

**Pier Park Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2022**

**Pier Park Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2022**

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# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Pier Park Community Development District  
Panama City Beach, Florida

### Report on Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the governmental activities and each major fund of Pier Park Community Development District (the "District"), as of and for the year ended September 30, 2022, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Pier Park Community Development District as of September 30, 2022, and the respective changes in financial position and the budgetary comparisons for the General and Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

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

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

To the Board of Supervisors  
Pier Park Community Development District

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

To the Board of Supervisors  
Pier Park Community Development District

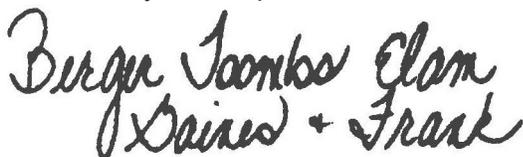
***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge 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 a report dated November 3, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pier Park Community Development District's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

November 3, 2023

**Pier Park Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

Management's discussion and analysis of Pier Park Community Development District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government, physical environment, culture/recreation and debt service.

*Fund financial statements* present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**Pier Park Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

*Fund financial statements* include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including improvements other than buildings, and infrastructure are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, reconciliations are provided from the *fund financial statements* to the *government-wide financial statements*.

*Notes to financial statements* provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

**Financial Highlights**

The following are the highlights of financial activity for the year ended September 30, 2022.

- ◆ The District's total assets were exceeded by total liabilities by \$(9,825,062) (net position). Net investment in capital assets for the District was \$(1,929,049). Restricted net position was \$34,169 and unrestricted net position was \$(7,930,182).
- ◆ Governmental activities revenues totaled \$3,376,445 while governmental activities expenses totaled \$2,898,097.

**Pier Park Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District**

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

**Net Position**

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Current assets	\$ 737,993	\$ 783,651
Restricted assets	188,011	212,032
Capital assets	632,620	739,857
Total Assets	1,558,624	1,735,540
Current liabilities	1,048,686	953,950
Non-current liabilities	10,335,000	11,085,000
Total Liabilities	11,383,686	12,038,950
 Net Position		
Net investment in capital assets	(1,929,049)	(1,821,812)
Restricted	34,169	35,374
Unrestricted	(7,930,182)	(8,516,972)
Total Net Position	\$ (9,825,062)	\$ (10,303,410)

The decrease in current assets is related to the decrease in cash, which was the result of expenditures exceeding revenues at the fund level in the current year.

The increase in current liabilities is related to the increase in accounts payable in the current year.

The reduction in non-current liabilities is primarily the result of the principal payments on bonds payable in the current year.

The reduction in capital assets and net investment in capital assets is related to depreciation.

**Pier Park Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

**Change In Net Position**

	<b>Governmental Activities</b>	
	<u>2022</u>	<u>2021</u>
Program Revenues		
Special assessments	\$ 670,210	\$ 466,459
Contributions	331,686	338,342
General Revenues		
Licenses and permits	2,372,903	1,713,635
Investment earnings	1,646	96
Total Revenues	<u>3,376,445</u>	<u>2,518,532</u>
Expenses		
General government	163,789	142,728
Physical environment	402,626	347,055
Culture/recreation	128,290	207,249
Subordinated note payments	1,790,258	905,412
Interest and other charges	413,134	438,638
Total Expenses	<u>2,898,097</u>	<u>2,041,082</u>
Change in Net Position	478,348	477,450
Net Position - Beginning of Year	<u>(10,303,410)</u>	<u>(10,780,860)</u>
Net Position - End of Year	<u>\$ (9,825,062)</u>	<u>\$ (10,303,410)</u>

The increase in licenses and permits is the result of an increase in license revenues collected in the current year.

The increase in general government is related to the increase in management expenses in the current year.

The increase in physical environment is related to the increase in park landscape maintenance and contingency related expenses in the current year.

The decrease in culture/recreation is related to the decrease in landscape and janitorial services expenses in the current year.

The increase in subordinated note payments in the current year is related to the lower required maintenance costs and debt service payments.

**Pier Park Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of September 30, 2022 and 2021:

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Improvements other than buildings	\$ 477,089	\$ 477,089
Infrastructure	2,084,580	2,084,580
Less: accumulated depreciation	(1,929,049)	(1,821,812)
Governmental Activities Capital Assets	<b>\$ 632,620</b>	<b>\$ 739,857</b>

During the year, depreciation was \$107,237.

**General Fund Budgetary Highlights**

The budgeted expenditures exceeded actual expenditures in the current year because legal fee and utility expenditures were less than anticipated.

The September 30, 2022 budget was not amended.

**Debt Management**

Governmental Activities debt includes the following:

- In May 2014, the District issued \$16,220,000 Series 2014 Capital Improvement Revenue Refunding Bonds. These bonds were issued to refund the Series 2002 Capital Improvement Revenue Bonds. As of September 30, 2022, the balance outstanding for the Series 2014 Bonds was \$11,085,000.

For more information about long-term debt see the accompanying notes to financial statements.

**Pier Park Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Economic Factors and Next Year's Budget**

Pier Park Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2023.

**Request for Information**

The financial report is designed to provide a general overview of Pier Park Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Pier Park Community Development District's Accounting Department at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614.

**Pier Park Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2022**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 703,528
Accounts receivable	11,971
Prepaid expenses	22,269
Deposits	225
Total Current Assets	737,993
Non-Current Assets	
Restricted Assets	
Investments	188,011
Capital Assets, Being Depreciated	
Improvements other than buildings	477,089
Infrastructure	2,084,580
Less: accumulated depreciation	(1,929,049)
Total Non-Current Assets	820,631
Total Assets	1,558,624
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	98,099
Unearned revenues	34,774
Bonds payable	750,000
Accrued interest	165,813
Total Current Liabilities	1,048,686
Non-Current Liabilities	
Bonds payable	10,335,000
Total Liabilities	11,383,686
<b>NET POSITION</b>	
Net investment in capital assets	(1,929,049)
Restricted for debt service	34,169
Unrestricted	(7,930,182)
Total Net Position	\$ (9,825,062)

See accompanying notes to financial statements.

**Pier Park Community Development District**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses)</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Contributions</u>	<u>Revenues and</u> <u>Changes in</u> <u>Net Position</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities				
General government	\$ (163,789)	\$ -	\$ 126,488	\$ (37,301)
Physical environment	(402,626)	-	205,198	(197,428)
Culture/recreation	(128,290)	-	-	(128,290)
Subordinated note payments	(1,790,258)	-	-	(1,790,258)
Interest and other charges	(413,134)	670,210	-	257,076
Total Governmental Activities	<u>\$ (2,898,097)</u>	<u>\$ 670,210</u>	<u>\$ 331,686</u>	<u>(1,896,201)</u>
<b>General Revenues</b>				
Licenses and permits				2,372,903
Investment income				1,646
Total General Revenues				<u>2,374,549</u>
Changes in Net Position				478,348
Net Position - Beginning of Year				<u>(10,303,410)</u>
Net Position - End of Year				<u>\$ (9,825,062)</u>

See accompanying notes to financial statements.

**Pier Park Community Development District**  
**BALANCE SHEET -**  
**GOVERNMENTAL FUNDS**  
**September 30, 2022**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 31,958	\$ 671,570	\$ -	\$ 703,528
Accounts receivable	-	-	11,971	11,971
Due from other funds	40,220	-	-	40,220
Prepaid expenses	10,617	11,652	-	22,269
Deposits	225	-	-	225
Restricted assets				
Investments, at fair value	-	-	188,011	188,011
<b>Total Assets</b>	<u>\$ 83,020</u>	<u>\$ 683,222</u>	<u>\$ 199,982</u>	<u>\$ 966,224</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 48,246	\$ 49,853	\$ -	\$ 98,099
Due to other funds	-	40,220	-	40,220
Unearned revenues	34,774	-	-	34,774
<b>Total Liabilities</b>	<u>83,020</u>	<u>90,073</u>	<u>-</u>	<u>173,093</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	11,971	11,971
<b>FUND BALANCES</b>				
Nonspendable - prepaid expenses/deposits	10,842	11,652	-	22,494
Restricted:				
Debt service	-	-	188,011	188,011
Assigned special revenue	-	581,497	-	581,497
Unassigned	(10,842)	-	-	(10,842)
<b>Total Fund Balances</b>	<u>-</u>	<u>593,149</u>	<u>188,011</u>	<u>781,160</u>
<b>Total Liabilities, Deferred Inflows of     Resources and Fund Balances</b>	<u>\$ 83,020</u>	<u>\$ 683,222</u>	<u>\$ 199,982</u>	<u>\$ 966,224</u>

See accompanying notes to financial statements.

**Pier Park Community Development District**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**September 30, 2022**

Total Governmental Fund Balances	\$	781,160
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, improvements other than buildings, \$477,089, and infrastructure, \$2,084,580, net of accumulated depreciation, \$(1,929,049), used in governmental activities are not current financial resources, and therefore, are not reported at the fund level.		632,620
Long-term liabilities, bonds payable, are not due and payable in the current period, and therefore, are not reported at the fund level.		(11,085,000)
Unavailable revenues are recognized as a deferred inflow of resources at the fund level, however, revenues are recognized when earned at the government-wide level.		11,971
Accrued interest expense for long-term debt is not a current financial use, and therefore, is not reported at the fund level.		<u>(165,813)</u>
Net Position of Governmental Activities	<u>\$</u>	<u>(9,825,062)</u>

See accompanying notes to financial statements.

**Pier Park Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2022**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>Revenues</b>				
Special assessments	\$ -	\$ -	\$ 658,239	\$ 658,239
Licenses and permits	-	1,907,174	465,729	2,372,903
Developer contributions	331,686	-	-	331,686
Investment income	-	656	990	1,646
<b>Total Revenues</b>	<b>331,686</b>	<b>1,907,830</b>	<b>1,124,958</b>	<b>3,364,474</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	126,488	37,301	-	163,789
Physical environment	205,198	90,191	-	295,389
Culture/recreation	-	128,290	-	128,290
<b>Debt service</b>				
Subordinated note payments	-	1,790,258	-	1,790,258
Principal	-	-	725,000	725,000
Interest	-	-	423,979	423,979
<b>Total Expenditures</b>	<b>331,686</b>	<b>2,046,040</b>	<b>1,148,979</b>	<b>3,526,705</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(138,210)</b>	<b>(24,021)</b>	<b>(162,231)</b>
<b>Fund Balances - Beginning of Year</b>	<b>-</b>	<b>731,359</b>	<b>212,032</b>	<b>943,391</b>
<b>Fund Balances - End of Year</b>	<b>\$ -</b>	<b>\$ 593,149</b>	<b>\$ 188,011</b>	<b>\$ 781,160</b>

See accompanying notes to financial statements.

**Pier Park Community Development District**  
**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, 2022**

Net Change in Fund Balances - Total Governmental Funds	\$	(162,231)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.		(107,237)
Repayments of bond principal are expenditures at the fund level, but the repayment reduces long-term liabilities at the government-wide level.		725,000
Unavailable revenues are recognized as deferred inflows of resources at the fund level, however, revenues are recognized when earned at the government-wide level. This is the current year change.		11,971
In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the governmental funds level, interest expenditures are reported when due. This is the change in accrued interest in the current period.		10,845
Change in Net Position of Governmental Activities	\$	478,348

See accompanying notes to financial statements.

**Pier Park Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended September 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Developer contributions	\$ 360,364	\$ 360,364	\$ 331,686	\$ (28,678)
Expenditures				
Current				
General government	128,849	128,849	126,488	2,361
Physical environment	220,107	220,107	205,198	14,909
Culture/recreation	11,408	11,408	-	11,408
Total Expenditures	<u>360,364</u>	<u>360,364</u>	<u>331,686</u>	<u>28,678</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**Pier Park Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Licenses and permits	\$ 1,116,549	\$1,116,549	\$ 1,907,174	\$ 790,625
Investment income	-	-	656	656
Total Revenues	<u>1,116,549</u>	<u>1,116,549</u>	<u>1,907,830</u>	<u>791,281</u>
Expenditures				
Current				
General government	37,299	37,299	37,301	(2)
Physical environment	85,255	85,255	90,191	(4,936)
Culture/recreation	193,995	193,995	128,290	65,705
Debt service				
Subordinated note payments	<u>800,000</u>	<u>800,000</u>	<u>1,790,258</u>	<u>(990,258)</u>
Total Expenditures	<u>1,116,549</u>	<u>1,116,549</u>	<u>2,046,040</u>	<u>(929,491)</u>
Net Change in Fund Balances	-	-	(138,210)	(138,210)
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>731,359</u>	<u>731,359</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 593,149</u>	<u>\$ 593,149</u>

**Pier Park Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

**1. Reporting Entity**

The District was established on March 22, 2001, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Panama City Beach Ordinance #716 as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Pier Park Community Development District. The District is governed by a five member Board of Supervisors who are elected on an at large basis by landowners within the District. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Pier Park Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth by the Governmental Accounting Standards Board, the District has identified no component units.

**2. Measurement Focus and Basis of Accounting**

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

**Pier Park Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**a. Government-wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments, developer contributions and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

**b. Fund Financial Statements**

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

**Pier Park Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds**

The District classifies fund balance according to Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

**Nonspendable Fund Balance** – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Assigned Fund Balance** – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

**Unassigned Fund Balance** – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Fund Balance Spending Hierarchy** – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

**Pier Park Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District 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. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

**3. Basis of Presentation**

**a. Governmental Major Funds**

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Pier Park Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Basis of Presentation (Continued)**

**a. Governmental Major Funds (Continued)**

Special Revenue Fund – The Special Revenue Fund accounts for the operation of park and beachfront improvements.

Debt Service Fund – Accounts for debt service requirements to retire the special assessment bonds which were used to finance the construction of District infrastructure improvements. The bonds are secured by a first lien on and pledge of the Special Assessment Revenues and pledged Funds.

**b. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires that non-current governmental assets, such as land and improvements, and non-current governmental liabilities, such as general obligation bonds and due to developer be reported in the governmental activities column in the government-wide Statement of Net Position.

**4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Equity**

**a. Cash and Investments**

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

**Pier Park Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**a. Cash and Investments (Continued)**

Cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

**b. Restricted Net Position**

Certain net position of the District is classified as restricted on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

**c. Capital Assets**

Capital assets, which include improvements other than buildings and infrastructure, are reported in the governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows.

Infrastructure	25 years
Improvements other than buildings	20 years

**d. Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one time that qualifies for reporting in the category. Unavailable revenues are reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

**Pier Park Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Equity  
(Continued)**

**e. Budgets**

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

**NOTE B – CASH AND INVESTMENTS**

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2022, the District's bank balance was \$732,413 and the carrying value was \$703,528. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2022, the District had the following investments and maturities:

<b>Investment</b>	<b>Maturities</b>	<b>Fair Value</b>
First American Treasury Obligation	9 Days*	\$ 188,011

\*Weighted average maturity

**Pier Park Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE B – CASH AND INVESTMENTS (CONTINUED)**

Custodial Credit Risk – Deposits (Continued)

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most realizable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtained quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the investment listed above is a Level 1 asset.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments in treasury obligations are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2022, the District's investments in First American Treasury Obligation was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in First American Treasury Obligation were 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2022 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

**Pier Park Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE C – CAPITAL ASSETS**

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

	Balance October 1, 2021	Additions	Disposals	Balance September 30, 2022
<b><u>Governmental activities:</u></b>				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 477,089	\$ -	\$ -	\$ 477,089
Infrastructure	2,084,580	-	-	2,084,580
Total Capital Assets, Being Depreciated	<u>2,561,669</u>	<u>-</u>	<u>-</u>	<u>2,561,669</u>
Less accumulated depreciation for:				
Improvements other than buildings	(405,248)	(23,854)	-	(429,102)
Infrastructure	<u>(1,416,564)</u>	<u>(83,383)</u>	<u>-</u>	<u>(1,499,947)</u>
Total Accumulated Depreciation	<u>(1,821,812)</u>	<u>(107,237)</u>	<u>-</u>	<u>(1,929,049)</u>
Total Capital Assets Depreciated, Net	<u>\$ 739,857</u>	<u>\$ (107,237)</u>	<u>\$ -</u>	<u>\$ 632,620</u>

Current year depreciation of \$107,237 was charged to physical environment.

**NOTE D – LONG-TERM DEBT**

Governmental Activities

The following is a summary of activity for long-term debt of the Governmental Activities for the year ended September 30, 2022:

Long-term debt at October 1, 2021	\$ 11,810,000
Principal payments	<u>(725,000)</u>
Long-term debt at September 30, 2022	<u>\$ 11,085,000</u>

Long-term debt for Governmental Activities is comprised of the following:

**Capital Improvement Revenue Refunding Bonds**

\$16,220,000 Series 2014 Capital Improvement Revenue and Refunding Bonds are due in annual principal installments beginning May 2015 maturing May 2034. Interest of 3.59% is due semiannually in May and November beginning November 2014. Current portion is \$750,000.

\$ 11,085,000

**Pier Park Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE D – LONG-TERM DEBT (CONTINUED)**

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2022 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 750,000	\$ 397,951	\$ 1,147,951
2024	780,000	371,026	1,151,026
2025	810,000	343,025	1,153,025
2026	840,000	313,946	1,153,946
2027	870,000	283,789	1,153,789
2028-2032	4,845,000	927,478	5,772,478
2033-2034	2,190,000	118,650	2,308,650
Totals	<u>\$ 11,085,000</u>	<u>\$ 2,755,865</u>	<u>\$ 13,840,865</u>

Significant Bond Provisions

The Trust Indenture established certain restrictions relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. The District is in compliance with the requirements of the Bond Indenture.

The District has entered into a Public Improvement Partnership Agreement (the "Agreement") with the CRA whereby the CRA has agreed to transfer to the trustee on or before January 31 of each year, for as long as the Bonds are outstanding, certain tax increment revenues as defined in the Bond Indenture for payment of debt service on the Bonds. In accordance with the Agreement, the District received \$471,234 in tax increment revenues during the fiscal year ended September 30, 2022.

Pursuant to the Agreement, the City has also pledged certain occupational license revenues to the District. During the fiscal year ended September 30, 2022, the District recognized \$2,372,903 of occupational license tax revenues from the City. The revenues are to be used in the following order:

1. Payment of debt service on the Bonds.
2. Payment of certain maintenance costs within the District.
3. Repayment of subordinated notes to the Developers.

**Pier Park Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE E – SUBORDINATED NOTES**

As part of the Public Improvement Partnership Agreement, the District and the Developers have entered into several contingent subordinated notes. During the year ended September 30, 2022, the District did not issue any new notes and repaid \$1,790,258 on the contingent notes. The cumulative amount of subordinated notes at September 30, 2022 totaled \$775,910. These amounts have been recorded as Developer contributions in prior years and relate to maintenance costs and debt service contributions. Repayment of these notes can only be made if the occupational license revenues pledged by the City exceed certain maintenance and debt service obligations. In that event, it is possible that the Developers would receive certain amounts as repayment of these subordinated notes. Because of the uncertainty surrounding repayment of these amounts, no liability has been recorded in the accompanying financial statements at September 30, 2022.

**NOTE F – INTERFUND BALANCES**

Interfund balances at September 30, 2022, consisted of the following:

<b>Receivable Fund</b>	<b>Payable Fund</b>
General Fund	Special Revenue Fund
	\$ 40,220

Interfund balances at year end relate to the General Fund paying certain amounts on the behalf of the Special Revenue Fund.

**NOTE G – RELATED PARTY TRANSACTIONS**

The Developers have agreed to fund the General Fund operations of the District. In connection with the agreement, the Developers' contributions to the General Fund totaled \$331,686 for the year ended September 30, 2022. The Developers have also agreed to fund the debt service requirements on the bonds, which are not paid through special assessments nor another designated source of revenue. Developer contributions to the Debt Service Fund were not needed for the current year as other revenue sources were sufficient to fund the debt service payments. At September 30, 2022, three of the board members were affiliated with the Developer, two of which are immediate family members.

**NOTE H – ECONOMIC DEPENDENCY**

A significant portion of the District's activity is dependent upon continued involvement of the Developers, the loss which could have a material adverse effect on the District's operations. At September 30, 2022, the Developers owned a significant amount of the assessable property located within the District's boundaries.

**Pier Park Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE I – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## **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 Board of Supervisors  
Pier Park Community Development District  
Panama City Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, as listed in the table of contents, of Pier Park Community Development District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated November 3, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Pier Park Community Development District'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 Pier Park Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Pier Park Community Development District'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Board of Supervisors  
Pier Park Community Development District

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Pier Park Community Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

### **Purpose of this Report**

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



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

November 3, 2023



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## MANAGEMENT LETTER

To the Board of Supervisors  
Pier Park Community Development District  
Panama City Beach, Florida

### Report on the Financial Statements

We have audited the financial statements of the Pier Park Community Development District as of and for the year ended September 30, 2022, and have issued our report thereon dated November 3, 2023.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals 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 November 3, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

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

To the Board of Supervisors  
Pier Park Community Development District

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 Pier Park Community Development District. It is management's responsibility to monitor the Pier Park Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2022.

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

### **Specific Information**

The information provided below was provided by management and has not been audited; therefore, we do not express an opinion or provide any assurance on the information.

As required by Section 218.39(3)(c) and Section 218.32(1)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Pier Park Community Development District reported:

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation, defined as individuals or entities that receive 1099s, was paid in the last month of the District's fiscal year: 9
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$0
- 4) All compensation earned by or awarded to nonemployee independent contractors, defined as entities or individuals that receive 1099s, whether paid or accrued, regardless of contingency: \$305,350
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2021, together with the total expenditures for such project: N/A
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

As required by Section 218.39(3)(c) and Section 218.32(1)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Pier Park Community Development District reported:

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: The District direct assessed the Developers were \$27 per square foot for the General Fund and \$15 per square foot for Debt Service.
- 2) The amount of special assessments collected by or on behalf of the District: \$658,239.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: Series 2014, \$11,085,000 matures May 2034.

To the Board of Supervisors  
Pier Park Community Development District

### **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 noted the following finding.

#### Finding 2022-01

Finding: Actual expenditures exceeded budgeted amounts for the Special Revenue Fund for the year ended September 30, 2022.

Management Response: We will add procedures to ensure that an over expenditure does not happen in the future.

### **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 Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam  
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

November 3, 2023



**Berger, Toombs, Elam,  
Gaines & Frank**

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH  
SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors  
Pier Park Community Development District  
Panama City Beach, Florida

We have examined Pier Park Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2022. Management is responsible for Pier Park Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Pier Park Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Pier Park Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Pier Park Community Development District's compliance with the specified requirements.

In our opinion, Pier Park Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2022.

*Berger Toombs Elam  
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

November 3, 2023