian River Avenue, and replacing the purple pedestrian lamp posts on the south side of Julia Street in front of the Titusville Playhouse. At the September 8, 2020 CRA meeting, the CRA heard a presentation by staff regarding options and cost analyses to replacing the three (3) old lamp posts on Julia Street. The options involved possibly replacing the existing three (3) purple gothic lamp posts with lamp posts consistent with those lamp posts on S. Washington Avenue and S. Hopkins Avenue and if so, determining whether to opt for two (2) light poles on the south side of Julia Street, or six (6) lamp posts on both sides of Julia Street between S. Hopkins Avenue and S. Palm Avenue. Based on the cost analyses provided and the amount of funds currently budgeted, the CRA opted to direct staff to install two (2) new L.E.D. lamp posts similar to the rest of the downtown CRA on Julia Street. The project includes not only lamp posts but also trenching, running conduit, wiring, and power drops. An award of contract was issued to Rush Facilities in the amount of \$60,253 to construct the pedestrian lights. The lights are to be installed in FY2022.



Julia Street Pedestrian Lights Detail

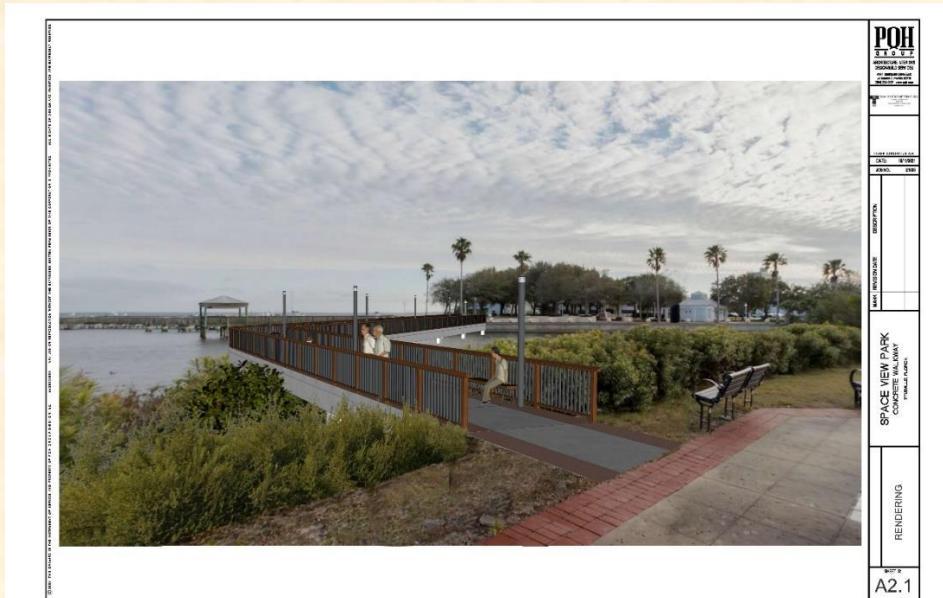
Non-Capital Projects

The Non-Capital Projects that occurred over the fiscal year are as follows:

- ❖ Spaceview Park Connecting Pedestrian Pier Feasibility Study/Final Design
- ❖ Streetscape Landscaping and Facilities Maintenance
- ❖ Community Policing
- ❖ Historic Preservation Activities
- ❖ Downtown Mixed Use Development Review Activities
- ❖ Memorandum of Agreement (MOA) for Temporary Use of Space at the Downtown Welcome Center

Spaceview Park Connecting Pedestrian Pier Feasibility Study

The CRA approved advisability in July 2019 and a budget amendment in September 2019 to fund a feasibility study for a pedestrian pier to connect Spaceview Mercury Park to Spaceview Gemini Park. The parks are separated by an inlet that requires visitors to back track to visit both parks. If found feasible to construct, the pier will meet the CRA's Plan goal of connecting the City's parks and providing a water front attraction for residents and visitors to view rocket launches. In January 2020 a Request for Qualifications (RFQ) was advertised to conduct a Feasibility and Conceptual Design Study. Taylor Engineering, Jacksonville, Florida, was selected in March 2020 to do the study. A contract with Taylor Engineering was signed in July 2020. In February of 2021 Taylor Engineering presented the Feasibility Study and Conceptual Design to the CRA. Based on the presentation, the CRA recommended moving forward to have a contract for a final design of the presented Concept #1. At the May 2021 CRA meeting the CRA and City Council approved an award of contract for Taylor Engineering to provide a final design of the Spaceview Park Connecting Pedestrian Pier at a cost of \$92,833. The design is estimated to be finalized by March of 2022.



Artist computer rendition of the Connecting Pedestrian Pier

Streetscape Landscaping and Facilities Maintenance

The CRA continued its funding of the general maintenance of the plantings, lighting and street furniture funded by the CRA along the US-1 corridor (Washington Avenue & Hopkins Avenue) and in the Titusville Downtown Commons area. The maintenance provided by the CRA along the US-1 corridor is at a higher level of maintenance than provided by the Florida Department of Transportation and helps to protect the CRA's investment. The CRA also continues to fund the cost of irrigation and utilities along US 1 and a full time maintenance worker.

Community Policing



In June 2014, the CRA initiated a Community Policing program. The program consists of law enforcement officers deployed on an overtime basis during varying days and times. Increased activities in the CRA District include business contacts, directed patrols, traffic details, community relations, neighborhood patrols and anti-burglary details. This is thought to be a more cost-effective method to provide coverage as needed, rather than one full-time officer who would have less flexibility to address issues as they arise.

Program accomplishments for the fiscal year are listed below. As the community policing initiative augments the Titusville Police Department's regular presence in

the CRA, only those activities conducted during the community policing details are provided. CRA Police Details totaled 480.75 hours for the fiscal year and the details involved 1,001 Property Checks; 127 Traffic Stops; and 31 Suspicious Persons/ Vehicles/Incidents.

Total incident statistics in the redevelopment district for the fiscal year not part of the CRA Police details were as follows:

Property Checks -2,225

Suspicious Persons/Vehicles/Incidents – 506

Vehicle Burglaries – 18 (FY 2020 - 16)(FY2019 - 41)

Residential Burglaries – 0 (FY2020 - 2)(FY2019 – 2)

Commercial Burglaries – 4 (FY2020 - 10)(FY2019 – 11)

Traffic Stops – 1,269 (FY2020 - 1,140) (FY 2019 – 748)

Traffic Accidents without injuries – 138 (FY2020 – 122) (FY 2019 -165)

Traffic Accidents with injuries – 52 (FY2020 -54) (FY 2019 – 29)

Burglary Comparison between the CRA and Citywide:

CRA District – 28 (FY2020 – 28)

City Wide – 402 (FY2020 – 555)

Calls for Service between the CRA and Citywide:

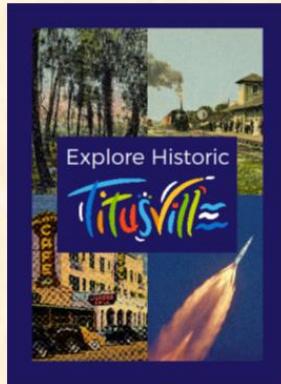
CRA – 8,683

Citywide – 114,392

The incident statistics show that the Community Policing details had an emphasis on reducing vehicle burglaries and enforcing traffic laws during the fiscal year. The residents and property owners within the CRA have acknowledged the Community Policing program as a success.

Historic Preservation Activities

The CRA District is home to many of the City's historic resources. The preservation of these historic resources in the Community Redevelopment District adds to the City's pride and creates pedestrian and visitor appeal, which provides economic development for the City. Historic Preservation activities that directly involved the CRA District included obtaining of a State of Florida Division of Historical Resources Small Matching Grant in July 2020 in the amount of \$30,000 to fund the creation of an Explore Historic Titusville booklet, mobile phone app and web site (<http://history.titusville.com>) providing walking/driving tours/audio recordings of historic resources of the City from the areas first indigenous inhabitants to the Space Program. The majority of the history and historic landmarks in the booklet, app and web site walking/driving tour are found in the Redevelopment District.



Downtown Development Design Review Activities

The Downtown Mixed Use zoning district regulations call for the CRA to have design approval of development projects with either more than 10,000 square feet of building and or have greater than 1.5 acres of area and to approve any zoning waivers for such sized developments. In April of 2021, the CRA approved the development plans for the Horizon at Sand Point development which involves a development with a mixed-use multistory apartment – commercial/hotel

complex to be developed in four (4) phases on 14.1 acres located at 300 N. Washington Avenue. The project proposes 384 apartment units to be built in the first two phases of the development. The development will provide a much need residential component to the CRA area that will help to support commercial uses in the CRA. The CRA also reviewed and provided a recommendation for approval of a Conditional Use request for a car rental agency to operate at 1026 S. Hopkins Avenue.

Memorandum of Agreement (MOA) for Temporary Use of Space at the Downtown Welcome Center

With the construction of a new visitor center proposed at the Merritt Island National Wildlife Refuge proposed, a MOA was entered into between the CRA, the City of Titusville, and the Merritt Island Wildlife Association (MIWA) in December, 2020 for the MIWA to temporarily use space at the Downtown Welcome Center as a Gift Shop. MIWA used the space for approximately four (4) months.

New Construction & Businesses

A goal of the City's CRA Plan is to encourage private sector investment in the CRA. New building construction and major renovation work to existing buildings helps the City in combating blight. It also encourages others to invest in the CRA. Sixty nine (69) new Business Tax Receipts (BTR) were approved in the CRA District during the fiscal year. Here are some examples of some of the new businesses and major renovation and construction that occurred in FY 2020 – 2021 in the CRA District:



346 S. Washington Ave. Mutter Realty Building



Beachwave Building completed



Vacant gas station at 405 Garden St. before demolition



405 Garden St. after demolition – proposed Double O's Coffee site



Morgan & Morgan Law Office at 407 S. Washington Ave.



Hoffman's Table Restaurant at 311 S. Washington Ave.



Rear of the Launch Now development at 300-310 S. Washington Ave.



S.E. front corner of the Launch Now development



Paradise Grill at 106 Main St.



Whiskey's Bar & Lounge at 349 S. Washington Ave.

Summary of Redevelopment Plan Goals Achievement

State legislation now requires a summary indicating to what extent, if any, the community redevelopment agency has achieved the goals set out in its redevelopment plan. A summary of the redevelopment plan goals achievement by the Agency follows.

Becoming a Trail Town

The CRA is well into achieving the goal of making downtown Titusville a "Trail Town" with the completion of the Downtown Connector Trail in FY2019; the installation of primary wayfinding signs and other amenities such as downtown directory signage, a downtown welcome center, bike racks, the purchase and installation of two (2) bicycle repair stations this past fiscal year, etc.; and by being designated the second Trail Town in the State of Florida by the Florida Department of Environmental Protection, Greenway & Trails Division in FY2019. Work was completed on the construction of the missing link of trail between Indian River Avenue and the A. Max Brewer Bridge in the CRA. The trail link from Parrish Park east of the A. Max Brewer Bridge to the Merritt Island Wildlife Refuge property line was completed. Work still needs to be done to construct the trail link from the west Merritt Island National Wildlife Refuge property line to the Canaveral National Seashore; providing better wayfinding for trail users in the CRA; and continuing to improve streets, parks, sidewalks, lighting, wayfinding signage, and parking in the downtown, including possible trail heads in the District.

Vibrant Community Initiative

The vibrant community initiative goal involves increasing residential development in the downtown, the support of arts and entertainment facilities, and integrating existing recreational facilities in the downtown to make downtown a live, work and play destination. The CRA is working to attain this goal

with the Launch Now development under construction with the assistance of the CRA Grant Program. Launch Now will provide twenty (20) new boutique apartment units in a mixed use building in the heart of the Historic Downtown. A second residential development with 384 total multifamily units known as Horizon at Sand Point is in the Building Permit stage and is taking advantage of the increase in residential density and building height in the Uptown Subdistrict of the CRA. The CRA provided design approval of the Horizon development this fiscal year. More residential however is needed as pointed out in the City's Strategic Economic Development Plan to make the CRA more vibrant. In addition, the Titusville Playhouse has purchased property in the Julia Street – Palm Avenue area and has plans to create an entertainment district in that area with plans to add a new 500 seat theater, a 150 seat black box theater, an outdoor concert and stage venue, and other ancillary uses including eating and drinking establishments which will add to the vibrancy of the CRA/downtown. The CRA will need to consider additional public infrastructure in this area to help make this area an entertainment district.

The COVID pandemic, which began in March of 2020 and continued throughout the 2020 fiscal year and into the 2021 fiscal year, curtailed activities and commerce in the CRA with the shutdown of nonessential businesses and private events, such as the Downtown Street Parties put on by the Downtown Merchants Association, running races, etc. The City used Federal American Recovery Act funding to bring back the successful well attended Farmers Market in September, 2021 to provide food for low and moderate income people suffering from the economic issues caused by the lingering pandemic.

The CRA has supported the arts by wrapping traffic signal boxes designed by local artists along US Route 1 and by encouraging murals on buildings in the CRA. More and different kinds of art can be incorporated into the CRA to truly make the downtown a destination for visitors and residents.

The CRA is continuing to integrate existing recreational sites with the completion of the Downtown Connector Trail and by approving a feasibility study and then a final design for a pedestrian observation pier to link two (2) existing parks separated by water. The pedestrian-observation pier will become a waterfront destination for residents and visitors wanting to view rocket launches and take in the scenic view of the Indian River Lagoon. Other park improvements have included a splash pad, BMX bicycle track, skateboard facility, etc. over the years. City staff met with North Brevard County Parks and Recreation staff in Fiscal Year 2021 to investigate a partnership where the CRA could fund park improvements in the CRA district that would then be maintained by the Parks and Recreation Department. Long range plans call for a waterfront trail to connect recreational sites to the downtown and to areas to the south.

Community Policing

Community Policing is an ongoing endeavor in the CRA. Special details to combat homeless and panhandling issues, traffic issues like speeding on S. Washington Avenue and S. Hopkins Avenue, burglaries, prostitution solicitation issues, etc. will be needed to continue to make the CRA a safe place to live, work, visit, invest, and play. The use of cameras being installed in three (3) strategic areas of the CRA as a pilot project will help the Police Department in solving traffic incidents and crimes, and thus help in reducing criminal activities. The Police Department has also used mail-outs and banner signs to promote various crime prevention campaigns such as "Lock It or Loose It" and variable message board signs to promote traffic safety in the redevelopment district.

Historic Preservation

Historic Preservation is a tool for the revitalization and adaptive reuse of historic buildings in the City. The majority of historic structures in Titusville are located in the CRA. These historic buildings are an asset to the City and create the City's character. This goal has been furthered with the creation of a Historic Preservation Board, a Historic Preservation Ordinance, the designation as a Certified Local Government; the designation of twelve (12) historic resources to the Local Historic Register; the creation of a local Ad Valorem Property Tax Exemption Ordinance and the CRA Building Grant Program which

can be used as incentives to renovate historic resources; and the printing of a Titusville Historic Landmarks brochure. As stated earlier, the City obtained a State of Florida Division of Historic Resources Small Matching Grant in July 2020 in the amount of \$30,000 to fund the creation of a Explore Historic Titusville booklet, mobile app, and website which provide walking/driving tours/audio recordings of historic landmarks in the City. The booklet and walking/driving tours help to identify the City's historic resources and will help to provide economic development with visitors touring the city's historic landmarks and visiting city businesses while touring the City. There are many more historic resources in the CRA that need to be designated to prevent their razing and/or inappropriate façade renovation in order to maintain the City's downtown heritage and culture. A future grant project hopes to develop architectural guidelines to help owners of historic buildings when making renovations to preserve the historic architectural characteristics of their buildings.

Commercial Beautification Grant & Structural Rehabilitation

The goal of the CRA's Commercial Beautification & Structural Rehabilitation Grant Program is to provide incentives to existing and new property owners to upgrade the exteriors for aesthetics, interiors to meet code requirements, and to incentivize new construction that will ultimately lead to higher occupancy rates, increased property values, and to increase the visual appearance of the CRA. The creation of the CRA's Commercial Interior Renovation Grant in previous years, the reinstituting of the Commercial Beautification Grant and the creation of the Building Permit and Impact Fee Grant that went into effect in FY 2019 helped to further this goal. As previously stated the return on investment of the grant program shows that the program is worthwhile in priming the pump of investment in the CRA. There are many properties in the CRA that can take advantage of this incentive.

Side Street Streetscape

Side street streetscape refers to the streets that intersect with US Route 1 (Washington Avenue and Hopkins Avenue). The streets include Orange Street, Broad Street, Main Street, Julia Street, Pine Street, Palmetto Street, South Street, and St. Johns Street. Orange Street east of S. Washington Avenue, and Main Street have been resurfaced. Orange and Pine Streets west of Hopkins Avenue as well as Lemon Avenue were resurfaced during the fiscal year. The resurfacing of other side streets in the CRA and the possible creation of landscape islands on Broad Street similar to what was done on Indian River Avenue when the trail was installed need to be done. Increased lighting including street and pedestrian lights are needed to be added to these side streets to provide a safe night time environment.

Underground Utilities

Converting the overhead power lines on US Route 1 and on Broad Street to underground has been found to be cost prohibitive at this time. A study in 2007 found that the cost to convert the lines to underground as part of the US 1 Streetscaping project in 2010 would be \$1.4 million. The cost would be even higher today. This goal of the Redevelopment Plan has been put on the back burner until it becomes financially feasible.

Targeted Property Acquisition

Targeted property acquisition is a strategic measure that can be used to attract development or provide public improvements such as parks, storm water ponds and conveyance, roads, etc. Without obtaining a loan or bond, it is financially unfeasible for the CRA to purchase any properties at this time. It may be possible for the CRA to form a public-private partnership to acquire strategic property for a desired development in the CRA with the use of tax increment reimbursement with potential developers.

Wayfinding Signage Program

The CRA has implemented the initial wayfinding signage to include seven (7) directional signs along the Downtown Connector Trail, two (2) downtown directory signs, and two (2) pole signs at the Welcome Center property directing visitors to the Welcome Center and Julia Street parking lot. Additional detailed

wayfinding/directional signs are needed for the connector trail and for landmarks in the downtown such as the historic district, the Veterans Memorial, the Space Monuments, the fishing/shrimping pier, the various parks, and the municipal marina.

Event Sponsorship and Marketing

The CRA stopped funding Special Events in FY 2017. The CRA determined that it wanted to concentrate funding on brick and mortar projects and not on special events. Marketing of the CRA has been transferred to the City's Economic Development Division. This goal is no longer in effect.

Banner Signs

Street banners attached to pedestrian light poles in the CRA have included downtown activities such as music, dining, history, culture and the environment. Banners have also been installed to commemorate significant events in the city such as was done for the City's celebration of the City's 150th anniversary of it's founding in 2017. Sixty six (66) holiday themed banners were purchased in FY 2019-2020 to provide for a more festive holiday season in the CRA. The installation of banners on a seasonal and on a replacement basis due to weathering and age will be a continuing activity that adds to the vibrancy of the City.

Downtown Stormwater Plan

It has been determined that a regional stormwater master plan would be cost prohibitive to implement due to the number of drainage basins that traverse the CRA and due to the ruling that the City's Stormwater Utility could not pay for the plan. In FY 2019 the CRA advocated the use of Low Impact Development (LID) techniques and public – private partnerships to create stormwater facilities to handle stormwater runoff in the CRA. The implementation of this goal will be a continuing process.

Financial Audit Information

The financial information for the Titusville CRA on the following pages is as reported by the independent auditing firm of James Moore & Company, 121 Executive Circle, Daytona Beach, Florida, 32114. The data was taken from the City of Titusville's Comprehensive Annual Financial Report, Fiscal Year ended September 30, 2021. The financial statement provides information on the Agency's assets, liabilities, income, and operating expenses as of the end of fiscal year 2020 – 2021 in accordance with Chapter 163, Part III, Florida Statutes. Total expenditures from the Redevelopment Trust Fund in the fiscal year were \$726,356.

An audit report of the CRA's FY2020 - 2021 expenditures by the James Moore & Company is also included in this financial section of the Annual Report.

The total amount of funds expended for affordable housing for low income and middle income persons and families was zero (0) in the CRA. It should be noted that affordable housing is not one of the goals of the current CRA Plan.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
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INDEPENDENT AUDITORS' REPORT

To the Governing Board,
Titusville Community Redevelopment Agency:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Titusville Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, and the aggregate remaining fund information of the CRA, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

Daytona Beach, Florida
March 31, 2022

James Moore & Co., P.L.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Titusville Community Redevelopment Agency's (the CRA) management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA's financial statements which follow this section.

Financial Highlights

- The assets of the CRA exceeded its liabilities at September 30, 2021, by \$1,886,155 (net position). Of this amount, \$523,017 represents the net investment in capital assets, and \$1,363,138 was restricted for redevelopment purposes.
- As of September 30, 2021, the CRA's reported ending fund balances of \$1,363,138. Fund balance saw a change of \$118,649 when compared to the prior year.

The MD&A is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Overview of the Financial Statements

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. The governmental activities of the CRA include reinvesting into the community redevelopment district.

The statement of net position presents information on all of the CRA's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the modified cash basis of accounting.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

Statement of Net Position

The following is a summary of the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2021	2020
ASSETS		
Current and other assets	\$ 1,672,117	\$ 1,298,032
Capital assets	523,017	535,539
Total assets	<u>\$ 2,195,134</u>	<u>\$ 1,833,571</u>
LIABILITIES		
Current liabilities	\$ 292,225	\$ 22,074
Advances from other funds	16,754	31,472
Total liabilities	<u>\$ 308,979</u>	<u>\$ 53,546</u>
NET POSITION		
Net investment in capital assets	\$ 523,017	\$ 535,539
Restricted	1,363,138	1,244,486
Total net position	<u>\$ 1,886,155</u>	<u>\$ 1,780,025</u>

Statement of Activities

The following is a summary of the changes in the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2021	2020
REVENUES		
Property taxes	\$ 979,345	\$ 961,910
Other revenues	2,703	44,532
Total revenues	<u>982,048</u>	<u>1,006,442</u>
EXPENSES		
Community development	351,054	278,536
Capital outlay	387,824	120,545
Total expenses	<u>738,878</u>	<u>399,081</u>
Net income before transfers	243,170	607,361
Transfers to primary government	(137,043)	(134,529)
Change in net position	106,127	472,832
Net position, beginning of year	1,780,028	1,307,193
Net position, end of year	<u>\$ 1,886,155</u>	<u>\$ 1,780,025</u>

Financial Analysis of the General Fund

The focus of the CRA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the CRA's general fund reported an ending fund balance of \$1,363,138, a change of \$118,649, in comparison with the prior year.

At the end of the current fiscal year, the entire fund balance was restricted for community development. As the CRA is focused on reinvestment revenues into the CRA district and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

General Fund Budgetary Highlights

There were no significant amendments between the original and the final CRA budget, except to provide for spending authority of an additional \$1,238,830 in capital expenditures.

Actual expenditures in the general fund were \$1,317,452 less than final budget amounts. The main reason for this is due to the timing of capital project and other one-time expenditures.

Budgetary comparisons between the final budget and actual results can be found on page 15 of this report.

Economic Factors and Next Year's Budget

There are many challenges facing local governments today. Property values have continued to increase in recent years, contributing to related growth in the revenues of the CRA. While property values for the 2021-2022 fiscal year have increased, the future outlook of property values during and after the COVID-19 pandemic, and any potential impact they will have on the CRA's finances, are unknown.

Requests for Information

This report is designed to provide an overview of the CRA's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the City of Titusville.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Balance Sheet		Statement of Net Position	
	General Fund	Adjustments	Governmental Activities	
ASSETS				
Cash and cash equivalents	\$ 14,494	\$ -	\$ 14,494	
Investments	1,657,623	-	1,657,623	
Capital assets:				
Non-depreciable	-	200,000	200,000	
Depreciable, net	-	323,017	323,017	
Total assets	<u><u>\$ 1,672,117</u></u>	<u><u>\$ 523,017</u></u>	<u><u>\$ 2,195,134</u></u>	
LIABILITIES				
Accounts payable and accrued liabilities	\$ 292,225	\$ -	\$ 292,225	
Due to primary government	16,754	-	16,754	
Total liabilities	<u><u>\$ 308,979</u></u>	<u><u>-</u></u>	<u><u>\$ 308,979</u></u>	
FUND BALANCE / NET POSITION				
Fund Balance:				
Restricted for:				
Community redevelopment	1,363,138	(1,363,138)		-
Net Position:				
Net investment in capital assets	-	523,017	523,017	
Restricted for:				
Community redevelopment	-	1,363,138	1,363,138	
Total fund balance / net position	<u><u>1,363,138</u></u>	<u><u>523,017</u></u>	<u><u>1,886,155</u></u>	
Total liabilities and fund balance / net position	<u><u>\$ 1,672,117</u></u>	<u><u>\$ 523,017</u></u>	<u><u>\$ 2,195,134</u></u>	

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

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities	
	General Fund	Adjustments	Governmental Activities	
Revenues				
Taxes	\$ 979,345	\$ -	\$ 979,345	
Investment income	2,703	-	2,703	
Miscellaneous	-	-	-	
Total revenues	982,048	-	982,048	
Expenditures / expenses				
Current:				
Community development	338,532		338,532	
Capital outlay	387,824	-	387,824	
Depreciation	-	12,522	12,522	
Total expenditures / expenses	726,356	12,522	738,878	
Excess (deficiency) of revenues over expenditures / operating income (loss)	255,692	(12,522)	243,170	
Other financing sources (uses)				
Transfers out to primary government	(137,043)	-	(137,043)	
Total other financing sources (uses)	(137,043)	-	(137,043)	
Net change in fund balance / net position	118,649	(12,522)	106,127	
Fund balance / net position, beginning of year	1,244,489		535,539	1,780,028
Fund balance / net position, end of year	\$ 1,363,138	\$ 523,017	\$ 1,886,155	

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

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) Summary of Significant Accounting Policies:

The financial statements of the Titusville Community Redevelopment Agency (the CRA), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the CRA has adopted the GASB Codification. The following is a summary of the CRA's significant accounting policies:

(a) **Reporting entity**—The Titusville Community Redevelopment Agency was created by Ordinance 66-1982 of the City of Titusville, Florida (City) per Chapter 163 Part III of the Florida Statutes. Pursuant to Florida Statute 163.387, the Community Redevelopment Agency has to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the designated community redevelopment area. Since the City is financially accountable for the activities of the CRA, its governing board is substantially the same (the City Council plus two additional appointed members), and its relationship to the CRA is significant, the CRA is considered to be a blended component unit in the City's financial statements, where it is also reported as a major special revenue fund.

The CRA has determined there are no component units that meet criteria for inclusion in the CRA's financial statements.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the CRA. The CRA only has governmental activities and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include ad valorem taxes and interest income. Fund financial statements are presented for the CRA's General Fund. The General Fund, which accounts for all financial operations of the CRA, is considered to be a major fund and is the only fund of the CRA.

(c) **Measurement focus, basis of accounting, and financial statement presentation**—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. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor 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 when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers property revenues to be available if they are collected within 60 days of the end of the current period. Grants, other intergovernmental revenues, charges for services, 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. Expenditures generally are recorded when a liability is incurred. However, expenditures related to long-term agreements are recorded only when payment is due.

(d) **Budgets and budgetary accounting**—The governing board of the CRA adopts an annual operating budget, which is prepared on a modified accrual basis and can be amended by the board throughout the year. At the fund level, actual expenditures cannot exceed the budgeted amounts. The accompanying budgeted financial statements for the General Fund reflect the final budget authorization amounts, including all amendments.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Deposits and investments**—The CRA's cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Receivables and payables**—Activity between the CRA and the City has been classified as amount due to/from the primary government on the balance sheet and statement of net position. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of outstanding balances and historical trends. At September 30, 2021, all of the CRA's receivables were considered fully collectible.

(g) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(h) **Capital assets**— The CRA owns limited capital assets. The majority of capital outlay expenditures made by the CRA are deemed to be on behalf of the City who takes ownership of the assets along with the perpetual maintenance obligation for those assets. Capital assets owned by the CRA, which land and buildings, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30 years

(i) **Long-term obligations**—The CRA does not have any legal indebtedness. Any use of funds for debt service represents payments toward long-term debt issued in the name of the City for which CRA revenues have been pledged.

The CRA does not have any employees. Any employees who provide services to the CRA are employees of the primary government and do so at either no charge to the CRA, or any allocations made to the CRA represent reimbursements by the CRA to the primary government for services rendered (any items recorded to personnel expense accounts are only for ease of tracking the reimbursement amounts). As a result, there is no compensated absences, other post-employment benefits (OPEB), or pension liabilities recorded on the CRA's financial statements.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes based on actions taken by the CRA governing board through ordinance.

Assigned – amounts the CRA intends to use for a specific purpose. Intent can be expressed by the CRA governing board or by an official or body which the Board delegates authority.

Unassigned – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the CRA considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(k) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA has no items that meet this reporting criteria.

(l) 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 represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The CRA has no items that meet this reporting criteria.

(m) **Net position flow assumption**—Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the CRA's policy to consider restricted net position to have been used before unrestricted net position is applied.

(n) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

(2) Reconciliation of Government-Wide and Fund Financial Statements:

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is as follows: capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is as follows: governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

(3) Deposits and Investments:

The CRA is subject to the investment policy of the primary government and maintains interest-bearing banking accounts for substantially all CRA funds. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the CRA to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2021, all CRA deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the CRA's deposits are held with public depositories and as of September 30, 2021, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(4) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated –				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Total capital assets, not being depreciated	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Capital assets, being depreciated –				
Buildings and improvements	376,710	-	-	376,710
Less accumulated depreciation for –				
Buildings and improvements	(41,171)	(12,522)	-	(53,693)
Total capital assets, being depreciated, net	<u>335,539</u>	<u>(12,522)</u>	<u>-</u>	<u>323,017</u>
Governmental activities capital assets, net	<u><u>\$ 535,539</u></u>	<u><u>\$ (12,522)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 523,017</u></u>

Depreciation expense of \$12,522 was charged to the community development function.

(5) Commitments and Contingencies:

The CRA is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2021. The outcomes of established claims are included in these financial statements. In the opinion of the CRA and the primary government's legal counsel, no legal proceedings are pending or threatened against the CRA which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

During and through the end of the fiscal year ended September 30, 2021, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending and investment markets have been substantially impacted. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other future impact to the CRA as of March 31, 2022, management believes that an impact on the CRA's financial position and results of future operations is reasonably possible.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(6) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, as adjusted based on the impacts of GASB Statement No. 95, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the CRA's financial statements:

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 979,345	\$ 979,345	\$ 979,345	\$ -
Investment income	-	-	2,703	2,703
Miscellaneous	-	-	-	-
Total revenues	979,345	979,345	982,048	2,703
Expenditures				
Current:				
Community Development	298,762	316,360	338,532	(22,172)
Capital outlay	506,216	1,727,448	387,824	1,339,624
Total expenditures	804,978	2,043,808	726,356	1,317,452
Excess (deficiency) of revenues over expenditures	174,367	(1,064,463)	255,692	1,320,155
Other financing sources (uses)				
Transfers out to primary government	(137,043)	(137,043)	(137,043)	-
Total other financing sources (uses)	(137,043)	(137,043)	(137,043)	-
Net change in fund balances	37,324	(1,201,506)	118,649	1,320,155
Fund balances, beginning of year	1,244,489	1,244,489	1,244,489	-
Fund balances, end of year	\$ 1,281,813	\$ 42,983	\$ 1,363,138	\$ 1,320,155

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*

To the Governing Board,
Titusville Community Redevelopment Agency:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Titusville Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated March 31, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

A handwritten signature in black ink that reads "James Moore, CPA, P.L." The signature is fluid and cursive, with "James" and "Moore" being the most prominent parts, and "CPA, P.L." written in a smaller, more formal script to the right.

Daytona Beach, Florida

March 31, 2022

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Governing Board,
Titusville Community Redevelopment Agency:

Report on the Financial Statements

We have audited the basic financial statements of the Titusville Community Redevelopment Agency (the CRA), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 31, 2022.

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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of 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 31, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

Sections 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 CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the CRA, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no such recommendations.

Special District Component Units

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

Specific Special District Information – Titusville Community Redevelopment Agency

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the CRA reported the following unaudited data:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: -0-.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: 0.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$98,392 paid to City to reimburse for City employee services provided.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$-0-.
- e) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - a. Utilities Sewer Main Cured In-place Pipe Lining \$295,686
 - b. Stormwater Cured In-place Pipe Lining \$130,000
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: the district's original budget totaled \$1,896,535 and was amended by the total amount of \$324,314, for final budgeted expenditures of \$2,220,849.

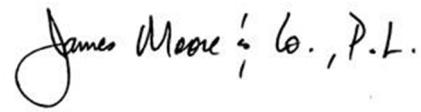
Additional Matters

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

Purpose of this Letter

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

Daytona Beach, Florida
March 31, 2022

A handwritten signature in black ink that reads "James Moore, P.L." The signature is fluid and cursive, with "James" and "Moore" connected by a loop, and "P.L." in a smaller, separate loop to the right.



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board,
Titusville Community Redevelopment Agency:

We have examined the Titusville Community Redevelopment Agency's (the CRA) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund* (collectively, the "Statutes"), for the year ended September 30, 2021. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied with the Statutes, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Titusville Community Redevelopment Agency complied, in all material respects, with the Statutes for the year ended September 30, 2021.

Daytona Beach, Florida
March 31, 2022



James Moore, CPA, P.L.