



**COMMUNITY REDEVELOPMENT AGENCY
ANNUAL REPORT: 2020-21**



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Downtown Investment Authority of the City of Jacksonville
Community Redevelopment Agency
Annual Report: Fiscal Year 2020-21

Introduction and Background

Required Report and Records

Pursuant to Chapter 163 of the Florida Statutes, each Community Redevelopment Agency (CRA) of the City of Jacksonville must file with the governing body on or before March 31st of each year, a report of its activity for the preceding fiscal year. The report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year. Once completed, the FY 2020-2021 CRA Annual Report is filed with the City Council and available for review in the office of the Downtown Investment Authority (DIA) and on the DIA website at (dia.coj.net/about).

CRA Process

The City of Jacksonville follows the process of creating Community Redevelopment Areas (CRA) as established in Florida Statute 163, Part III. The process for creating a CRA is well defined. It must detail the deficiencies in the area meeting the statutory definition of blight, provide a Community Redevelopment Plan (the “CRA Plan”) for eliminating the blight and establish a Tax Increment Financing District (TIF) as an ongoing revenue source to support the projects described in the Plan. Tax increment financing is a unique tool available to Florida cities and counties for redevelopment activities. It is used to leverage public funds to promote private sector activity in the targeted area. A broad overview of the process is outlined below.

1. **Finding of Necessity** – Blight is measured by meeting at least two of 15 criteria as defined in the statute and supported with government-maintained statistics or other studies.
2. **Community Redevelopment Agency Plan** – A master plan must be developed as the blueprint for solving the boundary area deficiencies. The CRA Plan will provide the guidelines for land acquisition, investment, development, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the CRA; zoning and planning changes, if any; land uses; maximum densities; building requirements, elementary schools in the area, housing, newly created office and retail, improved traffic, public transportation, public utilities, recreational and community facilities.

Examples of traditional projects include streetscapes and roadway improvements, building renovations, new building construction, flood control initiatives, water and

sewer improvements, parking lots and garages, neighborhood parks, sidewalks and street tree plantings. The plan can also include redevelopment incentives such as grants and loans for such things as façade improvements, sprinkler system upgrades, signs, and structural improvements. The redevelopment plan is a living document that can be updated to meet the changing needs within the Community Redevelopment Area; however, the boundaries of the area cannot be changed without starting the process from the beginning.

- 3. Tax Increment Financing District (TIF)** -- A CRA is a dependent special district in which any county or city ad valorem tax revenues resulting from future increases in property values are set aside to support economic development projects within that district. These incremental tax revenues are commonly used to focus on economic development within a particular community that is in decline and funding sources for such revitalization are challenged. This is accomplished by establishing a Tax Increment Financing (TIF) district. If the type of improvement is listed in the adopted CRA Plan, TIF dollars may be used as a revenue source for such a project providing the project meets CRA Plan criteria.

Background

Pursuant to the provisions of Chapter 163, Part III, Florida Statutes, on June 28, 2012, the City Council declared the Downtown Investment Authority (the “DIA”) as the Community Redevelopment Agency (CRA) for the Combined Northbank, and the Southside CRAs, when it approved Ordinance 2012-364-E. The Ordinance also codified the determination that the DIA would be the redevelopment agency to implement the revitalization of the Community Redevelopment Area Plans for two active CRAs located in Downtown Jacksonville.

This action transfers the rights, powers, duties, privileges and immunities invested in the DIA acting as the CRA. The CRA as an agency exists until dissolved by action of the City Council. The DIA has direct oversight of redevelopment activities in both redevelopment areas. The DIA is governed by a nine (9) member Governing Board, whose members are selected, for four-year terms, in combination by the Mayor’s office — which selects five (5) DIA Board Members and the City Council — which selects four (4) DIA Board Members. The DIA Board typically meets on a monthly basis and all meetings are publicly noticed and open to the public via in-person or virtual attendance.

Further, on February 20, 2015, via Ordinance 2014-560-E, the City Council, as Governing Body for the DIA CRAs, approved updated and amended Community Redevelopment Plans for both the Northbank and Southside CRAs.

The Plans outline the following seven (7) goals for both CRAs:

Goal 1: Reinforce Downtown as the City’s unique epicenter for business, history, culture, education, and entertainment.

Goal 2: Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.

Goal 3: Simplify the approval process for downtown development and improve departmental and agency coordination.

Goal 4: Improve walkability/bikeability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes.

Goal 5: Establish a waterfront design framework to ensure a unique experience and sense of place.

Goal 6: Maintain a clean and safe 24-7 Downtown for residents, workers, and visitors.

Goal 7: Use planning and economic development policies to promote design for healthy living.

Community Redevelopment Area Plan Implementation

Each redevelopment area has its own CRA Plan unique to each area with its specific needs and deficiencies that has been adopted by the City Council through the legislative process. The purpose of the Plans is to identify policies, strategies and goals that will remedy the conditions of blight that have been determined to exist within the Community Redevelopment Area and clearly stated in the Finding of Necessity. The strategies in all plans include short-term and long-term capital improvements, economic development and planning projects aimed at stimulating growth, creating jobs, and expanding the tax base through the redevelopment of the Community Redevelopment Areas.

Tax Increment Finance (TIF) districts were established at the time the CRA Plans were adopted, pursuant to the Community Redevelopment Act (Florida Statutes 163.387). No TIF revenues may be expended unless those funds are expended in accordance with an adopted Community Redevelopment Plan for the specific redevelopment area and approved by the CRA Board.

The CRA Plans for the two (2) Downtown CRAs, the Northbank and Southside respectively, are encompassed in a larger Business and Investment Development Strategy Plan (the "BID Plan"). Section 6 and Section 7 of the BID Plan identify the projects and initiatives for the Northbank and Southside as well as identify the key attributes of Downtown's physical character and demographics including population, income, current and planned land use, housing, parks and open space system, community facilities, proposed development projects, an overview of Downtown's neighborhoods and districts, and historically significant structures.

The Northbank CRA Plan (Section 6 of the BID Plan)

Projects/Initiatives

While the following projects/initiatives do not represent all of the efforts that the DIA and the City will undertake throughout the life of the Northbank CRA Plan, they do represent initial priorities identified through the comprehensive public and stakeholder outreach that were included in the CRA Plan.

- Retail Enhancement Grant Program - *Active*
- Urban Art Façade and Streetscape Program – *Phase 1 and 2 complete*
- James Weldon Johnson Park Management
- Hogan Street Plaza
- Improved Wayfarer Signage
- Liberty Street Improvements
- Bay Street Improvements
- Pearl Street Improvements
- Reinforce Branding of E Town Zone as “The Elbow”
- Reintroduce Two-Way Street System – *In design*
- National Historic District Designation - *Completed*
- Artists Live/Work Implementation Strategy
- Housing Incentive Program - *Active*
- St. Johns River & Tributary Access – *In construction*
- Park Once
- Northbank East-West Circulator
- Improve Links from Emerald Necklace to the St. Johns River – *In construction*
- “Riverwalk Project” Informational & Wayfinding App
- Landmark Public Park on the St. Johns River – *In design*
- LaVilla Catalyst Site
- Former Duval County Courthouse Catalyst Site - *Pending*
- Snyder Memorial Church Catalyst Site
- James Weldon Johnson Park Improvements

The Southside CRA Plan (Section 7 of the BID Plan)

Projects/Initiatives

While the following projects/initiatives do not represent all of the efforts that the DIA and the City will undertake throughout the life of the Southside CRA Plan, they do represent initial priorities identified through the comprehensive public and stakeholder outreach that were included in the CRA Plan.

- Riverplace Boulevard Road Diet - *Complete*
- St. Johns River & Tributary Access
- Redesign Friendship Park - *Complete*
- Housing Incentive Programs – *Active*
- Landmark Public Park on the St. Johns River – *In design*
- Housing Incentive Programs - *Active*
- Southbank Catalyst Site – *Rivers Edge*

Business Investment and Development Plan (BID Plan) Update

As required by Section 55.108(7) of the ordinance Code, every five (5) years, the DIA Board shall review the BID Plan and either update the BID Plan in its entirety or update the business investment strategy element and the community redevelopment plan element of the BID Plan separately, at different times, subject to City Council approval. The Board shall also have the discretion to either adopt community redevelopment plans for Downtown in its entirety which such plans shall include both a Southside CRA and Northbank CRA, or to adopt separate plans at different times, subject to City Council approval.

In August 2020, the DIA issued an RFP seeking a consultant or consultant team to update the Downtown Design Guidelines, develop a Parks Master Plan, develop a Branding Plan and update the BID Plan and its elements. From a list of four (4) respondents, the DIA selected

Community Solutions Group to begin work in October. The comprehensive overhaul of the BID Plan is expected to be completed by late spring of 2022, and subsequently submitted to the City Council for approval.

DIA Overview for 2020-21

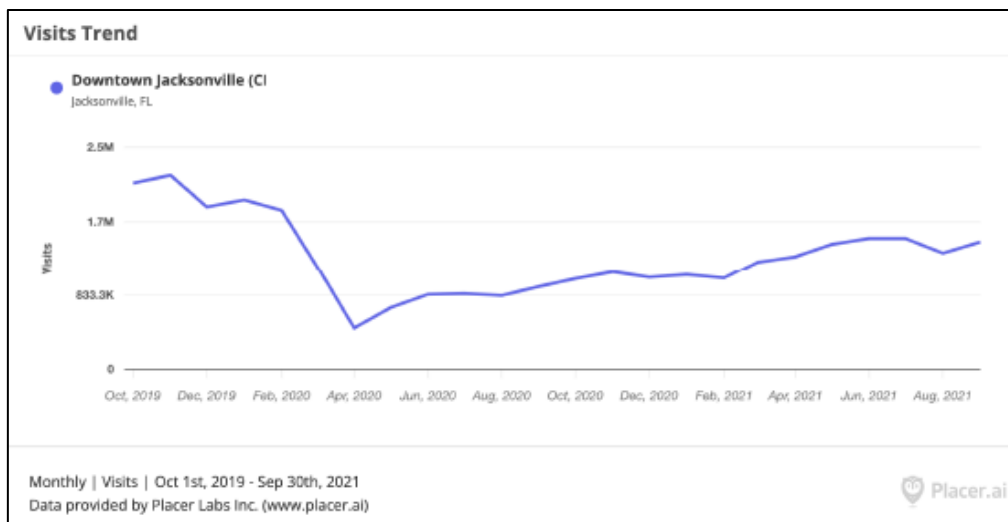
Administration: All eight (8) positions authorized in the FY 2020-21 budget remained occupied for the 2020-21 reporting period. Current DIA Staff includes:

- Lori Boyer, Chief Executive Officer
- Steve Kelley, Director of Downtown Real Estate and Development
- Guy Parola, Operations Manager
- John Crescimbeni, Contract and Regulatory Compliance Manager
- Lori Radcliffe-Myers, Downtown Development Coordinator
- Wanda James Crowley, Financial Analyst
- Ina Mezini, Communication and Marketing Specialist
- Xzavier Chisholm, Administrative Assistant

The DIA Board approved one (1) additional position for the FY 2021-22 budget, which was later approved by the City Council with the adoption of the FY 2021-22 city budget.

COVID-19 Pandemic: On March 13, 2020, the Mayor declared a state of emergency for the consolidated City of Jacksonville due to COVID-19. Various directives followed including the closing of public buildings and non-essential employees to work from home. Upon the Governor’s issuance of Executive Order 20-69 (which suspended any statute requiring a in-person quorum to be present) the DIA Board began holding virtual meetings starting in April.

As anticipated, the pandemic had a severe impact on the number of workers and visitors present in Downtown – which in turn adversely impacted the sales of lodging, retail, restaurant and beverage establishments located within the CRA’s. While all city employees have returned to work, Downtown continues to recover from the effects of the pandemic as employees of several large Downtown employers continue to work from home.



Downtown Investment Authority Governing Board as of September 30, 2021

Name	Appointed By	Appointment Criteria	Term Expiration	
WILLIAM ADAMS	MAYOR	Business Management Experience	06/30/2022	
OLIVER BARAKAT	COUNCIL	Commercial Real Estate Experience	06/30/2023	
JAMES CITRANO	COUNCIL	Business Interest in Northbank CRA	06/30/2023	
TODD FROATS	MAYOR	Banking/Finance Industry Representative	06/30/2022	
CRAIG GIBBS	MAYOR	Business Interest in Southbank CRA	06/30/2020	◆
W. BRAXTON GILLAM	MAYOR	Business Interest in Northbank CRA	06/30/2024	
RON MOODY	COUNCIL	Southbank CRA Representative	06/30/2024	
DAVID WARD	MAYOR	Attorney	06/30/2023	
CAROL WORSHAM	COUNCIL	Urban Planner	06/30/2022	

◆ Board Members with expired terms holdover until a replacement has been confirmed by the City Council.



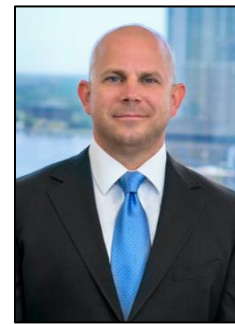
W. Braxton Gillam
Chairman



Carol Worsham
Vice Chairwoman



Jim Citrano
Secretary



William Adams



Oliver Barakat



Todd Froats



Craig Gibbs

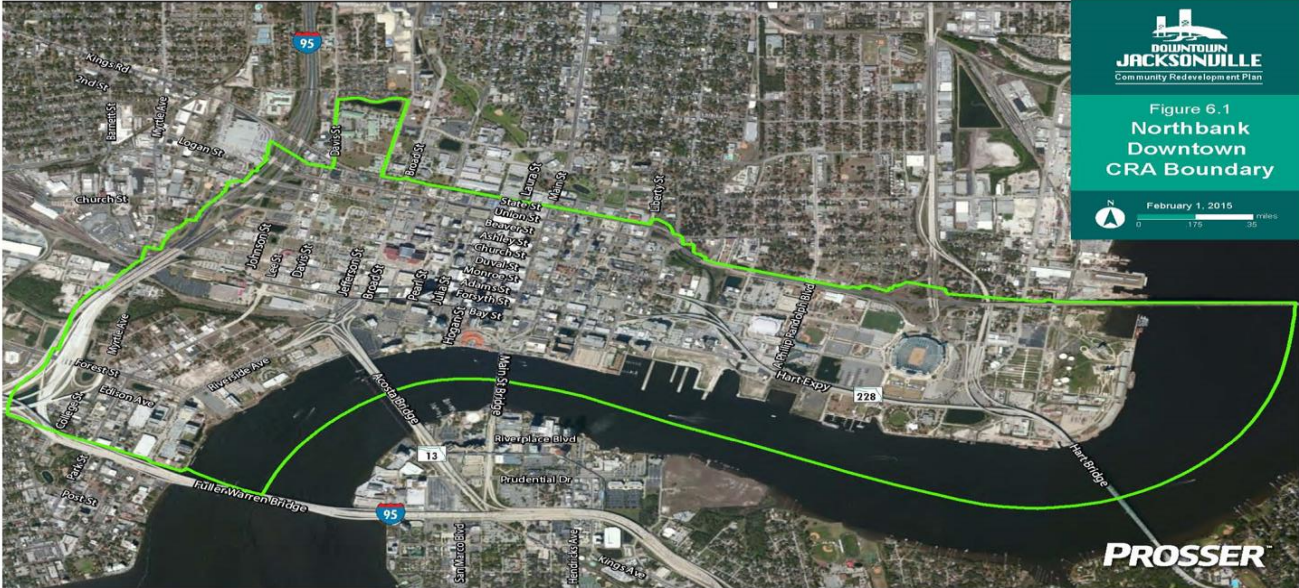


Ron Moody



David Ward

Northbank CRA



Northbank CRA at a Glance

	Northwest TID	Downtown East TID
CRA Base Year (s)	1981	1984
Base Year Taxable Assessment	\$ 214,636,423	\$ 201,743,546
Current Taxable Assessment	\$ 774,077,727	\$ 510,604,413
Incremental Increase	\$ 559,441,304	\$ 308,860,867
Fiscal 2020/2021 TIF Revenue <i>(Pending financial review and audit)</i>	\$ 6,081,017	\$ 3,357,257

Special Note: The taxable assessments for 2020 exceeded the taxable assessments target for 2025 (as established in the 2014 Business Investment and Development Strategy) by 5%.

Northbank CRA Project and Program Highlights for 2020-21

The Doro (New Project)

The DIA Board approved an incentive package (that included a fifteen (15) year 65% REV grant (up to \$5.8 million) of the incremental increase of the county portion of ad valorem taxes. The mixed-use development, located at 102 and 108 A. Philip Randolph Boulevard, will consist of approximately 247 multi-family units and 9,000 square feet of retail space. With an anticipated minimum capital investment of \$50.3 million, substantial completion of this project is expected by the fall of 2023.



Regions Bank (New Project)

The DIA Board approved an incentive package (which was later approved in legislation by the City Council) that included a Downtown Preservation and Revitalization Program forgivable loan of \$900,000 and an Economic Development Grant in the amount of \$200,000. The restoration and rehabilitation of the old Bisbee Building (c. 1901), located at 51 West Bay Street, will consist of signage improvements and various restoration work as reviewed and approved by the Jacksonville Historic Preservation Commission. Qualifying expenditures will be reimbursed at various percentages as established by DPRP guidelines. With an anticipated capital investment of up to \$2.6 million, substantial completion of all improvements are expected by June of 2025.

Florida Baptist Convention Building (New Project)



The DIA Board approved an incentive package (which was later approved in legislation by the City Council) that included a Historic Preservation Restoration and Rehabilitation forgivable loan up to \$2.37 million, a Code Compliance Renovations forgivable loan up to \$1.9 million and a Downtown Preservation and Revitalization Program deferred principal loan of \$1.07 million. The restoration and rehabilitation of the former Baptist Convention Building (c. 1924), located at 218 West Church Street, will include 24 residential units and 5,330 square feet of restaurant/retail space located on the ground floor and basement. Along with the Federal Reserve Bank building project listed below, the combined projects have an

anticipated capital investment of \$18.5 million. Renovation work commenced in August of 2021 and substantial completion of this project is expected by the summer of 2023.

Federal Reserve Bank Building (New Project)

The DIA Board approved an incentive package (which was later approved in legislation by the City Council) that included a Historic Preservation Restoration and Rehabilitation forgivable loan up to \$1.22 million, a Code Compliance Renovations forgivable loan up to \$1.37 million and a Downtown Preservation and Revitalization Program deferred principal loan of \$653,474. The restoration and rehabilitation of the former Federal Reserve Bank Building (c. 1923), located at 424 North Hogan Street, will include two (2) restaurant spaces totaling 7,400 square feet and 9,000 square feet of event space. Along with the Baptist Convention Building project listed above, the combined projects have an anticipated capital investment of \$18.5 million. Renovations are scheduled to begin in November of 2021 and substantial completion of this project is expected by the fall of 2023.



Laura Trio (New Project-Revised)

The DIA Board approved an incentive package for three (3) contiguous historic structures located downtown at the northeast corner of North Laura Street and West Forsyth Street. The incentive package (which was later approved in legislation by the City Council) included a Historic Preservation Restoration and Rehabilitation forgivable loan up to \$9.38 million, a Code Compliance Renovations forgivable loan up to \$10 million and a Downtown Preservation and Revitalization Program deferred principal loan of \$5.3 million. Rehabilitation of the old Florida National Bank Building (c. 1902) will include three (3) restaurants of 7,442 square feet, 7,069 square feet and 3,615 square feet. Rehabilitation of the Bisbee Building (c. 1909) will include a 4,401 square foot bodega, a 4,401 square foot conference center and 56 hotel rooms. Rehabilitation of the Florida Life Insurance Building (c. 1912) will include a 2,548 square foot media center, a 2,205 square foot fitness center and 35 hotel rooms. New construction will add 54 hotel rooms, a 4,650 square foot roof top bar and 8,843 square feet of ground floor retail space. The anticipated capital investment of this project is \$66.9 million.



Riverfront Parks Activation Study (New Study)

Recognizing that any comprehensive program and strategy for Downton’s parks must include Riverfront Parks and the Riverwalk, the DIA Board authorized the expenditure of \$60,000 to help underwrite the Jessie Ball DuPont Fund’s study on activation of our Riverfront Parks.

Johnson Commons (New Project)

Following a Notice of Disposition, the DIA Board approved an incentive package (which was later approved in legislation by the City Council) that included the sale of city-owned property in LaVilla for \$1 in exchange for the construction of 91 for-sale product town homes (Phase 1) and 10,000 square feet of stand-alone retail space or a mixed-use product of multi-family and retail with a minimum of 10,000 square feet of retail space on the ground floor (Phase 2). Upon the sale of each town home, the City shall receive fifty percent (50%) of the net sale price in excess of \$250,250. With an anticipated capital investment of \$16 million, substantial completion of Phase 1 of this project is expected by the fall of 2023.



Union Terminal Warehouse (New Project)

The DIA Board approved an incentive package (legislation for which will be presented later to the City Council for approval) that included a Historic Preservation Restoration and Rehabilitation forgivable loan up to \$4.25 million, a Code Compliance Renovations forgivable loan up to \$2.38 million and a Downtown Preservation and Revitalization Program deferred principal loan of \$1.66 million. The restoration and rehabilitation of the Union Terminal Warehouse (c. 1912), located at 700 Union Street and contiguous with the Northbank CRA boundary, will include 220 residential units, 38,000 square feet of retail space, and a rooftop terrace and community garden. A substantial completion date for this project has not yet been established.

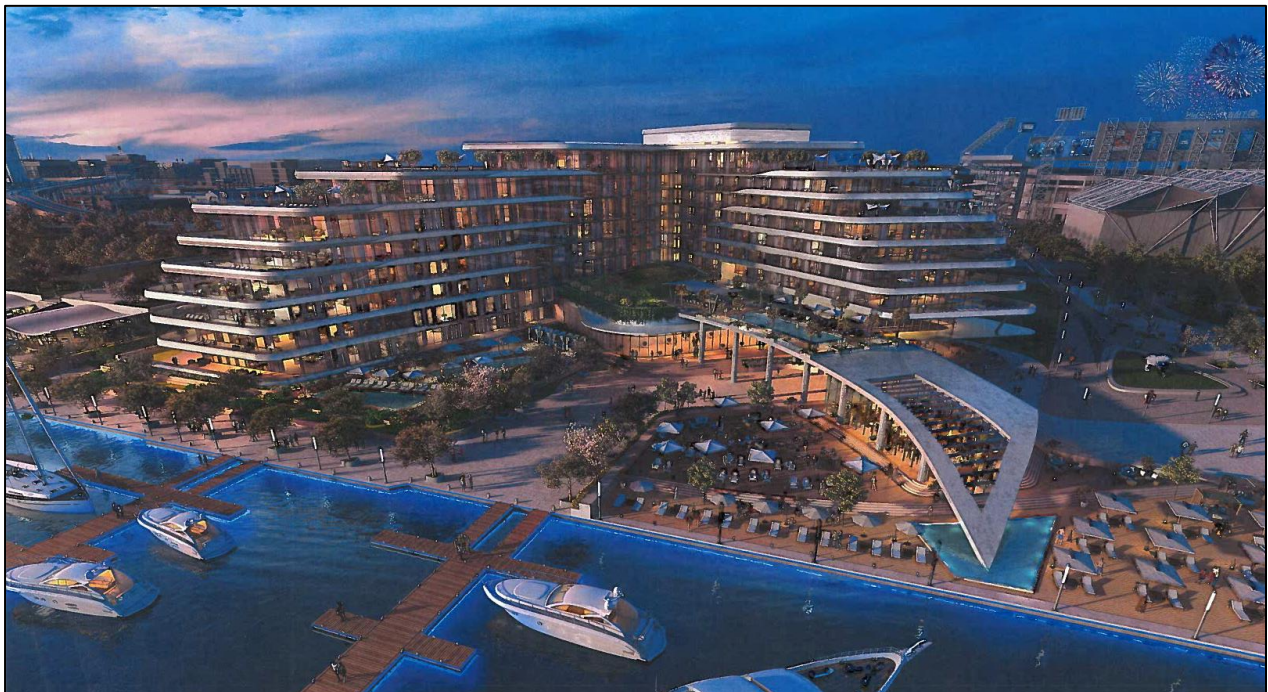


Vista Brooklyn 2 (New Project)

The DIA Board approved a second incentive package for this project (which was later approved in legislation by the City Council) that included a (10) year 12.5% REV grant (up to \$1.55 million) of the incremental increase of the county portion of ad valorem taxes. To further promote the occupancy of 12,685 square feet of new ground floor retail space at the project located at 200 Riverside Avenue, the REV Grant incentive also requires the developer to subsidize new tenants, in an amount equal to at least \$100 per square foot (in the form of rent abatement or construction build-out allowance) and to achieve a retail use occupancy rate of at least sixty percent (60%).

Kids Kampus (New Project)

Following a Notice of Disposition, the DIA Board approved an incentive package (which was later approved in legislation by the City Council) that included the conveyance of approximately 5.8 acres of land at Kids Kampus for the construction of a five-star hotel (with no fewer than 170 rooms and 23 Class A condominiums, no less than 250 structured parking spaces, no less than 37,000 square feet of retail space and no less than 9,500 square feet of flexible meeting space) and the construction of a Class A office building (with no fewer than 141,300 square feet of which no less than 90,000 square feet shall be leasable space, and no less than 9,000 square feet shall be retail space). The package also includes a twenty (20) year 75% REV grant (up to \$47.7 million) of the incremental increase of the county portion of ad valorem taxes on the hotel parcel and a right of first offer to ground lease or purchase an additional parcel of approximately 4.9 acres. With an anticipated capital investment of \$301 million, substantial completion of the hotel and office building are expected by December 2025.



Lofts at Cathedral (New Project)

The DIA Board approved an incentive package that included a \$625,000 loan from the Northbank CRA Loan Program for the construction of 120 residential units (including 57 affordable housing units and 27 workforce housing units). Located at 325 East Duval Street, this project is expected to have a minimum capital investment of \$28.7 million. No completion date has been established for this project.



Porter House Mansion (New Project)

The DIA Board approved an incentive package (which was approved in legislation by the City Council) that included a Historic Preservation Restoration and Rehabilitation forgivable loan up to \$277,186, a Code Compliance Renovations forgivable loan up to \$258,479 and a Downtown Preservation and Revitalization Program deferred principal loan of \$133,619. The restoration and rehabilitation of Porter Mansion (c. 1902), located at 510 North Julia Street, will provide 10,000 square feet of office space and 8,632 square feet of shell restaurant/retail space. This project is expected to have an anticipated capital investment of \$2.9 million. Substantial completion of this project is expected by the summer of 2023.

One Riverside (New Project)

The DIA Board approved an incentive package (which was later approved in legislation by the City Council) that included a twenty (20) year 75% REV grant (up to \$28.4 million) of the incremental increase of the county portion of ad valorem taxes, a project completion grant not to exceed \$1.7 million, a restaurant completion grant not to exceed \$750,000, dedication of city rights-of-way and a mobility fee credit. The mixed-use development, located at 1 Riverside Avenue (the former site of the Florida Times Union), will be constructed in two (2) phases. Phase 1 will consist of not less than 265 multi-family units, 400 structured parking spaces and 35,330 square feet of commercial/retail (including a grocery store of not less than 22,000 square feet) and a 2,500 square foot riverfront restaurant. Phase 2 will consist of not less than 113 multi-family units, 180 structured parking spaces and 13,500 square feet of retail space (including not less than two restaurants facing McCoy’s Creek or the St. Johns River). The city will also purchase a portion of the site for the purposes of restoring McCoy’s Creek and creating park space. With a minimum capital investment of \$164 million, substantial completion of Phase 1 of this project is anticipated by the fall of 2025.

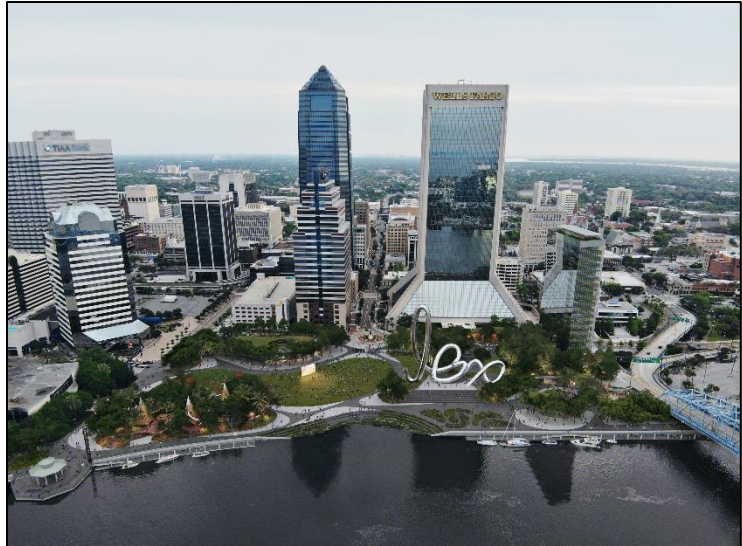


Business Improvement District (New Boundary Amendment)

In response to residential growth and continuing expansion of business and employment opportunities in Downtown, the DIA Board approved the expansion of the geographic boundaries of the Business Improvement District (which was later approved in legislation by the City Council) to provide enhanced municipal services to 733 additional property parcels located in the Northbank CRA.

Riverfront Plaza Design Competition (New Project)

During the reporting period, a two-phase design competition for Riverfront Plaza (to be located on the former site of the Jacksonville Landing) was conducted through the City’s Procurement Division. P-01-21 was issued in January 2021 and the three most qualified respondents were selected in March. Designs of the public park and its interface with the adjacent private development pads were prepared by Perkins & Will, Agency Landscape and Planning, and Olin Partnership. After extensive public input, including a public presentation of



the proposals from each team, the Perkins & Will design was selected and are currently under contract to complete the park design. The park will include a destination playground, a large flexible lawn space, a beer garden under a new pedestrian ramp from the Main Street Bridge, and a future park pavilion/restaurant space. Final plans are expected to be completed by the fall 2022.

Ruby Beach Brewery (Project Completed) ✓

In June of 2021, the DIA Board approved a forgivable five (5) year FAB-REP loan in the amount of \$75,000 for Ruby Beach Brewing Company (tenant) and 228 Forsyth, Inc. (landlord) towards the \$370,000 build out of a commercial microbrewery and brew pub located at 228 East Forsyth Street (f/k/a The Letter Shop). Ruby Beach Brewery opened to the public on August 13, 2021.

Residence Inn (Project Completed) ✓

In October of 2015, the DIA Board approved an incentive package (which was later approved in legislation by the City Council) that included a twenty (20) year 75% REV grant (up to \$3.7 million) of the incremental increase of the county portion of ad valorem taxes for the construction of the 180 bed Residence Inn located at 357 Oak Street. With an anticipated capital investment of \$17.5 million, the Residence Inn grand opening is scheduled for October of 2021.

Bread & Board (Project Completed) ✓

In July of 2020, the DIA Board approved a forgivable five (5) year FAB-REP loan in the amount of \$371,590 for Bread & Board (tenant) and VyStar Credit Union (landlord) towards the \$1.5 million build out of 6,700 square feet of restaurant/lounge space located at 100 West Bay Street. Bread & Board opened to the public on August 19, 2021.



Vista Brooklyn 1 (Project Completed) ✓

In 2016, the DIA Board recommended an incentive package (which was later approved in legislation by the City Council) that included a twenty (20) year 62.5% REV grant (up to \$9 million) of the incremental increase of the county portion of ad valorem taxes. The mixed-use development, located at 200 Riverside Avenue, consists of approximately 300 multi-family units and 12,000 square feet of retail. With a capital investment of \$80 million, leasing and move-ins at Vista Brooklyn began in June of 2021.



Guidewell/Blue Cross Blue Shield Parking Garage (Project Completed) ✓

In August of 2019, the DIA Board approved a Notice of Disposition for redevelopment of an underutilized retention pond site at the intersection of Forest Street and Park Street. The disposition was awarded to the only respondent, Guidewell, the parent company of Florida Blue, for construction of a \$21 million, 750



minimum space parking garage. The DIA agreed to provide the land at no cost, and the City agreed to provide a \$3.5 million closing grant upon completion of the facility as subsequently approved in legislation by the City Council. Upon completion, the City will be ensured public access to the entire garage after 6 p.m. on weekdays and for 24 hours on Saturdays, Sundays, and national holidays – thereby providing much needed parking for patrons of retailers and restaurants in the vicinity. The garage opened for use by the public in July of 2021.

USS Orleck (Project Update)

In January of 2020, the DIA Board authorized the negotiation of a Development Agreement and License Agreement (which was later approved in legislation by the City Council) with the Jacksonville Historic Naval Ship Association for the relocation of the USS Orleck (DD-886) to Downtown Jacksonville as a floating ship museum at the former Shipyards site. The project will include a ticket booth, museum gift shop and restrooms. Because of the future development potential of the Shipyards site, this project will be designed with consideration to portability and subject to a ninety-day relocation notice provision. The anticipated date for the USS Orleck to open for public tours is the summer of 2022.



Metropolitan Parking Solutions Litigation (Project Update)

In March of 2004, the city entered into an agreement with Metropolitan Parking Solutions, LLC (MPS) to build and operate three parking garages in the Downtown Core. The agreement required the city to reimburse MPS (on a semi-annual basis) for any operating losses (including debt service and guaranteed rate of return on their capital investment) in the form of a Development Loan. Since opening in 2006-07, the garages have continuously operated at a significant loss resulting in the largest annual financial obligation for the Northbank CRA. In June of 2020, following the DIA's withholding of a portion of requested semi-annual reimbursements because of a lack of documentation, MPS filed litigation against the city and the DIA. In March of 2021, the DIA Board authorized the DIA Chief Executive Officer to take all steps necessary to adequately represent the interest of the DIA, city and taxpayers, including participating in mediation and filing legislation (later approved by the City Council) to purchase the garages in the event the Court finds MPS in default of the agreement. In May of 2021, DIA staff began confidential mediation sessions with MPS which remain ongoing.

Ambassador Hotel (Project Update)

In December of 2019, the DIA Board recommended a \$1.5 million Downtown Historic Preservation and Revitalization Trust Fund grant (subsequently approved by the City Council) toward the \$30 million renovation of the former Ambassador Hotel (c. 1923), located at 420 North Julia Street. The renovation, pursuant to standards established by the Secretary of the Interior, will result in 140 apartment units, a 21,000 square foot grocery store and 10,000 square feet of restaurant/lounge space. Interior demolition work on this project commenced in July of 2021 and substantial completion is anticipated by December of 2022.



The renovation, pursuant to standards established by the Secretary of the Interior, will result in 140 apartment units, a 21,000 square foot grocery store and 10,000 square feet of restaurant/lounge space. Interior demolition work on this project commenced in July of 2021 and substantial completion is anticipated by December of 2022.

Independent Life Building (Project Update)

In July of 2020, the DIA Board recommended a \$3 million Downtown Historic Preservation and Revitalization Trust Fund grant (subsequently approved by the City Council) toward the \$30 million renovation of the former Independent Life Building (c. 1955), located at 233 West Duval Street. The renovation, pursuant to standards established by the Secretary of the Interior, will result in 140 apartment units, a 21,000 square foot grocery store and 10,000 square feet of restaurant/lounge space. Interior demolition work on this project commenced in July of 2021.



FIS Headquarters (Project Update)



In 2019, the DIA Board recommended an incentive package (which was later approved in legislation by the City Council) to induce the construction of a new 376,000 square foot corporate headquarters for FIS in the Brooklyn area of the Northbank CRA. This project will result in the retention of 1,216 jobs, the creation of 500 new jobs and capital investment of approximately \$145 million for the construction of the new office building and associated facilities located at 347 Riverside Avenue. The incentive package includes a twenty (20) year 75% REV grant (up to \$23.4 million) of the incremental increase in the county portion of ad valorem taxes and a \$3.5 million closing grant. This project commenced construction in August of 2020 and

is expected to be substantially complete in December of 2023.

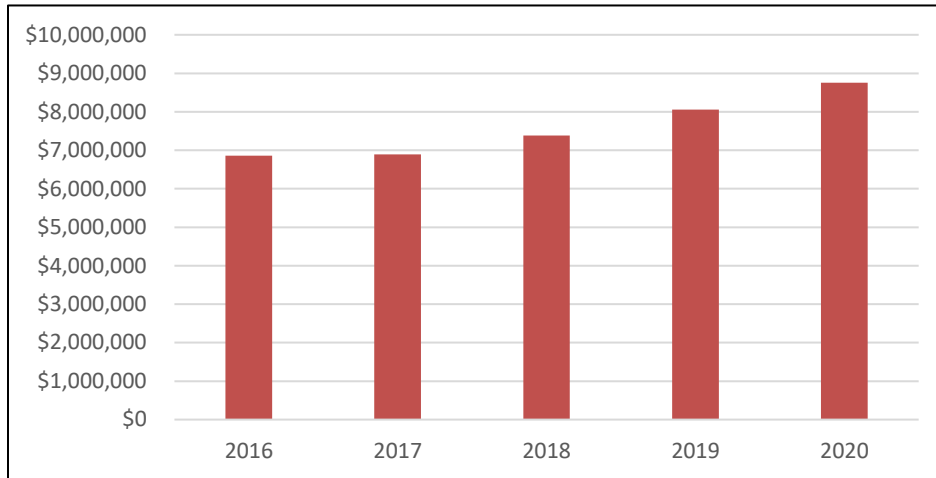
Ryan Companies/JEA Headquarters Disposition (Project Update)

Pursuant to a public bid process, JEA selected a proposal submitted by the Ryan Companies for the construction and leaseback of its new 152,000 square foot corporate headquarters located at 225 North Pearl Street. Ryan Companies submitted an unsolicited proposal to the DIA for acquisition of a city owned block for a purchase price in excess of appraised value. The DIA opened a thirty (30) day Notice of Disposition process and ultimately the DIA Board authorized the sale of the property to Ryan Companies for \$2.6 million. The sale closed in June of 2020, construction commenced in October of 2020 and completion is anticipated in September of 2022.

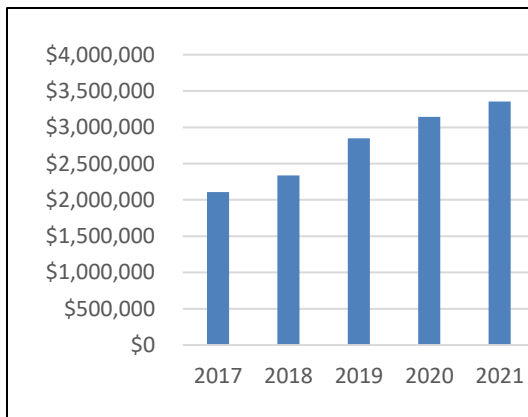


Northbank CRA Tax Increment Revenues

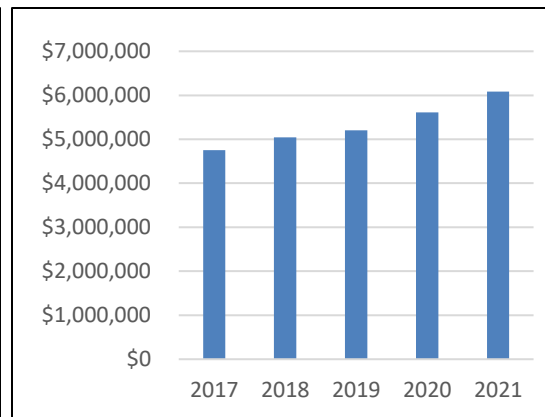
COMBINED TAX INCREMENT DISTRICT (TID) AD VALOREM REVENUES



DOWNTOWN EAST TID



DOWNTOWN WEST TID



Northbank CRA Tax Increment Revenues by Tax Increment District (FY2017-21)

Year	Total Revenue	Downtown East	Northwest
2017	\$6,894,084	\$2,107,679	\$4,752,708
2018	\$7,383,266	\$2,336,145	\$5,047,121
2019	\$8,055,246	\$2,849,806	\$5,205,440
2020	\$8,762,118	\$3,142,573	\$5,619,545
2021	\$9,438,274	\$3,357,257	\$6,081,017

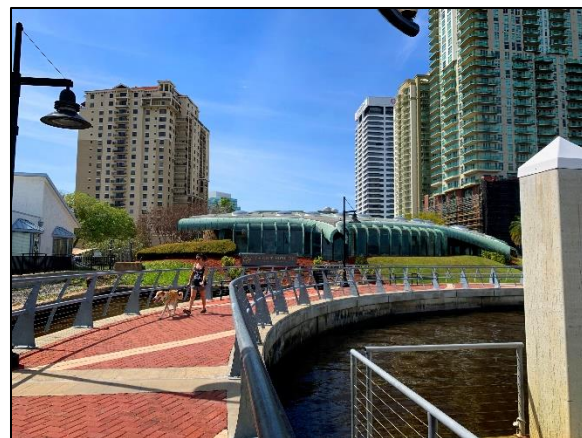
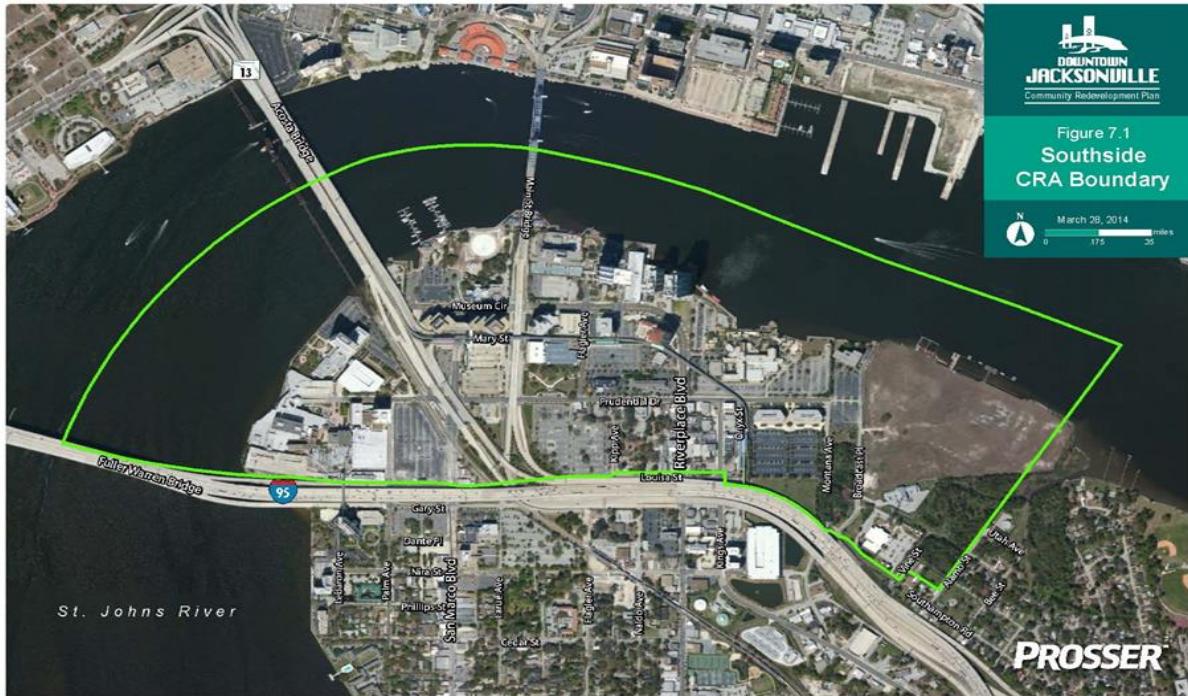
Northbank CRA – Downtown East AND West Combined TID Budgets

**DOWNTOWN NORTHBANK CRA TRUST
FUND 10801**

<u>REVENUES</u>	<u>FY21 Proposed</u>
Property Taxes - Northwest USD1-B	6,081,017
Property Taxes - Northeast USD1-C	3,357,257
Debt Repayment (Lynch /11E)	595,247
Debt Repayment (Carling Loan)	506,487
Total Revenues:	<u>10,540,008</u>
<u>EXPENDITURES</u>	<u>FY21 Proposed</u>
Administrative Expenditures	
Supervision Allocation	773,696
Advertising and Promotion	-
Annual Independent Audit	2,500
Total Administrative Expenditures:	<u>776,196</u>
Financial Obligations	
Recaptured Enhanced Value (REV) grants	
Hallmark / 220 Riverside (leg: 2012-270)	399,502
Pope & Land / Brooklyn (leg: 2012-703 amend: 2013-288)	397,572
Lofts at Jefferson Station (DIA resolution 2017-10-05)	157,000
MPS Subsidy Downtown Garages	5,000,000
Lynch Bldg Loan Repayment	800,000
Total Financial Obligations:	<u>6,754,074</u>
Plan Authorized Expenditures	
Professional Services	50,000
BID and CRA Plan Update	100,000
Retail Enhancement Program	400,000
Waterfront Activation	100,000
Façade Grant Program	262,006
Marketing	100,000
Two Way Conversion - Forsyth & Adams	1,500,000
Unallocated Plan Authorized Expenditures	497,732
Total Plan Authorized Expenditures:	<u>3,009,738</u>
Total Expenditures:	<u>10,540,008</u>

Revised Schedule V
1 of 2

Southside CRA



Southside CRA at a Glance

CRA Base Year	1980
Base Year Taxable Assessment	\$ 89,127,781
Current Taxable Assessment	\$ 606,000,801
Incremental Increase	\$ 516,873,020
Fiscal 2020/21 TIF Revenue <i>(Pending financial review and audit)</i>	\$ 5,618,309

Special Note: The taxable assessments for 2020 exceeded the taxable assessments target for 2025 (as established in the 2014 Business Investment and Development Strategy) by 5%.

Southside CRA Project and Program Highlights for 2020-21

River City Brewing Company (New Project)

Following a Notice of Disposition, the DIA Board approved an incentive package (which was later approved in legislation by the City Council) that included a twenty (20) year 75% REV grant (up to \$13 million) of the incremental increase of the county portion of ad valorem taxes, an infrastructure grant up to \$500,000, a restaurant completion grant up to \$500,000 and a land swap. The mixed-use development, located at 835 Museum Circle, will consist of approximately 325 Class A multi-family units, 500 structured parking spaces, 1,800 square feet of restaurant space, a new marina with a 1,000 square foot Ship's Store and improvements to the Riverwalk. With an anticipated capital investment of \$85 million, substantial completion of this project is expected by no later than the spring of 2025.



Business Improvement District (New Boundary Amendment)

In response to residential growth and continuing expansion of business and employment opportunities in Downtown, the DIA Board approved the expansion of the geographic boundaries of the Business Improvement District (which was later approved in legislation by the City Council) to provide enhanced municipal services to 269 additional property parcels located in the Southside CRA.

Rivers Edge (Project Update)

In April of 2018, the DIA Board recommended an incentive package (which was later approved in legislation by the City Council) for Rivers Edge (formerly known as The District) to redevelop the 30-acre former JEA site located on downtown's Southbank. With a proposed capital expenditure of \$280 million, Rivers Edge will include 950 residential units, 147 hotel rooms, 200,000 square feet of office space, 134,000 square feet of retail space, a 125-slip marina and the donation of four parcels of land (totaling at least 4 acres) to the city for use as public parks. The incentive package includes a twenty (20) year 75% Recaptured Enhanced Value (REV) grant (up to \$56 million) of the incremental increase in the county portion of ad valorem taxes and a commitment by the City to spend \$23 million on the development of the parks, extending the Riverwalk, a new water-taxi stop and the extensions of Prudential Drive, Broadcast Place and Riverside Drive. Following a change of ownership in September of 2020, construction of the Rivers Edge project commenced in June of 2021.



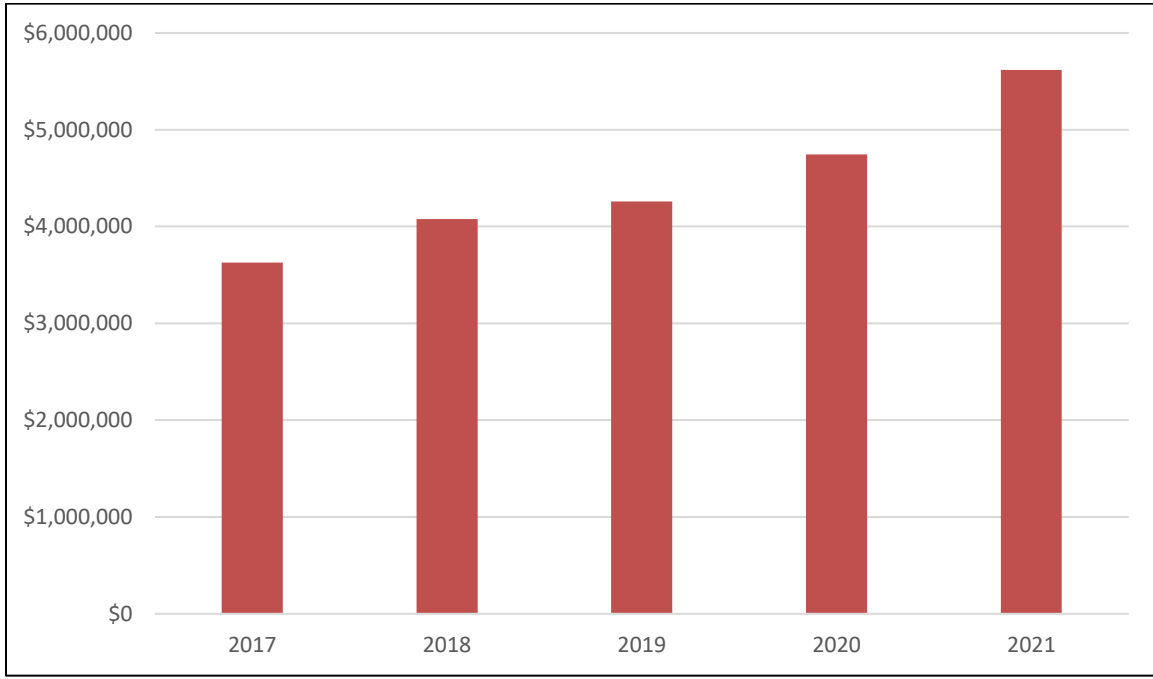
Southbank Ventures Apartments Project (Project Update)

In January of 2017, the DIA Board recommended (which was later approved in legislation by the City Council) a fifteen (15) year 75% REV grant (up to \$7.8 million) of the incremental increase in the county portion of ad valorem taxes for the development of an approximately 300 unit market rate, multi-family development at 0 Prudential Drive. The start of this project was delayed in order to resolve a pending lawsuit (regarding the development proposal) brought by neighboring landowners. Construction commenced in February of 2020. With a proposed capital expenditure of \$37 million, substantial completion of this project is expected by the summer of 2022.



Southside CRA Tax Increment Revenues

REVENUE



Southside CRA Tax Increment Revenues (FY2016-20)

Year	Revenue
2017	\$3,628,092
2018	\$4,078,987
2019	\$4,261,007
2020	\$4,707,693
2021	\$5,618,309

Southside CRA – TID Budget

**DOWNTOWN SOUTHBANK CRA TRUST
FUND 10802**

REVENUES		FY21 Proposed
Property Taxes		5,618,309
	Total Revenues:	<u>5,618,309</u>
EXPENDITURES		FY21 Proposed
Administrative Expenditures		
Supervision Allocation		326,684
Professional Services		-
Annual Independent Audit		2,500
	Total Administrative Expenditures:	<u>329,184</u>
Financial Obligations		
Recaptured Enhanced Value (REV) grants		
Strand (leg: 2001-1329 amend: 2002-755 & 2006-1131)		496,006
Peninsula (leg: 2001-1329 amend: 2002-755 & 2006-1131)		703,054
SunGard (leg: 2015-780)		13,244
Home Street Apartments (DIA Resolution 2017-08-03)		145,000
JEA Southside Gen Station Public Infrastructure Improvements		2,000,000
One Call Commercial Revitalization Incentive		100,000
Debt Service Interest - Strand Bonds 2014 Special Rev		171,350
Debt Service Principal - Strand Bonds 2014 Special Rev		197,000
	Total Financial Obligations:	<u>3,825,654</u>
Future Years Debt Reduction		
Future Debt Reduction		250,000
	Total Future Years Debt Reduction:	<u>250,000</u>
Plan Authorized Expenditures		
Retail Enhancement		250,000
Southbank Parking		350,000
Professional Services		50,000
BID and CRA Plan Update		50,000
Unallocated Plan Authorized Expenditures		513,471
	Total Plan Authorized Expenditures:	<u>1,213,471</u>
	Total Expenditures:	<u>5,618,309</u>

Revised Schedule V
2 of 2

Summary of New Projects Approved: 2020-21 By the Numbers

As required by the business investment strategy element of the Community Redevelopment Plan in the BID Plan, the DIA Board always evaluates new projects with consideration to achieving the goals and objectives established by the Plan (categories of which are listed on pages 4-5 of this report).

For the new projects outlined in the Project and Program Highlights for both the Northbank CRA and the Southside CRA listed above (beginning on pages 10 and 22 respectively), the following statistics are applicable towards achieving those established goals and objectives:

11	New Projects Approved
788.9 million	New Anticipated Capital Investment
1,428	New Residential Units Approved
213,512 sq ft	New Restaurant/Retail Space Approved
151,300 sq ft	New Office Space Approved
22,901sq ft	New Event/Conference Space Approved
315	New Hotel Rooms Approved
1330	New Structured Parking Spaces Approved
Up to \$94.8 million	New REV Grants Approved
Up to \$3.7 million	New Other Grants Approved
Up to \$15.9 million	New Code Compliance Renovations Forgivable Loans Approved
Up to \$17.5 million	New Historic Preservation and Rehabilitation Forgivable Loans Approved
\$9.7 million	New Downtown Preservation and Revitalization Loans Approved
\$625,000	New "Other" Loans Approved

Exhibit A

Audited Financial Statements: 2020-21

City of Jacksonville Audited Financial Statements for Fiscal Year Ended September 30, 2021

Pursuant to Chapter 163 of the Florida Statutes, this annual report must be accompanied by the most recent complete audit report of the Redevelopment Trust Fund. As of March 31, 2022, the Audited Financial Statements for fiscal year ended September 30, 2021, were not yet completed by the City of Jacksonville's outside auditor. As a result, the following pages are the Audited Financial Statements for fiscal year ended September 30, 2020.

When the Audited Financial Statements for fiscal year ended September 30, 2021 are completed, they will be available for review on the DIA website at (www.dia.coj.net/about).

Reading these reports online will require Adobe Acrobat Reader. If you do not have Adobe Acrobat Reader, you may download the necessary software from www.adobe.com. (Please note these may be large files and take several minutes to download.)





**City of Jacksonville, Florida
Downtown Investment Authority**

Required Communications

September 30, 2020



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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Jacksonville, Florida Downtown Investment Authority (the "Agency") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's 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 auditor's 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 of the City of Jacksonville, Florida Downtown Investment Authority, as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance 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 budgetary comparison information on pages 3–6 and 26–29 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 January 14, 2022, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 the Agency's internal control over financial reporting and compliance.

CARR, RIGGS & INGRAM, LLC

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

Jacksonville, Florida
January 14, 2022

City of Jacksonville, Florida Downtown Investment Authority Management's Discussion and Analysis

As management of the City of Jacksonville, Florida Downtown Investment Authority (the "Agency"), we offer readers of the Agency's financial statements this narrative overview of the financial activities of the Agency for the fiscal year ended September 30, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred inflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$8.7 million (net position).
- The Agency total net position increased \$7.0 million over the course of the year's operation primarily due to unspent project funds.
- The Agency's financial statements reported an ending fund balance of \$22.0 million, an increase of \$6.9 million compared to the prior year. This represents unspent funds which will be carried forward and used in subsequent years.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the Agency:

Government-wide financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the components (assets and deferred outflows of resources, less liabilities and deferred inflows of resource) presented as net position. Net position is reported as one of three categories: net investment in capital assets, restricted, or unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted. Over time, increases or decrease in net position may serve as useful indicators of whether the City's financial position is improving or deteriorating.

Fund financial statements.

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Agency's funds are governmental funds. The Agency has no proprietary funds or fiduciary funds.

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 the near-term inflows and outflows of resources, as well as on balances of nonspendable and spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

City of Jacksonville, Florida
Downtown Investment Authority
Management's Discussion and Analysis

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 Agency maintains two individual governmental funds. Information is presented separately for the Northbank Downtown Area and Southside Area, both of which are considered to be major funds.

Notes to the financial statements.

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

Other information.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is a comparison between the Agency's adopted and final budget and actual financial results. The Agency adopts annual appropriated budgets for both major funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budgets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$8.7 million at the close of the most recent fiscal year, which is an increase of \$7.0 million.

The following table reflects the condensed statement of net position:

	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 22,198,148	\$ 15,168,398
Long-term receivables	32,515,083	34,818,020
Total assets	<u>54,713,231</u>	<u>49,986,418</u>
Deferred Outflows of Resources	91,049	101,013
Current and other liabilities	201,330	108,560
Long-term liabilities outstanding	13,353,130	13,396,058
Total liabilities	<u>13,554,460</u>	<u>13,504,618</u>
Deferred Inflows of Resources	32,515,083	34,818,020
Restricted Net Position	<u>\$ 8,734,737</u>	<u>\$ 1,764,793</u>

The largest portion of the net position reflects the Agency's cash and cash equivalents and investments. This reflects funds available for future projects.

City of Jacksonville, Florida
Downtown Investment Authority
Management's Discussion and Analysis

The following tables shows condensed revenue and expense data:

	<u>2020</u>	<u>2019</u>
General revenues:		
Property taxes	\$ 13,496,850	\$ 12,316,253
Investment earnings	1,101,823	1,092,961
Miscellaneous	759,257	702,777
Transfers from (to) primary government, net	<u>2,874,855</u>	<u>(1,439,986)</u>
Total revenues	<u>18,232,785</u>	<u>12,672,005</u>
Program expenses:		
Economic environment	10,798,572	6,667,529
Interest and related costs on long-term debt	<u>464,269</u>	<u>479,245</u>
Total expenses	<u>11,262,841</u>	<u>6,667,529</u>
Change in net position	6,969,944	6,004,476
Net position - beginning	<u>1,764,793</u>	<u>(4,239,683)</u>
Net position - ending	<u>\$ 8,734,737</u>	<u>\$ 1,764,793</u>

The Agency's net position increased \$7.0 million primarily from excess revenues over expenses.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

Revenues (excluding transfers) for the Agency's activities increased \$1.2 million primarily from an increase in property taxes.

Budgetary highlights.

During the fiscal year, the budgets for the major funds were amended after adoption. The primary differences between the original budget and the final amended budget are summarized as follows:

- Northbank Downtown Area – increases in interest income, economic environment expenditures, debt service expenditures, and transfers-in of approximately \$443,000, \$2,294,000, \$875,000, and \$494,000, respectively.
- Southside Area – increases in interest income and transfers-out of approximately \$271,000, and \$421,000, respectively and a decrease in economic environment expenditures of approximately \$101,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets.

The Agency does not maintain the capital assets. Capital assets are transferred to funds maintained by the City of Jacksonville, Florida.

City of Jacksonville, Florida
Downtown Investment Authority
Management's Discussion and Analysis

Long-term debt.

At the end of the current fiscal year, the Agency had long-term debt outstanding of \$13.4 million. This represents one bond payable as well as a loan to a fund maintained by the City of Jacksonville, Florida. Additional information regarding the Agency's long-term debt can be found in the notes to the financial statements.

ECONOMIC FACOTRS AND NEXT YEAR'S BUDGET

The consolidated city of Jacksonville is the most populated city in Florida based on the 2010 Census. It is anticipated that the city's population will grow significantly over the next few years reflecting the general economic recovery, Jacksonville's pro-business economic development policies, moderate tax burden, all-year outdoor climate, and in-migration of businesses from less desirable areas of the country.

Assessed valuation has increased. The value of building permits has improved significantly indicating a recovery in housing and economic growth for the City. It is difficult to forecast the rate of economic improvement but we do anticipate continued improvement in assessed values in the near to mid-term future.

Unemployment continues to decline and MSA employment continues to increase; both very positive trends.

The Agency approved area budgets for FY 2020-2021. Tax increment revenue projections were based upon actual values from the Property Appraiser's Office. The Agency anticipates Tax Increment Financing (TIF) revenue growth in the coming years as perennial increase in property values continue and future redevelopment projects break ground.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Jacksonville, Florida Downtown Investment Authority's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Council Auditor's Office located at 117 West Duval Street, Suite 200, Jacksonville, Florida 32202.

City of Jacksonville, Florida
Downtown Investment Authority
Basic Financial Statements

City of Jacksonville, Florida
Downtown Investment Authority
Statement of Net Position

<i>September 30, 2020</i>	Governmental Activities
Assets	
Equity in cash and cash equivalents	\$ 1,195,094
Investments	21,003,054
Non-current assets	
Due in more than one year	
Loans receivable, net	32,515,083
Total assets	54,713,231
Deferred Outflows of Resources	
Deferred outflows on refunding	91,049
Total deferred outflows of resources	91,049
Liabilities	
Accounts payable	201,330
Non-current liabilities	
Due within one year	
Bonds payable	142,000
Internal loans payable	514,778
Due in more than one year	
Bonds payable	3,427,000
Internal loans payable	8,992,638
Unamortized bond premiums	276,714
Total liabilities	13,554,460
Deferred Inflows of Resources	
Deferred inflows of revenue	32,515,083
Net Position	
Restricted	8,734,737
Total net position	\$ 8,734,737

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

City of Jacksonville, Florida
Downtown Investment Authority
Statement of Activities

<i>For the year ended September 30, 2020</i>					Program Revenues	Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities						
Economic environment	\$ 10,798,572	\$ -	\$ -	\$ -	\$	(10,798,572)
Interest and related costs on long-term debt	464,269	-	-	-		(464,269)
Total governmental activities	\$ 11,262,841	\$ -	\$ -	\$ -	\$	(11,262,841)
General revenues and transfers						
Taxes						
Property taxes						13,496,850
Investment earnings						1,101,823
Miscellaneous						759,257
Transfers from primary government, net						2,874,855
Total general revenues						18,232,785
Change in net position						6,969,944
Net position, beginning of year						1,764,793
Net position, end of year					\$	8,734,737

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

City of Jacksonville, Florida
Downtown Investment Authority
Balance Sheet – Governmental Funds

<i>September 30, 2020</i>	Northbank Downtown Area	Southside Area	Total Governmental Funds
Assets			
Equity in cash and cash equivalents	\$ 618,709	\$ 576,385	\$ 1,195,094
Investments	10,873,429	10,129,625	\$ 21,003,054
Total assets	\$ 11,492,138	\$ 10,706,010	\$ 22,198,148
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 7,720	\$ 193,610	\$ 201,330
Total liabilities	7,720	193,610	201,330
Fund balances			
Restricted	11,484,418	10,512,400	21,996,818
Total fund balances	11,484,418	10,512,400	21,996,818
Total liabilities and fund balances	\$ 11,492,138	\$ 10,706,010	\$ 22,198,148

The accompanying notes are an integral part of these financial statements.

**City of Jacksonville, Florida
Downtown Investment Authority
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position**

September 30, 2020

Total fund balances - governmental funds \$ 21,996,818

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

Long-term assets, including loans receivable, are not due and payable in the current period and, therefore, are not reported in the funds.

Loans receivable 32,515,083

Deferred inflow of resources related to long term contracts are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.

(32,515,083)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable (3,569,000)

Internal loans payable (9,507,416)

Unamortized bond premiums (276,714)

Certain assets, liabilities, deferred inflow of resources, and deferred outflow of resources reported in governmental activities are not financial resources and therefore are not reported in the funds:

Deferred loss on refunding 91,049

Net position of governmental activities \$ 8,734,737

The accompanying notes are an integral part of these financial statements.

City of Jacksonville, Florida
Downtown Investment Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds

<i>For the year ended September 30, 2020</i>	Northbank Downtown Area	Southside Area	Total Governmental Funds
Revenues			
Taxes	\$ 8,752,204	\$ 4,744,646	\$ 13,496,850
Interest	751,303	350,520	1,101,823
Payment in lieu of taxes	323,503	-	323,503
Miscellaneous revenue	435,754	-	435,754
Total revenues	10,262,764	5,095,166	15,357,930
Expenditures			
Current			
Economic environment			
Public investment expenditures	6,742,600	1,154,900	7,897,500
Subsidies and contributions to other private organizations	-	-	-
Other expenditures	602,924	2,311,244	2,914,168
Debt service			
Principal	19,868	-	19,868
Interest	285,819	178,450	464,269
Total expenditures	7,651,211	3,644,594	11,295,805
Excess (deficiency) of revenues over (under) expenditures	2,611,553	1,450,572	4,062,125
Other Financing Sources (Uses)			
Transfers from primary government	3,016,813	-	3,016,813
Transfers to primary government	-	(141,958)	(141,958)
Net other financing sources (uses)	3,016,813	(141,958)	2,874,855
Net change in fund balances	5,628,366	1,308,614	6,936,980
Fund balances, beginning of year	5,856,052	9,203,786	15,059,838
Fund balances, end of year	\$ 11,484,418	\$ 10,512,400	\$ 21,996,818

The accompanying notes are an integral part of these financial statements.

City of Jacksonville, Florida
Downtown Investment Authority
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities

For the year ended September 30, 2020

Net change in fund balances - total governmental funds \$ 6,936,980

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

Governmental funds report certain bond transactions as sources or uses. However, in the statement of activities these transactions are reported over the life of the debt as expenses.

Amortization of bond premium	23,060
Amortization - loss on refunding	(9,964)

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 19,868

Change in net position of governmental activities \$ 6,969,944

The accompanying notes are an integral part of these financial statements.

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The legally entity, Downtown Investment Authority, (formally Downtown East, Northside West and Southside) (the “Major Funds” or the “Agency”) was created by ordinances of the City to carry out community redevelopment within the City of Jacksonville under Chapter 163, Part 3, of the Florida Statutes. The Downtown Investment Authority Board sits as the board of the Northbank Downtown and Southside community redevelopment areas and approves the budgets. The Agency’s approved budgets are then submitted to the City of Jacksonville City Council so that they may be included in the City’s annual budget for adoption. The Agency is reported as a blended component unit of the City because of the existence of a financial benefit/burden relationship. Both Major Funds as well as three (3) other community redevelopment agencies are combined into the Tax Increment District Fund for financial reporting in the City’s annual comprehensive financial report. The Tax Increment District Fund receives a distribution of ad valorem tax revenue levied and collected in the City’s tax increment districts used to promote future commercial business development that expands property tax base values in the areas.

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 nonfiduciary activities of the primary government. *Governmental activities* are those which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

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.

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.

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The 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 60 days 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 governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the Agency's funds. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Agency reports the following major governmental funds:

The *Northbank Downtown Area Fund* is the operating fund for the Northwest USD1 B Tax Increment District and the Northeast USD1 C Tax Increment District. It accounts for all financial resources of these Tax Increment Districts.

The *Southside Area Fund* is the operating fund for the Southside USD1 A Tax Increment District. It accounts for all financial resources of this Tax Increment District.

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, *deferred outflows of resources*, 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.

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.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is 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.

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 and proprietary 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 – net position to have been depleted before unrestricted – net position is applied.

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Agency's Boards 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. Fund Balance may be assigned through the following: 1) The Director of Finance is authorized by Agency's Boards to assign amounts for a specific purpose. 2) The Agency's Boards have authorized the Director of Finance, in coordination with the Council Auditor, to recapture excess fund balance that isn't restricted or committed and transfer the excess to the City's General Fund. Excess fund balance that is not recaptured is classified as assigned by the Director of Finance to be used for the purpose of the subfund.

The Agency's Boards 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.

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues, Expenditures/Expenses and Transfers

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.

Tax increment revenues – The primary source of revenues is tax increment funds (“TIF”) received from the City of Jacksonville, Florida. The revenue is computed by multiplying the various operating tax millage rates of each taxing district by the increased value of the properties within the areas’ boundaries over the base property value. The TIF revenues received from the City are reported as property tax.

Transfers to the primary government are due to transactions to the City for debt service costs and amounts remaining at the end of the fiscal year that were not encumbered or allocated.

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.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 14, 2022 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Property Tax Calendar

The Tax Collector remits collected taxes at least monthly to the City, which is then allocated to the Agency. The Agency recognizes property tax revenue as it is received from the Tax Collector (City) since virtually all taxes levied will be collected through the tax collection process within the fiscal year levied. The calendar of events is as follows:

January 1	Property taxes are based on assessed value at this date as determined by the Duval County Property Appraiser.
July 1	Assessment roll approved by the state.

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

September 30	Millage resolution approved by the City Council.
October 1	Beginning of fiscal year for which taxes have been levied.
November 30	Last day for 4% maximum discount.
April 1	Unpaid property taxes become delinquent.
May 31	Tax certificates are sold by the Duval County Tax Collector by this date. This is the first lien date on the properties.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

A. Cash on Deposit

The Agency participates in the City's cash and investment pool. The "Equity in Cash and Investments" on the Government Wide Financial Statements, consists of cash and investments owned by the Agency and defined as resources that can be liquidated without delay or penalty. Cash and investments held separately where contractual arrangements and bond covenants require such arrangements, are classified as "restricted assets". Investment earnings are allocated to the individual funds monthly based on the funds' weighted average daily cash and investment balance.

Monies on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are defined as public deposits. All of the Agency's public deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act", and covered by federal depository insurance. For amounts in excess of such federal depository insurance the Act provides that all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor is liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sales of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

B. Investments and Investment Practices

The Agency is subject to the City's operating fund investment guidelines. The City's operating fund investment guidelines are defined by City Ordinance Code Section 110, Part 2 and a written Investment Policy (the "Policy") as approved by City Council. The Policy establishes a diversified investment strategy, both by type of investment and by manager, a minimum credit quality, and duration limitations. An internal Investment Committee has oversight, within Policy limits, of the implementation and direction of investment strategies. The Policy is reviewed annually for any adjustments due to changes or developments within the investment markets that may provide enhanced investment and/or risk management opportunities.

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Other than operating cash invested overnight through the City's zero balance sweep accounts, all invested cash is managed by third-party money managers. Performance benchmarks for the Portfolio are established in the Investment Policy and performance benchmarks for each of the specific third party managers are established by the Investment Committee. The Policy defines the Average Duration and Compliance Categories for investments. Compliance Category limits are stated as a percentage of the Fiscal Year 2019 Normal Portfolio Balance of \$1.19 billion, which is defined by Ordinance as the average total portfolio balance for the proceeding twelve months. Performance and compliance reports are prepared for the Investment Committee monthly. The City employs an independent investment custodian who takes direction from the money managers and independently settles all trades. The custodian provides performance and compliance reporting at both the portfolio level and by individual manager.

The following schedule reports portfolio compliance at year end, as well as the maximum exposure for each compliance category during the year. Certain compliance categories include assets also measured in another compliance category, i.e. "US Government" issued treasury bonds are also appropriately included in the "US Government plus Agency" category. As a result, the amounts reported as year-end compliance exposures exceed the portfolio balance at year end in aggregate.

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Compliance Guideline Characteristics
As of September 30, 2020

Compliance Guideline	Sector Guideline Exposures			
	Exposure to Specific Guideline	Year end Exposure %	% of Normal Portfolio Balance	
			During Year	Maximum By Policy
Duration ¹	3.44	NA	3.49	5.00
Liquidity Requirements	\$ 3,865,725	21.9%	40.3%	100.0%
USG + Agencies	\$ 6,164,335	34.9%	36.1%	100.0%
US Govt (USG)	3,728,864	21.1%	23.2%	100.0%
Constraints				
Agencies	\$ 2,435,471	13.8%	14.7%	45.0%
MBS	1,983,866	11.2%	11.7%	35.0%
Agency MBS	1,377,482	7.8%	8.4%	35.0%
Non-Agency MBS	606,384	3.4%	3.4%	15.0%
Asset Backed Securities	623,695	3.5%	3.5%	7.5%
Corporates	4,694,573	26.6%	27.1%	60.0%
Corporates > 1 Year	3,501,253	19.8%	20.5%	40.0%
Municipal Bonds	175,922	1.0%	1.0%	10.0%
Bond Funds	4,345,328	24.6%	38.9%	85.0%
Money Market Funds	4,742,570	26.8%	53.3%	40.0%
Certificates of Deposits	-	0.0%	0.0%	20.0%
Repurchase agreements	-	0.0%	0.0%	20.0%
Rule 144a Securities	647,799	3.7%	3.7%	10.0%
Specialty Risk				
High Yield	\$ 509,224	2.9%	3.6%	9.0%
International	507,433	2.9%	3.1%	7.5%
International (non-hedged)	-	0.0%	0.0%	5.0%
Emerging Markets	34,808	0.2%	0.3%	5.0%
Duration > 8.5	590,756	3.3%	3.3%	7.5%
Normal Portfolio Balance	\$ 17,678,952			

¹Commingled Funds and Cash are excluded

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

C. Fair Value Measurements

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and valued with the market approach valuation technique; Level 3 inputs are significant unobservable inputs.

Investment Type	Fair Value of Assets by Measurement Type				
	Total Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Corporate Stock - Preferred	\$ 5,878	\$ -	\$ 5,878	\$ -	
Registered Investment Companies	8,601,733	8,601,733	-	-	
U. S. Government Securities	5,552,601	3,826,249	1,726,352	-	
Corporate Debt Instruments	4,828,453	-	4,828,453	-	
Common/Collective Trust	2,030,064	-	-	2,030,063	
Other Investments	(15,675)	(234,844)	219,169	-	
Total Investments	\$ 21,003,054	\$ 12,193,138	\$ 6,779,852	\$ 2,030,063	

The Agency has the following recurring fair value measurements as of September 30, 2020:

- Corporate Stock (Preferred) – Valued using prevailing market bids and based upon calculations that reflect the expected price to an investor in an orderly transaction.
- Registered Investment Co. – Valued at the daily closing net asset value (NAV) as reported by the fund. Short term fixed income investment funds (security maturities that do not exceed one year) may be valued using book value.
- U.S. Government Securities – Short term US government fixed income securities (with maturities that do not exceed one year) are valued using book value. Securities with maturities greater than one year are valued using prevailing market bids and based upon calculations that reflect the expected price to an investor in an orderly transaction.
- Corporate Debt Instruments – Short term corporate debt securities (with maturities that do not exceed one year) are valued using book value. Securities with maturities greater than one year are valued using prevailing market bids or a measurable market close and are based upon calculations that reflect the expected price to an investor in an orderly transaction.
- Common/Collective Trusts – Valued based on an appraisal or calculated and assigned by a general or managing partner of the vehicle in which the investment is held.

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

D. Interest Rate Risk

Interest rate risk is controlled primarily through duration, which is a measure that approximates the change in value of a bond, or bond portfolio, for a given change in interest rates. In general, shorter duration measures are less sensitive to interest rate shifts, while longer durations are more sensitive. To limit the portfolio volatility associated with changes in interest rates, the City’s Investment Policy Statement restricts the average duration of the overall portfolio to a range of 0.75 – 5.00 years, of which, no more than 7.5% of the individual securities in the portfolio can have a duration greater than 8.5 years. This guideline applies to all investment types underlying the portfolio including, but not limited to, government, agency, corporate, international, and mortgage backed securities, as referenced in Section 1. B.

E. Credit Quality

The Operating portfolios measure credit quality of the fixed income holdings contained therein using Moody’s rating schedule. Within the Operating Portfolio, the City’s Investment Policy Statement is designed to control credit risk by requiring both, minimum amounts that must be invested in the highest quality U.S. Government securities, as well as a maximum limit of 9.0% of the normal portfolio balance in noninvestment grade securities. This is reported and monitored monthly by the Investment Committee and staff. Credit Quality reports are provided on the overall portfolios to illustrate the credit risk at fiscal-year end.

Quality Breakdown	Portfolio (%)
Aaa	46.7%
Aa1-Aa3	3.9%
A1-A3	11.5%
Baa1-Baa3	16.1%
Ba1-Ba3	2.6%
Other	8.5%
Commingled	10.8%
	100.00%

Ratings definitions:

Treasury – United States Treasury Securities (Included in Aaa)

Agency – Government Agency Securities (Included in Aaa)

Aaa (AAA) – Highest Investment Grade Quality Rating

Aa1–Aa3 (AA+ to AA-) – Medium Investment Grade Quality Rating

A1-A3 (A+ to A-) – Medium Low Investment Grade Quality Rating

Baa1-Baa3 (BBB+ to BBB-) – Lowest Investment Grade Quality Rating

Ba1-Ba3 (BB+ to BB-) – Highest Non-investment Grade Quality Rating

Commingled – Securities that are not applicable to Quality Ratings - they predominantly represent mutual funds that are listed and valued as a whole, not individual holdings, as well as minor exposure to non-investment grade securities.

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

F. Foreign Currency

The Agency has nominal exposure to foreign currencies due to investments in non-U.S. markets implemented through our money managers' portfolios. Foreign currencies will fluctuate relative to the U.S. dollar, but it is believed that the diversification benefits outweigh potential risks. Given the limited exposure, foreign currency risk is considered minor.

	Exposure	Percentage
U.S. Dollar	\$ 21,000,675	99.99%
Norwegian Krone	2,364	0.01%
Polish Zloty	15	0.00%
Total	<u>\$ 21,003,054</u>	<u>100.00%</u>

Long-Term Debt and Liabilities

Special Revenue Bonds

On October 30, 2014, the City issued \$100,160,000 in Special Revenue Revenue Bonds with an interest rate of 5.00% to refund all or a portion of the Excise Taxes Revenue Bonds, Series 2005A and Excise Taxes Revenue Refunding Bonds, Series 2006A. \$3,569,000 of the Special Revenue and Refunding Bonds, Series 2014 ("SRB 2014 Bonds") relates to the Agency. The outstanding balance of the SRB 2014 Bonds, is \$3,569,000 as of September 30, 2020.

The following is a summary of governmental activities notes payable for the year ended September 30, 2020:

<i>Year ending</i> <i>September 30,</i>	Governmental Activities					
	Specia Revenue Bond, Series 2014		Internal Loans Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 142,000	\$ 174,900	\$ 514,778	\$ 285,222	\$ 656,778	\$ 460,122
2022	197,000	166,425	530,221	269,779	727,221	436,204
2023	207,000	156,325	546,127	253,873	753,127	410,198
2024	217,000	145,725	562,511	237,489	779,511	383,214
2025	228,000	134,600	579,387	220,613	807,387	355,213
2026–2030	1,433,000	479,875	3,168,324	831,676	4,601,324	1,311,551
2031-2035	1,145,000	87,725	3,606,068	327,045	4,751,068	414,770
Total	3,569,000	1,345,575	9,507,416	2,425,697	13,076,416	3,771,272
Current portion	(142,000)	(174,900)	(514,778)	(285,222)	(656,778)	(460,122)
Payable after one year	<u>\$3,427,000</u>	<u>\$1,170,675</u>	<u>\$8,992,638</u>	<u>\$2,140,475</u>	<u>\$12,419,638</u>	<u>\$3,311,150</u>

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Changes In Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows for governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable					
Special Revenue Bond, Series 2014	\$ 3,569,000	\$ -	\$ -	\$ 3,569,000	\$ 142,000
Loans payable	9,527,284	-	(19,868)	9,507,416	514,778
Other debt related amounts					
Issuance premiums	299,774		(23,060)	276,714	-
Total notes from direct borrowings	13,396,058	-	(42,928)	13,353,130	656,778
Governmental activity long-term liabilities	\$ 13,396,058	\$ -	\$ (42,928)	\$ 13,353,130	\$ 656,778

Note 3: RISK MANAGEMENT

Litigation

During the ordinary course of its operation, the Agency is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Agency, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Agency or results of activities.

Note 4: COMMITMENTS AND CONTINGENCIES

The Agency has active projects as of September 30, 2020. At year-end, the Agency's commitments with contractors are as follows:

Northbank Downtown Area	\$ 38,429,922
Southside Area	54,225,907
Total outstanding commitments	\$ 92,655,829

These projects are mainly funded by TIF revenues.

City of Jacksonville, Florida
Downtown Investment Authority
Notes to Financial Statements

Note 5: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the Agency. The occurrence and extent of such an impact will depend on future developments, including (i) the and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain as of January 14, 2022.

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

City of Jacksonville, Florida
Downtown Investment Authority
Budgetary Comparison Schedule – Northbank Downtown Area

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 8,762,118	\$ 8,752,204	\$ 8,752,204	\$ -
Interest	-	443,379	751,303	307,924
Miscellaneous revenue	1,101,734	1,101,734	759,257	(342,477)
Total revenues	9,863,852	10,297,317	10,262,764	(34,553)
Expenditures				
Category				
Economic environment	9,786,352	12,080,067	7,631,343	4,448,724
Debt service	-	875,000	19,868	855,132
Total expenditures	9,786,352	12,955,067	7,651,211	5,303,856
Other Financing Sources (Uses)				
Transfers in	-	494,313	3,016,813	2,522,500
Transfers out	(77,500)	(436,563)	-	436,563
Total other financing sources (uses)	(77,500)	57,750	3,016,813	2,959,063
Net change in fund balance	-	(2,600,000)	5,628,366	(2,379,346)
Fund balance, beginning of the year	5,856,052	5,856,052	5,856,052	-
Fund balance, end of year	\$ 5,856,052	\$ 3,256,052	\$ 11,484,418	\$ (2,379,346)

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Jacksonville, Florida
Downtown Investment Authority
Budgetary Comparison Schedule – Southside Area

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 4,707,693	\$ 4,744,646	\$ 4,744,646	\$ -
Interest	-	271,618	350,520	78,902
Total revenues	4,707,693	5,016,264	5,095,166	78,902
Expenditures				
Category				
Economic environment	4,385,899	4,285,231	3,644,594	640,637
Debt service	319,294	307,718	-	307,718
Total expenditures	4,705,193	4,592,949	3,644,594	948,355
Other Financing Sources (Uses)				
Transfers out	(2,500)	(423,315)	(141,958)	281,357
Total other financing sources (uses)	(2,500)	(423,315)	(141,958)	281,357
Net change in fund balance	-	-	1,308,614	(588,096)
Fund balance, beginning of the year	9,203,786	9,203,786	9,203,786	-
Fund balance, end of year	\$ 9,203,786	\$ 9,203,786	\$ 10,512,400	\$ (588,096)

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Jacksonville, Florida
Downtown Investment Authority
Budgetary Notes to Required Supplementary Information

Note 1: BUDGETARY INFORMATION

The Agency follows the City's budget development procedures in establishing the budgetary data reflected in the financial statements as follows:

- a) The City of Jacksonville, Florida ("City") adopts its budget in accordance with Chapters 129 and 200, Florida Statutes, the City Charter and Municipal Ordinance Code.
 - a. The City Mayor's Proposed Budget is presented to the City Council on the second Tuesday in July; the budget ordinance, millage levy ordinance and related resolutions are introduced.
 - b. During the first Council meeting in September, public hearings are held on both the budget and the millage rate. Following the public hearings, the Council adopts a tentative budget and tentative millage rate. A final budget and millage is adopted by full Council, and is effective on October 1.

The Agency presents a Budgetary Comparison Schedule as Required Supplementary Information for each major special revenue fund with a legally adopted budget. The Agency has opted to make this presentation in the format and classifications of the budget document. These schedules report actual expenditures using generally accepted accounting principles as well as expenditures on the budgetary basis, which include amounts encumbered for future spending.

- b) The Agency adopts annual budgets for each community redevelopment area. The Agency reports Budgetary Comparisons for its Major Special Revenue Funds in the Required Supplementary Information section of the report. None of these funds had an excess of expenditures over appropriations for the year ended September 30, 2020. Project or program budgets, which may not coincide with the Agency's fiscal year, or which may exceed a single annual period, are adopted by separate ordinance for most Special Revenue Funds
- c) Level of Budgetary Control – The Agency complies with the City's level of budgetary control as outlined below. Expenditures may not exceed appropriations and are controlled in the following manner:
 - a. The budget is adopted by ordinance which sets the legal level of control at the fund level by department.
 - b. The City adopted more stringent administrative policies that control expenditures at the major category (Personal Services, Operating Expense, Capital Outlay, Debt Service) level within divisions within individual funds.
 - c. The City, additionally, adopted a Municipal Ordinance Code Policy that provides transfer authority to the Mayor, without City Council approval, within an individual fund if the total transferred funds for a specific purpose, project or issue is under \$500,000 during the fiscal year. These transfers are reported to the Finance Committee on a quarterly basis.

City of Jacksonville, Florida
Downtown Investment Authority
Budgetary Notes to Required Supplementary Information

Note 1: BUDGETARY INFORMATION

- d) Supplemental Appropriations - The Agency may, through passage of an ordinance, amend the budget in any manner permissible under state and local law, with one exception. Bond covenants, trust and agency agreements, and certain clauses of ordinances in effect may restrict certain budgetary items in terms of amount or use.

In certain instances, the Agency may supplement the appropriations in a fund due to unexpected high levels of receipts or under estimates of carry forward balances. Supplemental appropriations to the Fiscal Year 2020 Annual Budget Ordinance were made throughout the year, the effects of which were not material.

- e) All appropriations in annually budgeted funds, except for amounts corresponding to outstanding encumbrances, lapse at year-end or at the close of the authorizing project/program, unless specifically carried forward by ordinance.
- f) Formal budgetary integration is used as a management control device for all funds of the Agency.
- g) The Agency's Annual Financial Plan, or published budget document, may be obtained from the City's Budget Office located at 117 West Duval Street, Suite 325, Jacksonville, Florida 32202.

REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS

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 Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Jacksonville, Florida Downtown Investment Authority (the "Agency") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated January 14, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described below as items 2020-001 and 2020-002 that we consider to be material weaknesses.

2020-001 ACCOUNTING SYSTEM IMPLEMENTATION

Condition: During the audit we found that financial records for most classes of transactions and account balances were not accurately completed on a timely basis. Financial reports were not in place to extract the financial information required and the financial information provided to us required material correcting entries to be made.

Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Cause: The new accounting system was not designed and implemented effectively such that it was not functioning sufficiently to maintain up-to-date and accurate financial records for most classes of transactions and account balances.

Effect: Multiple material errors were found and the audit was not able to be completed by the state's initial deadline.

Recommendation: Enhance the understanding and user abilities of the accounting system through further training and consultation with software providers. Also, bring monthly close processes up to date and ensure that sub-ledgers reconcile accurately to the general ledger.

Management Response: The City's new enterprise-wide financial system 1Cloud went "live" on February 29, 2020, after months of implementation planning and training. Even with best efforts in ideal circumstances, it is not uncommon for financial system implementations to experience challenges with data conversion, set up, and training (i.e., ensuring employees know how to perform their functions within the new system). These issues were expected. However, within weeks of implementation, the COVID-19 pandemic struck, forcing most City employees to work from home.

The added uncertainty about individual health and the inability for City employees (both on the implementation team and at-large) to work in close proximity to one another at a critical time during the implementation process, and also being diverted to designing, implementing, and reporting on COVID-19 relief programs, served to significantly complicate matters and delayed effective implementation and functioning of sub-ledgers, monthly close processing, and financial reporting.

We are now utilizing the consulting team within Oracle, the provider of 1Cloud, to continue to work through various functionalities that are not yet completely suited to our needs. Progress with Oracle is yielding positive results. We continue to enhance our understanding of and user abilities in the system through further training and consultation. We have already completed a deep dive into the monthly close process to ensure all sub-ledgers reconcile accurately to the general ledger. As we prepare for the FY '21 financial statements, we are committed to bringing new levels of efficiency, accuracy, timeliness, and transparency to local government financial reporting.

2020-002 BANK RECONCILIATIONS

Condition: During the audit we found that the bank reconciliation was not accurately completed and there were transactions which had already cleared the bank but were not properly recorded in the general ledger or the bank reconciliation.

Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Cause: The Treasury division was not able to complete the bank reconciliation in a timely and accurate manner due to general weaknesses in the system implementation and did not make appropriate entries or communicate errors to the Accounting division to account for transactions which had been processed and were identified when performing the bank reconciliation.

Effect: Material errors were identified between the bank reconciliation and related general ledger accounts.

Recommendation: The Treasury division, Accounting division, and finance managers throughout the City should collaborate better to ensure the bank balances are being reconciled accurately and in a timely manner to an amount that matches the general ledger to bank statements.

Management Response: As detailed above in our response to Finding 2020-001, the City faced unexpected challenges beyond the normal financial system implementation difficulties. Effective implementation of the Cash Management module and the bank reconciliation process were not immune to these challenges. As we experienced problems closing months in the accounting system in a timely manner following conversion, which were compounded by COVID-19 protective measures, the companion reconciliations of the bank statements were likewise negatively impacted. Treasury and Accounting will continue ramping up collaboration with each other and finance managers in other City departments to ensure the balances in Cash Management and the General Ledger and related sub-ledgers match and are properly reconciled. As we are now catching up on closing fiscal months to bring them current, we will be reconciling the bank statements to match the accounting statements in a more timely and accurate way. We have also reclassified two positions within the department to boost the Treasury division's staffing and capabilities in this area.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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*.

Agency's Response to Findings

The Agency's response to the findings identified in our audit is described in the accompanying schedule of findings. The Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

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

Jacksonville, Florida

January 14, 2022



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

Report on the Financial Statements

We have audited the governmental activities and each major fund, of the City of Jacksonville, FL Downtown Investment Authority (the "Agency") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated January 14, 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 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 January 14, 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 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 Agency is disclosed in the footnotes. The 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 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 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 Agency. It is management's responsibility to monitor the 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.

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, Rigggs & Ingram, L.L.C.

Jacksonville, Florida
January 14, 2022



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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

To the Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

We have examined the City of Jacksonville, Florida Downtown Investment Authority (the "Agency") compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. 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 American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

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

Jacksonville, Florida
January 14, 2022



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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH REDEVELOPMENT TRUST FUND

To the Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

We have examined the City of Jacksonville, Florida Downtown Investment Authority's (the "Agency") compliance with Section 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Policies*, during the year ended September 30, 2020. Management of the Agency is responsible for Agency's compliance with the specified requirements. Our responsibility is to express an opinion on Agency's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Agency complied, in all material respects, with Section 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Policies* during the year ended September 30, 2020.

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

Jacksonville, Florida
January 14, 2022



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January 14, 2022

To the Honorable Mayor and Members of the City Council,
City of Jacksonville, Florida

We are pleased to present the results of our audit of the 2020 financial statements of the governmental activities and each major fund of the City of Jacksonville, Florida Downtown Investment Authority (the "Agency"), a blended component unit of the City of Jacksonville, Florida (the "City").

This communication summarizes our audit, the report issued and various analyses and observations related to the financial accounting and reporting practices followed. The document also contains the communications required by our professional standards.

The audit was designed, primarily, to express opinions on the 2020 financial statements. We considered an assessment of risks that could materially affect the financial statements and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of your personnel.

At Carr, Riggs & Ingram, LLC ("CRI"), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This information is intended solely for the information and use of the Honorable Mayor and Members of the City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact us.

Very truly yours,

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

CARR, RIGGS & INGRAM, LLC
CERTIFIED PUBLIC ACCOUNTANTS



Our audit plan represented an approach responsive to the assessment of risk. Specifically, we planned and performed our audit to:

- Perform audit services in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, in order to express an opinion on the financial statements as of and for the year ended September 30, 2020;
- Communicate directly with you and management regarding the results of our procedures;
- Address with you and management any accounting and financial reporting issues;
- Anticipate and respond to your concerns and those of management; and
- Address other audit-related projects as they arise and upon request.

We have audited the financial statements as of and for the year ended September 30, 2020, and have issued our report thereon dated January 14, 2022. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Auditor's responsibility under Generally Accepted Government Auditing Standards	Professional standards require that we provide you with information about our responsibilities, as well as certain information related to the planned scope and timing of our audit. We have previously communicated such information in our engagement letter.
Management's responsibility	Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation of the financial statements in conformity with GAAP. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.
Planned scope and timing of the audit	Our initial audit plan was not significantly altered during our fieldwork.
Management's judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i>	Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."
Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the Areas and how they are disclosed.</i>	No such risks or exposures were noted.



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> • <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i> • <i>The auditor should also discuss the auditor's judgment about the quality, not just the acceptability, of the accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied in the financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations.</i> • <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i> 	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in performing our audit.</p>
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p>Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None.</p>
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by management, that could individually or in the aggregate have a significant effect on the financial statements. We should also communicate uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.</i></p>	<p>No such corrected or uncorrected misstatements.</p>
<p>Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>None.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>We are not aware of any consultations with other accountants.</p>
<p>Written representations <i>A reference to the written representations the auditor requested (or a copy of the representation letter).</i></p>	<p>See "Management Representation Letter" section.</p>
<p>Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.</i></p>	<p>See "Internal Control Findings" section.</p>
<p>Required supplementary information</p>	<p>We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>



We are required to communicate our judgments about the quality, not just the acceptability, of the Areas' accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Council may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Fair Value of Investments	<p>The Areas categorizes its fair value measurements within fair value hierarchy based on the valuation inputs. Level 1 inputs are quoted prices in active markets for identical assets, level 2 inputs are significant other observable inputs, and level 3 inputs are significant unobservable inputs.</p> <p>The Areas follows the provisions of Section 150: <i>Investments</i>, of the GASB Codification when reporting investments.</p>	X	The Areas relies on investment valuation information from the City's investment manager and from information from investment pool sponsors based on financial market information.	We examined the key factors and assumptions used to develop the fair value estimates and found them to be reasonable in relation to the financial statements taken as a whole.
Allowance for Doubtful Accounts	<p>The City estimates amounts of receivables recorded transactions for which it does not anticipate collection.</p> <p>The City follows the provisions of Section 1600: Basis of Accounting and Section P80: Proprietary Fund Accounting and Financial Reporting, of the GASB Codification when reporting allowances for uncollectible accounts.</p>	X	Management's estimate of the allowance for doubtful accounts is based on historical collection data and aging analysis of outstanding receivables.	We examined the key factors and assumptions used to develop the estimate and evaluated the estimate as compared to subsequent collections determining that it is reasonable in relation to the financial statements taken as a whole.



January 14, 2022

To the Honorable Mayor and Members of the City Council,
City of Jacksonville, Florida

In planning and performing our audit of the financial statements of the governmental activities, and each major fund of the City of Jacksonville, Florida Downtown Investment Authority (the "Agency") as of and for the year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the 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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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. We consider the following deficiencies in internal control to be significant deficiencies.

We included in the accompanying chart control deficiencies and other internal control recommendations for management's consideration.

This communication is intended solely for the information and use of management, the finance committee, and others within the Agency, and is not intended to be and should not be used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
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CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
2020-001	MW	IT structure and understanding.	During the audit we found that financial records for most classes of transactions and account balances were not accurately completed on a timely basis. Financial reports were not in place to extract the financial information required and the financial information provided to us required material correcting entries to be made.	Enhance the understanding and user abilities of the accounting system through further training and consultation with software providers. Also, bring monthly close processes up to date and ensure that sub-ledgers reconcile accurately to the general ledger.
2020-002	MW	Controls over cash and deposits	During the audit we found that the bank reconciliation was not accurately completed and there were transactions which had already cleared the bank but were not properly recorded in the general ledger or the bank reconciliation.	The Treasury department and Accounting & Finance department should collaborate to ensure the bank balances are being reconciled accurately to an amount that matches in both departments.



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

Finance and Administration Department
General Accounting Division
117 West Duval Street, Suite #375
Jacksonville, FL 32202
(904) 255-5261
www.coj.net

January 14, 2022

Carr, Riggs & Ingram, LLC
7411 Fullerton Street Suite 300
Jacksonville, FL 32256

This representation letter is provided in connection with your audits of the financial statements of the City of Jacksonville Downtown Investment Agency (the "Agency"), which comprise the respective financial position of the governmental activities and each major fund as of September 30, 2020, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 14, 2022, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 18, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) There are no adjustments or disclosures, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 7) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 8) Guarantees, whether written or oral, under which the Agency is contingently liable, if any, have been properly recorded or disclosed.

Information Provided


- 9) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of City Council/Agency's Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 10) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 11) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 12) We have no knowledge of any fraud or suspected fraud that affects the Agency and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 13) We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements communicated by employees, former employees, regulators, or others.
- 14) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 15) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 16) We have disclosed to you the identity of the Agency's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 19) The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 21) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 22) There were no instances of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 23) There were no instances of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill,

knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

- 26) The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) Expenses have been appropriately classified.
- 29) Revenues are appropriately classified.
- 30) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 31) We have appropriately disclosed the Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 32) Notes Receivable recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value. We have accurately communicated all open notes receivable agreements to you.
- 33) Provisions for uncollectible receivables have been properly identified and recorded.
- 34) Notes payable and internal loans payable have been appropriately classified and we have accurately communicate all open balances and related transactions to you.

Signature: 

Signature: _____

Title: City Comptroller

Title: _____



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

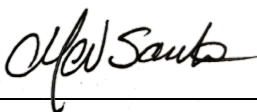
Finance and Administration Department
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117 West Duval Street, Suite #375
Jacksonville, FL 32202
(904) 255-5261
www.coj.net

January 14, 2022

Carr, Riggs & Ingram, LLC
7411 Fullerton Street Suite 300
Jacksonville, FL 32256

In connection with your examination of City of Jacksonville Downtown Investment Authority (the "Agency") compliance with Sections 163.387(6) and (7), Florida Statutes, for the year ended September 30, 2020, for the purpose of expressing an opinion about whether the Agency has complied with Sections 163.387(6) and (7), Florida Statutes, in all material respects, we confirm, to the best of our knowledge and belief, the following representations made to you during the course of your engagement:

- 1) We are responsible for complying with Sections 163.387(6) and (7), Florida Statutes.
- 2) We are responsible for establishing and maintaining effective internal control over compliance.
- 3) We have performed an evaluation of the Agency's compliance with Sections 163.387(6) and (7), Florida Statutes.
- 4) All relevant matters are reflected in the measurement or evaluation of the Agency's compliance with the specified requirements.
- 5) We are responsible for selecting the specified requirements and for determining that the specified requirements are appropriate for our purposes.
- 6) We have disclosed to you all known noncompliance with Sections 163.387(6) and (7), Florida Statutes, including noncompliance occurring after September 30, 2020.
- 7) We have provided you with all relevant information and access to information and personnel in connection with your examination of compliance with Sections 163.387(6) and (7), Florida Statutes.
- 8) We have disclosed to you all known matters that may contradict the Agency's compliance with the specified requirements and we have disclosed to you all communications from regulatory agencies, internal auditors, other independent accountants or consultants, and others regarding possible noncompliance with Sections 163.387(6) and (7), Florida Statutes, including communications received after September 30, 2020.
- 9) We have responded fully to all inquiries made to us by you during the engagement.

Signature: 

Signature: _____

Title: City Comptroller

Title: _____



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City of Jacksonville, Florida

Lenny Curry, Mayor

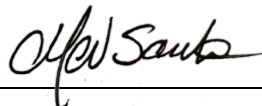
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January 14, 2022

Carr, Riggs & Ingram, LLC
7411 Fullerton Street Suite 300
Jacksonville, FL 32256

In connection with your examination of City of Jacksonville Development Investment Authority (the "Agency") compliance with Section 218.415, Florida Statutes, for the year ended September 30, 2020, for the purpose of expressing an opinion about whether the Agency has complied with Section 218.415, Florida Statutes, in all material respects, we confirm, to the best of our knowledge and belief, the following representations made to you during the course of your engagement:

- 1) We are responsible for complying with Section 218.415, Florida Statutes.
- 2) We are responsible for establishing and maintaining effective internal control over compliance.
- 3) We have performed an evaluation of the Agency's compliance with Section 218.415, Florida Statutes.
- 4) All relevant matters are reflected in the measurement or evaluation of the Agency's compliance with the specified requirements.
- 5) We are responsible for selecting the specified requirements and for determining that the specified requirements are appropriate for our purposes.
- 6) We have disclosed to you all known noncompliance with Section 218.415, Florida Statutes, including noncompliance occurring after September 30, 2020.
- 7) We have provided you with all relevant information and access to information and personnel in connection with your examination of compliance with Section 218.415, Florida Statutes.
- 8) We have disclosed to you all known matters that may contradict the Agency's compliance with the specified requirements and we have disclosed to you all communications from regulatory agencies, internal auditors, other independent accountants or consultants, and others regarding possible noncompliance with Section 218.415, Florida Statutes, including communications received after September 30, 2020.
- 9) We have responded fully to all inquiries made to us by you during the engagement.

Signature: 

Title: City Comptroller

Signature: _____

Title: _____