

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)

Financial Statements

Year Ended September 30, 2023
(With Report of Independent Certified Public Accountants)

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)

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INDEPENDENT AUDITORS' REPORT

Executive Board
Collier County Community Redevelopment Agency
Collier County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Collier County Redevelopment Agency (CRA), a component unit of Collier County, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 would influence the judgment made by a reasonable user based on the financial statements.

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

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

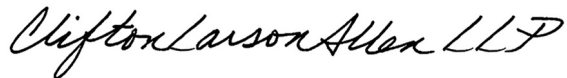
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the CRA's proportionate share of the net pension liability and of CRA contributions, and the schedule of changes in the CRA's total OPEB liability and related ratios 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 GAAS, 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 April 1, 2024, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 CRA'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 CRA's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Naples, Florida
April 1, 2024

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)

Management's Discussion and Analysis
(Unaudited)

This section of the Collier County Community Redevelopment Agency's (CRA) financial report represents management's discussion and analysis of the CRA's financial performance during the fiscal year ended September 30, 2023. Please read the information presented here in conjunction with the financial statements and notes to the financial statements which follow this section.

The CRA was created by the Collier County Board of County Commissioners on March 14, 2000, by Resolution 2000-82. The CRA has two redevelopment areas: The Bayshore Gateway Triangle Community Redevelopment Area and the Immokalee Community Redevelopment Area. The Collier County Board of County Commissioners is the ex-officio governing Board of the CRA.

Financial Highlights

- The CRA's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of September 30, 2023, by \$28,563,737.
- The CRA's total net position increased by \$3,535,006 during fiscal year 2023. The increase is primarily due to an increase in tax increment revenue as a result of an increase in property tax values.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction and explanation of the CRA's basic financial statements. The CRA's financial statements include government-wide and fund financial statements, as well as notes to the basic financial statements. This report also contains required supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements

Government-wide financial statements are designed to provide the reader an overview of the financial position of the CRA and are similar to private sector financial statements. These statements are comprised of a Statement of Net Position and a Statement of Activities and are found on pages 10 to 11 of this report.

The Statement of Net Position shows the financial position of the CRA as of September 30, 2023. The statement shows the CRA's assets and deferred outflows of resources less its liabilities and deferred inflows of resources, with the difference being reported as net position. Changes in net position are useful indicators of financial condition.

The Statement of Activities follows the Statement of Net Position and reports the changes in net position over the fiscal period. All changes in net position are reported as soon as the underlying events that gave rise to the change occur, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported for some items, such as accounts receivable or accrued unused vacation leave, that will manifest themselves in cash inflows and outflows, respectively, in future fiscal periods.

The CRA's government-wide financial statements present functions of the CRA that are principally supported by tax increment financing (governmental activities). The CRA has no business-type activities.

Fund Financial Statements

A fund is a group of related accounts used to maintain control over resources that have been segregated to meet specific objectives. As dictated by generally accepted accounting principles, the CRA uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The CRA utilizes two funds for the fiscal year ended September 30, 2023: the *Bayshore Gateway Community Redevelopment Agency Fund* and the *Immokalee Community Redevelopment Agency Fund*.

Governmental funds, presented on pages 12 to 17, account for substantially the same functions as governmental activities reported under the government-wide Statement of Net Position and Statement of Activities. The difference is that the governmental fund financial statements focus on inflows and outflows of expendable resources, as well as balances of expendable resources available at the end of the fiscal year, on a near term basis. As such, these statements present a narrower view of financial condition, but are nonetheless useful in evaluating the CRA's near term financing requirements and available resources.

The CRA adopts an annual budget for all funds as described in Note 1 to the financial statements. Budgetary comparison statements presented demonstrate compliance with the budget and provide an analysis of significant budgetary variances (both original budget versus the final amended budget).

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in both the government-wide and fund financial statements. The notes appear on pages 18 to 37 of this report.

Government-Wide Financial Analysis

The following are the CRA's net position and changes in net position for the fiscal years ended September 30, 2022 and 2023, shown in condensed form:

Collier County Community Redevelopment Agency
(A Component Unit of Collier County, Florida)
Schedule of Net Position

	Governmental Activities		Increase (Decrease)	Total Percentage Change 2022-2023
	2023	2022		
Current and other assets	\$ 17,666,073	\$ 13,351,787	\$ 4,314,286	32.3%
Capital assets, net	11,565,142	12,225,380	(660,238)	(5.4%)
Total assets	29,231,215	25,577,167	3,654,048	14.3%
Deferred outflows of resources	133,737	116,602	17,135	14.7%
Long-term liabilities	559,096	462,922	96,174	20.8%
Current liabilities	223,321	177,370	45,951	25.9%
Total liabilities	782,417	640,292	142,125	22.2%
Deferred inflows of resources	18,798	24,746	(5,948)	(24.0%)
Net position:				
Net investment in capital assets	11,565,142	12,194,466	(629,324)	(5.2%)
Restricted	16,998,595	12,834,265	4,164,330	32.4%
Total net position	\$ 28,563,737	\$ 25,028,731	\$ 3,535,006	14.1%

The largest portion of the CRA's net position is \$16,998,595 in restricted net position for use in community redevelopment. Restricted net position is subject to external restriction on how they may be used.

The CRA's net position also includes \$11,565,142 related to investment in capital assets such as land, building, improvements other than buildings, infrastructure and machinery and equipment, net of depreciation and any outstanding debt or payables related to the construction or purchase of the assets. Capital assets are used to provide services to the citizens within the CRA district and consequently do not represent spendable resources.

Collier County Community Redevelopment Agency
(A Component Unit of Collier County, Florida)
Schedule of Changes in Net Position

	Governmental Activities		Increase (Decrease)	Total Percentage Change 2022-2023
	2023	2022		
Revenues				
Program revenues:				
Fines, fees and charges for services	\$ 43,261	\$ 97,636	\$ (54,375)	(55.7%)
General revenues:				
Property taxes (TIF)	4,556,700	3,690,300	866,400	23.5%
Gain on sale of assets	361,423	-	361,423	100.0%
Interest earnings	530,580	(446,049)	976,629	(219.0%)
Miscellaneous	455	-	455	100.0%
Total revenues	<u>5,492,419</u>	<u>3,341,887</u>	<u>2,150,532</u>	64.4%
Expenses				
Economic environment	2,079,412	1,933,789	145,623	7.5%
Interest on long-term debt	20	81	(61)	(75.3%)
Total expenses	<u>2,079,432</u>	<u>1,933,870</u>	<u>145,562</u>	7.5%
Increase in net				
position before net transfers	3,412,987	1,408,017	2,004,970	142.4%
Net appropriation from County funds	<u>122,019</u>	<u>122,000</u>	<u>19</u>	0.0%
Change in net position	3,535,006	1,530,017	2,004,989	131.0%
Net position – beginning	<u>25,028,731</u>	<u>23,498,714</u>	<u>1,530,017</u>	6.5%
Net position – ending	<u>\$28,563,737</u>	<u>\$ 25,028,731</u>	<u>\$ 3,535,006</u>	14.1%

At September 30, 2023, the CRA's total net position amounted to \$28,563,737, as compared to \$25,028,731 as of September 30, 2022. Net position changes as a result of operations, non-operating revenues and expenses.

Property taxes increased \$866,400 primarily due to an increase in the property values within the CRA district. Tax increment revenues are a function of the increase in the assessed values of properties within the CRA district above the base year valuation amounts, as well as the operating millage rate of each taxing district that contributes. Charges for service decreased due to the completion of the fire suppression and sidewalk projects that were reimbursed in part by the Board of County Commissioners. Interest earnings increased because of overall economic improvement.

Economic environment expenses increased by \$145,623, when compared to fiscal year 2022. This is a result of an increase in personal services of \$112,591 due to the CRA implementing the next phase of programmed salary adjustments. In addition, the CRA recognized a gain on sale of assets of \$361,423 primarily due to the sale of land for \$599,980 with an acquisition value of \$238,789.

Fund Financial Statement Analysis

As mentioned previously, the CRA utilizes fund accounting to ensure compliance with finance related legal requirements.

Governmental Funds

Governmental funds provide information on near term inflows, outflows, and balances of spendable resources. Unassigned fund balance is a useful measure of net resources available to be spent at the end of the fiscal year. Governmental funds consist of two special revenue funds.

As of September 30, 2023, the CRA reported combined restricted fund balances of \$17,480,720, an increase of \$4,230,635 when compared to prior year combined fund balances. The restricted fund balance consists of monies whose expenditures are externally constrained by grantors, creditors, binding law or enabling legislation.

The following were noteworthy activities and changes relating to the governmental funds for fiscal year 2023:

The Bayshore Gateway Community Redevelopment Agency was created to benefit blighted areas in the Bayshore Gateway Triangle. During fiscal year 2023, the Bayshore Gateway Community Redevelopment Agency collected \$3,348,900 in tax increment revenues. In addition, the Bayshore Gateway CRA received \$39,500 in fines related to a redevelopment project in the district and \$420,574 in interest earnings. Operating expenditures of \$1,132,855, mainly consisting of personal services and planning consulting services within the district.

The Immokalee Community Redevelopment Agency was created to benefit blighted areas in Immokalee. During fiscal year 2023, the Immokalee Community Redevelopment Agency collected \$1,207,800 in tax increment revenues. The Agency also received \$3,761 in impact fees, \$110,006 in interest earnings and \$455 in miscellaneous revenue. Operating expenditures of \$458,803, mainly personal services, and general operating expenditures, were associated with the Immokalee Community Redevelopment Agency. In addition, debt service expenditures of \$30,934 were made for leased office space. The Immokalee CRA also recognized \$600,121 in revenue from sales of capital assets, \$599,980 of which was from the sale of a parcel of land at the corner of South 9th Street and Boston Avenue as the parcel is no longer needed by the Immokalee CRA.

Capital Assets

The CRA's financial statements present capital assets in two distinct groups, those that are depreciated and those not subject to depreciation. Buildings, improvements, and equipment are examples of assets that are depreciated, and land and construction in progress are examples of assets that are not depreciated. The CRA's capital assets, net of accumulated depreciation, decreased by \$660,238 from \$12,225,380 at the end of fiscal year 2022 to \$11,565,142 at the end of fiscal year 2023. The CRA did not have any capital expenditures during the current fiscal year.

Additional information regarding the CRA's capital assets can be found in Note 3 on page 25 of this report.

Debt Administration

At September 30, 2023 the CRA had a decrease of \$30,914 in total outstanding debt, from the previous year. The decrease is a result of the final payment of \$30,914 for the lease. There are no new leases or borrowings during the fiscal year.

The following table illustrates the balances of leases payable as of the fiscal years ended September 30, 2023, and 2022:

Collier County Community Redevelopment Agency (A Component Unit of Collier County, Florida) Outstanding Debt		
	2023	2022
Leases Payable	\$ -	\$ 30,914

The Constitution of the State of Florida, Florida Statute 200.181 and Collier County set no legal debt limit. Further information regarding the CRA's long-term debt can be found in Note 4 on page 25 of this report.

Economic Factors and Fiscal Year 2024 Budgets and Rates

The following factors were considered in preparing the CRA's fiscal year 2024 budget:

- A 3.5% increase in countywide taxable property values.
- Rolled back General Fund tax rate.
- Implement the remaining phases of the compensation and pay plan adjustments.
- Maintain health care program contributions at 80% employer and 20% employee.

Contact Information

This financial report is intended to give the user a general overview of CRA's finances. Any questions resulting from review of this information may be addressed to:

Collier County Clerk of the Circuit Court and Comptroller
Department of Finance and Accounting
3299 Tamiami Trail East, Suite #403
Naples, Florida 34112-5746

Our office may also be contacted via the internet at www.collierclerk.com.

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 185,353
Interest receivable	16,757
Due from other governments	13,374
Deposits	625
Inventory for resale	3,694,000
Total current assets	<u>3,910,109</u>
Noncurrent assets:	
Cash and investments	13,755,964
Capital assets:	
Land and non-depreciable capital assets	3,644,975
Depreciable and amortizable capital assets, net	7,920,167
Total noncurrent assets	<u>25,321,106</u>
Total assets	<u>29,231,215</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to OPEB	1,432
Deferred outflows of resources related to pensions	132,305
Total deferred outflows of resources	<u>133,737</u>
LIABILITIES	
Current liabilities:	
Accounts payable	151,134
Wages payable	33,596
Due to other governments	623
Compensated absences	36,778
Total OPEB liability	1,190
Total current liabilities	<u>223,321</u>
Noncurrent liabilities:	
Compensated absences	9,195
Total OPEB liability	17,082
Net pension liability	532,819
Total noncurrent liabilities	<u>559,096</u>
Total liabilities	<u>782,417</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to OPEB	3,165
Deferred inflows of resources related to pensions	15,633
Total deferred inflows of resources	<u>18,798</u>
NET POSITION	
Net investment in capital assets	11,565,142
Restricted for: Community redevelopment	16,998,595
Total net position	<u>\$ 28,563,737</u>

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

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

				Net (Expense) Revenue and Changes in Net Position
		Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
FUNCTIONS/PROGRAMS	Expenses			
Primary Government:				
Governmental Activities:				
Economic environment	\$ 2,079,412	\$ 43,261	\$ -	\$ (2,036,151)
Interest and fiscal charges	20	-	-	(20)
Total governmental activities	\$ 2,079,432	\$ 43,261	\$ -	(2,036,171)
General revenues:				
				4,556,700
				361,423
				530,580
				455
				122,019
				5,571,177
Change in net position				
				3,535,006
				25,028,731
				\$ 28,563,737

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

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Bayshore Gateway Community Redevelopment Agency	Immokalee Community Redevelopment Agency	Total Governmental Funds
ASSETS			
Cash and investments	\$ 10,690,403	\$ 3,250,914	\$ 13,941,317
Receivables:			
Interest	13,293	3,464	16,757
Due from other governments	13,355	19	13,374
Deposits	-	625	625
Inventory for resale	3,694,000	-	3,694,000
Total assets	<u>\$ 14,411,051</u>	<u>\$ 3,255,022</u>	<u>\$ 17,666,073</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 90,559	\$ 60,575	\$ 151,134
Wages payable	21,426	12,170	33,596
Due to other governments	396	227	623
Total liabilities	<u>112,381</u>	<u>72,972</u>	<u>185,353</u>
Fund balance:			
Restricted for community redevelopment	<u>14,298,670</u>	<u>3,182,050</u>	<u>17,480,720</u>
Total fund balance	<u>14,298,670</u>	<u>3,182,050</u>	<u>17,480,720</u>
Total liabilities and fund balance	<u>\$ 14,411,051</u>	<u>\$ 3,255,022</u>	<u>\$ 17,666,073</u>

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

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Differences in amounts reported for governmental activities in the statement of net position on page 10:

Fund balances - total governmental funds	\$	17,480,720
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and other non-depreciable assets	\$	3,644,975	
Depreciable assets, net of \$3,280,115 in accumulated depreciation		7,920,167	11,565,142

Certain liabilities applicable to the CRA's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but is recognized as an expenditure when due. All liabilities are reported in the statement of net position. Balances at September 30, 2023 are:

Compensated absences	\$	(45,973)	
Total OPEB liability		(18,272)	
Net pension liability		(532,819)	(597,064)
OPEB deferred outflows			1,432
Pension deferred outflows			132,305
OPEB deferred inflows			(3,165)
Pension deferred inflows			(15,633)
Total net position - governmental activities			\$ 28,563,737

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

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Bayshore Gateway Community Redevelopment Agency	Immokalee Community Redevelopment Agency	Total Governmental Funds
Revenues:			
Taxes	\$ 3,348,900	\$ 1,207,800	\$ 4,556,700
Licenses, permits and impact fees	-	3,761	3,761
Fines and forfeitures	39,500	-	39,500
Interest earnings	420,574	110,006	530,580
Miscellaneous	-	455	455
Total revenues	<u>3,808,974</u>	<u>1,322,022</u>	<u>5,130,996</u>
Expenditures:			
Economic environment			
Personal services	494,236	239,337	733,573
Operating	638,619	219,466	858,085
Debt service			
Principal	-	30,914	30,914
Interest	-	20	20
Total expenditures	<u>1,132,855</u>	<u>489,737</u>	<u>1,622,592</u>
Excess of revenues over expenditures	<u>2,676,119</u>	<u>832,285</u>	<u>3,508,404</u>
Other financing sources (uses):			
Sale of capital assets	91	600,121	600,212
Net appropriations from County funds	83,000	39,019	122,019
Transfers in	84,900	-	84,900
Transfers out	-	(84,900)	(84,900)
Total other financing sources (uses)	<u>167,991</u>	<u>554,240</u>	<u>722,231</u>
Net change in fund balances	<u>2,844,110</u>	<u>1,386,525</u>	<u>4,230,635</u>
Fund balances at beginning of year	<u>11,454,560</u>	<u>1,795,525</u>	<u>13,250,085</u>
Fund balances at end of year	<u>\$ 14,298,670</u>	<u>\$ 3,182,050</u>	<u>\$ 17,480,720</u>

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

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Differences in amounts reported for governmental activities in the statement of activities on page 11:

Net change in fund balances - total governmental funds	\$	4,230,635
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Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is allocated over their estimate useful lives and reported as depreciation expense.

Depreciation and amortization expense		(421,449)
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In the statement of net position, the gain or loss on the sale of capital assets is reported. However, in the governmental funds the proceeds from the sale of capital assets increase financial resources. The change in net position differs from the change in fund balances by the net book value of assets disposed.

		(238,789)
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Debt proceeds provide current financial resources for government funds, but issuing debt increases liabilities in the statement of net position. Repayment of principal on long-term debt is an expenditure in governmental funds, but a reduction of long-term liabilities in the statement of net position.

Payments on lease obligations		30,914
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Certain amounts reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated absences	\$	9,830	
OPEB expense		749	
Pension expense		(76,884)	(66,305)

Change in net position - governmental activities	\$	3,535,006
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The notes to the financial statements are an integral part of this statement.

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)
BAYSHORE GATEWAY COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 3,348,900	\$ 3,348,900	\$ 3,348,900	\$ -
Fines and forfeitures	-	-	39,500	39,500
Interest earnings	44,600	44,600	253,805	209,205
Total revenues	3,393,500	3,393,500	3,642,205	248,705
Expenditures:				
Economic environment				
Personal services	539,800	539,800	494,236	45,564
Operating	1,389,600	4,068,560	638,619	3,429,941
Capital outlay	1,614,300	9,177,461	-	9,177,461
Total expenditures	3,543,700	13,785,821	1,132,855	12,652,966
Excess (deficit) of revenues over (under) expenditures	(150,200)	(10,392,321)	2,509,350	12,901,671
Other financing sources (uses):				
Sale of capital assets	-	-	91	91
Net appropriations from County funds	83,000	83,000	83,000	-
Transfers in	2,516,100	3,981,200	3,826,227	(154,973)
Transfers out	(2,431,200)	(3,896,300)	(3,741,327)	154,973
Total other financing sources (uses)	167,900	167,900	167,991	91
Net change in fund balance	17,700	(10,224,421)	2,677,341	12,901,762
Fund balance at beginning of year	-	10,226,621	11,454,560	1,227,939
Fund balance at end of year	\$ 17,700	\$ 2,200	\$ 14,131,901	\$ 14,129,701
Reconciliation:				
Net change in fund balance, budgetary basis			\$ 2,677,341	
Net change in fair value of investments			166,769	
Transfer in from sub-fund			(3,741,327)	
Transfer out from sub-fund			3,741,327	
Net change in fund balance, GAAP basis			\$ 2,844,110	

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

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)
IMMOKALEE COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 1,207,800	\$ 1,207,800	\$ 1,207,800	\$ -
Licenses, permits and impact fees	-	-	3,761	3,761
Charges for services	-	250,000	-	(250,000)
Interest earnings	13,700	13,700	63,911	50,211
Miscellaneous	-	-	455	455
Total revenues	1,221,500	1,471,500	1,275,927	(195,573)
Expenditures:				
Economic environment				
Personal services	239,500	239,500	239,337	163
Operating	330,400	1,071,573	219,466	852,107
Debt service	31,000	31,000	30,934	66
Capital outlay	520,800	3,252,900	-	3,252,900
Total expenditures	1,121,700	4,594,973	489,737	4,105,236
Excess (deficit) of revenues over (under) expenditures	99,800	(3,123,473)	786,190	3,909,663
Other financing sources (uses):				
Sale of capital assets	-	-	600,121	600,121
Net appropriations from County funds	39,000	39,000	39,019	19
Transfers in	434,200	1,719,700	1,667,699	(52,001)
Transfers out	(519,100)	(1,804,600)	(1,752,599)	52,001
Total other financing sources (uses)	(45,900)	(45,900)	554,240	600,140
Net change in fund balance	53,900	(3,169,373)	1,340,430	4,509,803
Fund balance at beginning of year	-	3,170,173	1,795,525	(1,374,648)
Fund balance at end of year	\$ 53,900	\$ 800	\$ 3,135,955	\$ 3,135,155
Reconciliation:				
Net change in fund balance, budgetary basis			\$ 1,340,430	
Net change in fair value of investments			46,095	
Transfer in from sub-fund			(1,667,699)	
Transfer out from sub-fund			1,667,699	
Net change in fund balance, GAAP basis			\$ 1,386,525	

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Collier County Community Redevelopment Agency (CRA) have been prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (GAAP). The more significant of the CRA's accounting policies are described below.

THE REPORTING ENTITY

The CRA was established by Resolution 2000-82 to benefit blighted areas in both the Immokalee Redevelopment and Bayshore Gateway Triangle Redevelopment Areas. These two redevelopment areas are geographically separate and distinct. The Board of the CRA (Board) is governed by the five members of the Collier County Board of County Commissioners (County). The CRA is considered to be a blended component unit in the County's Annual Comprehensive Financial Report.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements consist of the government-wide financial statements and fund financial statements. Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole and provide a consolidated financial picture of the government. As part of the consolidation process, interfund activities are eliminated to avoid distorted financial results. The Statement of Net Position reports all financial and capital resources of the CRA's governmental activities. Governmental activities are those supported by charges for services, taxes and intergovernmental revenues. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges for goods or services that are recovered directly from customers for services rendered and grants and contributions that are restricted to capital or operational use in a particular program. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is provided which briefly explains the adjustments necessary to reconcile the results of governmental fund accounting to the government-wide presentations.

BASIS OF PRESENTATION

The following are reported as major governmental funds:

Bayshore Gateway Community Redevelopment Agency Special Revenue Fund – The Bayshore Gateway Community Redevelopment Agency Special Revenue Fund is used to account for the receipt and expenditures of tax increment revenues generated by the Bayshore Gateway Community Redevelopment Area.

Immokalee Community Redevelopment Agency Special Revenue Fund – The Immokalee Community Redevelopment Agency Special Revenue Fund is used to account for the receipt and expenditures of tax increment revenues generated by the Immokalee Community Redevelopment Area.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the Statement of Net Position and the operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and measurable, and expenses are recognized in the period incurred. Grant and similar revenues are recognized when eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Generally, revenues are considered available when they are collected within the current period or within 60 days after the end of the fiscal year. Grant revenues are an exception and are considered available when eligibility requirements are met. Primary revenues which have been treated as susceptible to accrual include, where material, charges for services, interest earnings and intergovernmental revenues. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include accrued compensated absences, pension, other postemployment benefits and principal and interest on long-term debt.

CASH, CASH EQUIVALENTS AND INVESTMENTS

The CRA participates in the County's pooled cash investment program. Investment income is allocated to individual funds based upon their average daily balance in cash and investment pool. Investments in debt securities are recorded at fair value based upon values obtained from an independent pricing service. Investments in Local Government Surplus Funds Trust Fund (Florida Prime) are stated at fair value. The County categorizes its fair value measurement within the fair value hierarchy established in Government Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*.

RECEIVABLES

The accounts receivables of the CRA are recorded net of allowances for uncollectible accounts, if any. All non-user receivables over one year old are recorded as uncollectible. The CRA's unbilled service revenues are accrued at the end of the year by prorating actual subsequent billings.

INVENTORY HELD FOR RESALE

Inventory held for resale consists of real estate holdings which the CRA intends to sell. The value of these properties includes the original purchase price. Inventory held for resale of \$3,694,000 is classified as restricted, which indicates that they do not constitute available resources.

CAPITAL ASSETS

Capital assets purchased for use in the operations of the CRA are stated at cost. Contributed collection systems and equipment are recorded at acquisition value on the date of contribution. Depreciation is provided using the straight-line method over the estimated useful lives of the assets ranging from 3-20 years for equipment, 3-30 years for infrastructure, 20-45 years for buildings, and from 4-45 years for improvements other than buildings.

The CRA capitalizes expenditures with a cost of \$5,000 or more and with a useful life in excess of one year. Expenditures for maintenance and repairs are charged to operating expenses. The cost of capital assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss on disposition is credited or charged to earnings.

LEASES

The CRA follows the provisions of Government Accounting Standards Board Statement No. 87, *Leases*. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

As a lessee, the CRA recognizes a lease liability and an intangible right-to-use lease asset in the CRA's financial statements. The CRA initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

The CRA monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the leases if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable.

ACCRUED COMPENSATED ABSENCES

The CRA follows the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. This statement provides for the measurement of accrued vacation leave and other compensated absences using the pay or salary rates in effect at the balance sheet date. It also requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences.

It is the CRA's policy to allow employees to accumulate an unlimited number of hours of unused sick leave and up to 440 hours of unused vacation leave during their employment. Upon termination, CRA employees are only eligible for a payout of unused vacation up to 440 hours. Employees are not eligible for payout of any sick leave hours. Accrued compensated absences are recorded as liabilities in the CRA's government-wide financial statements.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the CRA to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimated.

PENSIONS

In the statement of net position, liabilities are recognized for the CRA's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by FRS and HIS plans. For this purpose, plan

contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OTHER POST EMPLOYMENT BENEFITS (OPEB)

In the statement of net position, liabilities are recognized for the CRA's total OPEB liability as determined by an actuarial review of the healthcare coverage purchased by retirees to continue participation in the County's self-insured health plan. The CRA is responsible for covering the excess of retiree claims over premium payments made by retirees to the County, which creates another post-employment benefit. OPEB expense is recognized immediately for changes in the OPEB liability resulting from current year service cost, interest on the total OPEB liability and changes of benefit terms or actuarial assumptions.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports 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. The deferred outflows of resources reported in the CRA's statement of net position represent changes in actuarial assumptions, changes in the proportion and differences between the CRA's contributions and proportionate share of contributions and the CRA's contributions subsequent to the measurement date, relating to the Florida Retirement System (FRS) Pension Plan and the Retiree Health Insurance Subsidy (HIS) Program. In addition, deferred outflows related to the difference between expected and actual economic experience relating to the FRS Pension Plan and the Other Post-Employment Benefits Plan were reported. These amounts will be recognized as increases in pension expense and OPEB expense in future years.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the CRA's statement of net position represent the difference between expected and actual economic experience, changes in actuarial assumptions, net difference between projected and actual earnings on investments, and changes in the proportion and differences between the CRA's contributions and proportionate share of contributions relating to the FRS Pension Plan, the Retiree HIS Program and the OPEB Plan. These amounts will be recognized as reductions in pension expense and OPEB expense in future years.

ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

For the year ended September 30, 2023, the CRA adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The primary objective of this statement is to establish a definition for SBITAs and provide uniform guidance for accounting and financial reporting for transactions that meet that definition. The CRA has not entered into any contracts that meet the criteria under this pronouncement for the 2023 fiscal year.

NOTE 2 – CASH AND INVESTMENTS

At September 30, 2023, the CRA had the following investments and maturities:

Investments	Fair Value	Investment Maturities Within:		
		1 Year	2 Years	3 Years and more
U.S. Treasury Notes	\$ 1,712,302	\$ 1,712,302	\$ -	\$ -
U.S. Agency Securities	6,275,943	1,991,409	1,877,073	2,407,461
	<u>\$ 7,988,245</u>	<u>\$ 3,703,711</u>	<u>\$ 1,877,073</u>	<u>\$ 2,407,461</u>

Reconciliation of cash and investments to the CRA's financial statements, as of September 30, 2023:

Demand deposits	\$ 3,447,298
Local government investment pools	2,505,774
Investments, including cash equivalents	<u>7,988,245</u>
Total cash, cash equivalents and investments	<u>\$ 13,941,317</u>
Cash and investments:	
Current	\$ 185,353
Noncurrent	<u>13,755,964</u>
Total cash, cash equivalents and investments	<u>\$ 13,941,317</u>

INVESTMENT POLICY

Cash in excess of operating requirements of the CRA is pooled and invested in various investments as described below. Earnings from pooled investments are allocated to the CRA based on the percentage of each fund's average daily balance in the total pool. Each fund's individual equity in the County's investment pool is considered to be a cash equivalent since each fund can deposit or withdraw cash at any time without prior notice or penalty. At September 30, 2023 the CRA's share of the cash and investment pool was \$13,941,317.

Florida Statutes Chapter 218 and the County's investment policy, which was adopted by Resolution 2014-260, govern the County's investment practices.

The County is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, banker's acceptances, repurchase agreements, certificates of deposits, Local Government Investment Pools and the Florida PRIME, formerly the Local Government Surplus Funds Trust Fund. The CRA has adopted the provisions of GASB Statement No. 40, *Deposit, and Investment Risk Disclosures*.

CREDIT RISK

The County's investment policy limits credit risk by restricting authorized investments to the Florida Local Government Surplus Trust Fund (Florida PRIME), other Local Government Investment Pools rated AAam/Aaa-mf, S1 or equivalent, local direct obligations of, or obligations backed by the full faith and credit of the United States Government, U.S. government sponsored Corporation/Instrumentalities (except for Student Loan Marketing Association), certificates of deposit collateralized by U.S. Government Securities or Agencies, fixed income mutual funds collateralized by U.S. Government Securities or Agencies, domestic bankers' acceptances rated "AA" or higher, prime commercial paper rated "A-1" and "P-1", tax-exempt obligations rated "AA" or higher and issued by state or local governments, NOW accounts fully collateralized in accordance with Chapter 280, Florida Statutes and qualifying repurchase agreements.

Florida PRIME is an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the State of Florida. As of September 30, 2023, the CRA's share of the County's investment in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool was \$315,307. All of these funds are held in the Florida PRIME pool. Florida PRIME is rated "AAAm" by Standard & Poor's Global Ratings Services.

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an intergovernmental investment pool established pursuant to the Florida Interlocal Cooperation Act of 1969, as amended, (Section 163.01, Florida Statutes) and is an authorized investment under Section 218.415, Florida Statutes. FLCLASS is supervised by a board of trustees comprised of eligible participants of the FLCLASS program. As of September 30, 2023, the CRA's share of the County's investment in FLCLASS was \$1,074,617. Of this amount, \$157,090 was invested in the FL CLASS Daily Liquidity Fund and \$917,527 was invested in the FL CLASS Enhanced Cash Pool. The FLCLASS Daily Liquidity Pool and the Enhanced Cash Pool are both rated "AAAm" by Standard and Poor's Global Ratings Services.

Florida Public Assets for Liquidity Management (FL PALM) is a common law trust organized under the authority of the Florida Interlocal Cooperation Act of 1969, as amended, (Section 163.01, Florida Statutes) and Section 218.415 of the Florida Statutes. FL PALM was created on October 22, 2010 by contract among its participating governmental units and is governed by trustees. The fund is an investment opportunity for State school districts, political subdivisions of the State or instrumentalities of political subdivisions of the State. As of September 30, 2023, the CRA's share of the County's investment in FL PALM was \$1,115,850 invested in FL PALM. The FL PALM Portfolio is rated "AAAm" by Standard and Poor's Global Ratings Services.

All cash deposits are held in qualified public depositories pursuant to Florida Statutes Chapter 280, "Florida Security for Public Deposits Act". Under the Act, 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, multiplied by the depository's collateral pledging level. The pledging level may range from 25% to 150% depending upon the depository's financial condition. Any losses to public deposits are covered by applicable deposit insurance, sale of securities pledged as collateral, and if necessary, assessments against other qualified public depositories of the same type as the depository in default.

CUSTODIAL CREDIT RISK FOR INVESTMENTS

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County's investment policy requires execution of a third-party custodial safekeeping agreement for purchased securities and collateral, and requires that securities be held in the County's name.

INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The objective of the investment policy is to match investment cash flow and maturity with known cash needs and anticipated cash flow requirements.

CONCENTRATION OF CREDIT RISK

The investment policy establishes limitations on portfolio composition in order to control credit risk. The policy allows 100% of the portfolio to be invested in U.S. government guaranteed securities, 80% to be invested in federal agencies and instrumentalities (excluding mortgage securities), 50% to be invested in State Investment Pools, 30% to be invested in Certificates of Deposit, 25% to be invested in prime commercial paper, 25% to be invested in Corporates and 20% to be invested in qualifying repurchase agreements and fixed income mutual funds.

The portion of the CRA's portfolio invested in U.S. Government Agencies is detailed as follows, at September 30, 2023:

Issuer	% of Portfolio
Federal Home Loan Bank	28.00%
Federal Farm Credit Bank	1.99%
Federal Home Loan Mortgage Corporation	7.56%
Federal National Mortgage Association	4.24%
Federal Agricultural Mortgage Corporation	0.51%
Total U.S. Government Agencies	42.30%

FAIR VALUE MEASUREMENTS

GASB Statement No. 72, *Fair Value Measurements and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 – Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs, if any, reflect the County's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the County's own data.

The CRA has the following recurring fair value measurements as of September 30, 2023:

U.S. Treasury Notes and Bills classified as Level 1 of the fair value hierarchy were valued using prices quoted in active markets for those securities. As of September 30, 2023, the fair value of the CRA's U.S. Treasury Notes and Bills was \$1,712,302.

U.S. Agency obligations classified as Level 2 of the fair value hierarchy were valued using quoted prices for similar assets in active markets for those securities. As of September 30, 2023, the fair value of the CRA's U.S. Agency obligations was \$6,275,943.

NOTE 3 – CAPITAL ASSETS

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

	October 1, 2022	Additions	Deductions	September 30, 2023
Governmental Activities:				
Capital assets not depreciated:				
Land and other non-depreciable assets	\$ 3,883,764	\$ -	\$ (238,789)	\$ 3,644,975
Total capital assets not depreciated	<u>3,883,764</u>	<u>-</u>	<u>(238,789)</u>	<u>3,644,975</u>
Capital assets depreciated and amortized:				
Buildings	57,471	-	-	57,471
Infrastructure	9,920,631	-	-	9,920,631
Improvements other than buildings	1,134,252	-	-	1,134,252
Machinery and equipment	90,683	-	(2,755)	87,928
Right-to-use buildings	73,042	-	(73,042)	-
Total capital assets depreciated and amortized	<u>11,276,079</u>	<u>-</u>	<u>(75,797)</u>	<u>11,200,282</u>
Less accumulated depreciation and amortization:				
Buildings	27,686	3,257	-	30,943
Infrastructure	2,571,916	330,688	-	2,902,604
Improvements other than buildings	215,633	47,090	-	262,723
Machinery and equipment	76,603	9,997	(2,755)	83,845
Right-to-use buildings	42,625	30,417	(73,042)	-
Total accumulated depreciation and amortization	<u>2,934,463</u>	<u>421,449</u>	<u>(75,797)</u>	<u>3,280,115</u>
Total depreciable capital assets, net	<u>8,341,616</u>	<u>(421,449)</u>	<u>-</u>	<u>7,920,167</u>
Total Governmental Activities capital assets, net	<u>\$ 12,225,380</u>	<u>\$ (421,449)</u>	<u>\$ (238,789)</u>	<u>\$ 11,565,142</u>

NOTE 4 – LONG-TERM OBLIGATIONS

SUMMARY OF CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of changes in the CRA's long-term obligations for the year ended September 30, 2023:

	October 1, 2022	Additions	Reductions	September 30, 2023	Due within one year
Lease payable	30,914	-	(30,914)	-	-
Compensated absences	55,803	15,910	(25,740)	45,973	36,778
Total	<u>\$ 86,717</u>	<u>\$ 15,910</u>	<u>\$ (56,654)</u>	<u>\$ 45,973</u>	<u>\$ 36,778</u>

NOTE 5 – DEFINED BENEFIT PENSION PLANS

BACKGROUND

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the CRA are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two costs-sharing, multiple employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

The CRA's pension expense totaled \$143,880 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2023.

FLORIDA RETIREMENT SYSTEM PENSION PLAN

PLAN DESCRIPTION

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Elected County Officers Class – Members who hold specified elective offices in local government.

Senior Management Service Class (SMSC) – Members in senior management level positions.

Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55, if vested, or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service.

Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 8 years after electing to participate, except those certain instructional personnel may participate for up to 10 years. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

BENEFITS PROVIDED

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment and Retirement Age/Years of Service:	% Value (per year of service)
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or with 31 years of service	1.63
Retirement up to age 64 or with 32 years of service	1.65
Retirement up to age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or with 34 years of service	1.63
Retirement up to age 67 or with 35 years of service	1.65
Retirement up to age 68 or with 36 or more years of service	1.68
Elected County Officers' Class	3.00
Senior Management Service Class	2.00
Special Risk Class	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

CONTRIBUTIONS

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively, were as follows: Regular employees – 11.91% and 13.57%; Special Risk–Regular – 27.83% and 32.67%; County Elected Officials – 57.00% and 58.68%; Senior Management Services – 31.57% and 34.52%; and DROP participants – 18.60% and 21.13%. The CRA’s contributions to the FRS Plan were \$66,343 for the year ended September 30, 2023.

PENSION COSTS

At September 30, 2023, the CRA reported a liability of \$384,929 for its proportionate share of the FRS Plan’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The CRA’s proportion of the net pension liability was based on the CRA’s contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of FRS’s participating employers. At June 30, 2023, the CRA’s proportion was 0.000966022%, which was an increase of 0.000095611 % from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the CRA recognized pension expense of \$85,773 for its proportionate share of FRS’s pension expense. In addition, the CRA reported its proportionate share of FRS’s deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 36,142	\$ -
Changes in Actuarial Assumptions	25,093	-
Net Difference Between Projected and Actual Earnings on Plan Investments	16,076	-
Changes in Proportionate Share	25,105	1,805
CRA Contributions Subsequent to the Measurement Date	11,676	-
Total	<u>\$ 114,092</u>	<u>\$ 1,805</u>

Deferred outflows of resources related to pensions of \$11,676, resulting from CRA contributions to the FRS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase or decrease in pension expense as follows:

Year Ending September 30	Amount
2024	\$ 16,384
2025	1,826
2026	69,452
2027	10,210
2028	2,739

ACTUARIAL ASSUMPTIONS

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.25% Average, Including Inflation
Investment Rate of Return	6.70%, Net of Pension Plan Investment Expense

Mortality rates were based on the PUB-2010 base table projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2022, valuation was based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Totals	<u>100.0%</u>			
Assumed inflation - Mean			2.4%	1.4%

DISCOUNT RATE

The discount rate used to measure the total pension liability for FRS Plan in fiscal year 2023 was 6.70%, which was the same as in fiscal year 2022. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PENSION LIABILITY SENSITIVITY

The following presents the CRA's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the CRA's proportionate share of the net

pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.70%	6.70%	7.70%
CRA's Proportionate Share of the FRS Plan Net Pension Liability	\$ 657,537	\$ 384,929	\$ 156,860

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the FRS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM

PLAN DESCRIPTION

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

BENEFITS PROVIDED

For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

CONTRIBUTIONS

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. The FRS contribution rate rates include a 1.66% HIS Plan subsidy for the periods October 1, 2022, through June 30, 2023, and a 2.00% HISP Plan subsidy from July 1, 2023, through September 30, 2023, respectively, pursuant to Section 112.363, Florida Statutes. The CRA contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The CRA's contributions to the HIS Plan were \$8,145 for the year ended September 30, 2023.

PENSION COSTS

At September 30, 2023, the CRA reported a liability of \$147,890 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The CRA's proportion of the net pension liability was based on the CRA's contributions received during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all participating employers. At June 30, 2023, the CRA's proportion was 0.000931261%, which was a decrease of 0.000120439% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2023, the CRA recognized pension expense of \$58,107 for its proportionate share of HIS's pension expense. In addition, the CRA reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,165	\$ 347
Changes in Actuarial Assumptions	3,888	12,815
Net Difference Between Projected and Actual Earnings on Plan Investments	76	-
Changes in Proportionate Share	10,628	666
CRA Contributions Subsequent to the Measurement Date	1,456	-
Total	<u>\$ 18,213</u>	<u>\$ 13,828</u>

Deferred outflows of resources related to pensions of \$1,456 resulting from CRA contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase in pension expense as follows:

Year Ending September 30	Amount
2024	\$ 1,088
2025	1,091
2026	476
2027	(561)
2028	450
Thereafter	385

ACTUARIAL ASSUMPTIONS

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.25%, Including Inflation
Municipal Bond Rate	3.65%

Mortality rates were based on the PUB-2010 base table projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

DISCOUNT RATE

The discount rate used to measure the total pension liability for HIS Plan increased from 3.54% in fiscal year 2022 to 3.65% in fiscal year 2023. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

PENSION LIABILITY SENSITIVITY

The following presents the CRA's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the CRA's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.65%	3.65%	4.65%
CRA's Proportionate Share of the HIS Plan Net Pension Liability	\$ 168,719	\$ 147,890	\$ 130,623

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the HIS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

SUMMARY

The aggregate amount of net pension liability, related deferred outflows of resources, deferred inflows of resources and pension expense for the CRA's defined benefit pension plans are summarized below:

	FRS Plan	HIS Plan	Total
Net pension liability	\$ 384,929	\$ 147,890	\$ 532,819
Deferred outflows of resources related to pension	114,092	18,213	132,305
Deferred inflows of resources related to pension	1,805	13,828	15,633
Pension expense	85,773	58,107	143,880

NOTE 6 – DEFINED CONTRIBUTION PLAN

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. CRA employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate

benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of .06% percent of payroll from July 1, 2022, to June 30, 2023, and .06% of payroll from July 1, 2023 to June 30, 2024 and by forfeited benefits of plan members. The CRA has an Investment Plan pension expense of \$7,374 for the year ended September 30, 2023.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the CRA.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

NOTE 7 – TRANSFERS

The transfer from the Immokalee Community Redevelopment Agency to the Bayshore Community Redevelopment Agency is an allocated contribution towards the administrative costs that are accounted for in the Bayshore Community Redevelopment Agency, including personal services costs for the Director.

Transfer from Fund	Transfer to Fund	Amount
Immokalee Community Redevelopment Agency	Bayshore Gateway Community Redevelopment Agency	\$ 84,900

NOTE 8 – RISK MANAGEMENT

The CRA is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. A self-insurance internal service fund is maintained by the County to administer insurance activities relating to workers’ compensation, health and property and casualty, which cover general, property, auto, public official and crime liabilities. Under these programs, the self-insurance fund provides coverage up to a maximum amount for each claim. The County purchases commercial insurance for claims in excess of coverage provided by the self-insurance fund and for all other covered risks of loss.

<u>Claim type</u>	<u>County's Coverage</u>	<u>Excess Carrier's Coverage</u>
Property and casualty claims	\$100,000-\$500,000 (\$250,000 named storm deductible; 5% deductible of reported values per damaged building; no deductible cap)	\$500,0001 - \$75,000,000
Auto liability claims	\$300,000	\$300,001 - \$5,000,000
Employee health claims	\$1,000,000	\$1,000,001 - Unlimited
Workers' compensation claims	\$600,000	\$600,001 - Statutory

All divisions of the County, excluding the Sheriff, participate in this program. Charges to operating departments are based upon amounts believed by management to meet the required annual payouts during the fiscal year and to pay for the estimated operating costs of the programs. For the year ended September 30, 2023, the CRA was charged \$2,300, \$85,279, and \$6,100 respectively, for workers' compensation, health and disability insurance, and property and casualty self-insurance programs.

Settled claims have not exceeded the insurance provided by third party carriers in any of the last three years.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS

PLAN DESCRIPTION AND BENEFITS PROVIDED

The CRA participates in a group health care plan that covers eligible retirees, and their dependents, of the Board of County Commissioners (the Board) and all Constitutional Officers with the exception of the Sheriff. The Board administers the plan and establishes the benefits. In accordance with Florida Statute 112.0801, employees who retire and immediately begin receiving benefits from the FRS have the option of paying premiums to continue in the County's health insurance plan at the same group rate as for active employees.

The County offers an OPEB Plan that subsidizes the cost of health care for its retirees who have at least 60% of eligible accrued sick leave remaining at the time of retirement and have completed 15 years of continuous service with the Board. In addition, the retiree must retire from the County, be at least 55 years of age or have completed 30 years of service under the FRS and be eligible to receive an FRS benefit with no break in time.

The County's OPEB Plan is currently being funded on a pay as you go basis. No trust or CRA fund has been established for the plan. The plan does not issue a separate financial report, however additional actuarial information regarding the plan as a whole is disclosed in the notes to the financial statements of Collier County.

PARTICIPANT DATA

Inactive employees or beneficiaries currently receiving benefits	0
Active employees	5
Total employees	<u>5</u>

TOTAL OPEB LIABILITY

The CRA's share in the County's total OPEB liability of \$18,272 or .20% was measured as of September 30, 2023, and was determined by an actuarial valuation as of October 1, 2023. The following table shows the changes in the CRA's share of the County's total OPEB liability for the year ended September 30, 2023.

	Total OPEB Liability
Balance, as of October 1, 2022	\$ 16,623
Changes:	
Service cost	979
Interest	667
Changes in assumptions	1,285
Benefit payments	(1,282)
Net changes	<u>1,649</u>
Balance, as of September 30, 2023	<u>\$ 18,272</u>

OPEB LIABILITY DISCOUNT RATE SENSITIVITY

The following presents the CRA's share in the County's total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	3.09%	4.09%	5.09%
Total OPEB Liability	\$ 19,820	\$ 18,272	\$ 16,885

OPEB LIABILITY HEALTHCARE TREND RATE SENSITIVITY

The following presents the CRA's share in the County's total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
Healthcare Cost Trend Rate	4.00%	5.00%	6.00%
Total OPEB Liability	\$ 14,903	\$ 18,272	\$ 18,711

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 1,432	\$ 3,165
	<u>\$ 1,432</u>	<u>\$ 3,165</u>

Amounts reported as deferred outflows of resources and inflows of resources related to OPEB will be amortized over 6.63 years and will be recognized as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2024	\$ (539)
2025	(694)
2026	(651)
2027	(137)
Thereafter	288

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Calculations for financial reporting purposes are based on the benefits provided under terms of the plan as understood by the employer and the plan members in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial methods are:

Actuarial cost method	Entry Age Actuarial
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The actuarial assumptions are:

Discount rate	4.09% (Based on the 20-year AA municipal bond rate)
Healthcare cost trend rate	6.5%, grading down to 5% over 6 years
Salary increases	3%
New employees	None

The discount rate was changed from 3.9% to 4.09% based on the 20 year AA municipal bond rate.

Mortality rates were based on the Pri-2012 Mortality Fully Generational using Projection Scale MP-2021.

Since the most recent valuation, the following changes have been made:

The discount rate was changed from 3.9% to 4.09%.

The healthcare cost trend rate changed from a flat 5% annual rate to 6.5%, reducing down to 5% over 6 years.

NOTE 10 – INTERGOVERNMENTAL TRANSACTIONS

The CRA purchases services such as information technology, telecommunications and fleet maintenance from the Collier County, Florida, Board of County Commissioners. The CRA is also allocated a portion of the County's indirect service charge. During the year ending September 30, 2023, the CRA purchased \$64,260 of information technology, fleet maintenance, and building maintenance services and paid \$83,500 for the CRA's portion of the indirect service charge. Such amounts are included in operating expenses in the accompanying statement of revenue, expenditures, and changes in fund balance.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

SIGNIFICANT COMMITMENTS

As of September 30, 2023, the CRA had \$22,363 remaining on a construction commitment for bus stop improvements. In addition, the CRA has non-construction related encumbrances for purchase orders involving goods or services ordered but not received by the end of the fiscal year. The non-construction encumbrances as of September 30, 2023, were \$1,376,787.

NOTE 12 – SOURCE OF DEPOSITS AND PURPOSE OF WITHDRAWALS FOR THE AGENCY

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the CRA funds for the fiscal year ended September 30, 2023:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues	\$ 4,556,700	
Licenses, permits and impact fees	3,761	
Fines and forfeitures	39,500	
Investment earnings	530,580	
Miscellaneous revenue	455	
Sale of capital assets	600,212	
Transfers in from County funds	5,723,545	
Purpose of withdrawals:		
Salaries and benefits		\$ 733,573
Other contractual services		605,882
Information technology		24,405
Maintenance		15,056
Indirect cost reimbursement to County		83,500
Miscellaneous		129,242
Debt service - principal		30,914
Debt service - interest		20
Transfers out to County funds for services		5,601,526
Total	<u>\$ 11,454,753</u>	<u>\$ 7,224,118</u>

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REQUIRED SUPPLEMENTARY INFORMATION

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)

Schedule of the CRA's Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
CRA's Proportion of the Net Pension Liability	0.000966022%	0.000870411%	0.000901357%	0.000718781%	0.000762215%
CRA's Proportionate Share of the Net Pension Liability	\$ 384,929	\$ 323,863	\$ 68,087	\$ 311,530	\$ 262,496
CRA's Covered Payroll *	\$ 557,020	\$ 414,394	\$ 452,195	\$ 287,162	\$ 292,242
CRA's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	69.11%	78.15%	15.06%	108.49%	89.82%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	82.38%	82.89%	96.40%	78.85%	82.61%

* Covered Payroll consists of pensionable wages calculated as of the respective measurement date, restated for periods 2014 to 2017 pursuant to GASB No. 82, *Pension Issues*.

Schedule of CRA Contributions
Florida Retirement System Pension Plan
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Contractually Required Contribution	\$ 66,343	\$ 41,756	\$ 40,078	\$ 28,955	\$ 28,006
Contributions in Relation to the Contractually Required Contribution	(66,343)	(41,756)	(40,078)	(28,955)	(28,006)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
CRA's Covered Payroll-Fiscal Year*	\$ 536,695	\$ 440,241	\$ 450,711	\$ 288,369	\$ 295,110
Contributions as a Percentage of Covered Payroll	12.36%	9.48%	8.89%	10.04%	9.49%

* Covered Payroll consists of pensionable wages calculated as of the respective measurement date, restated for periods 2014 to 2017 pursuant to GASB No. 82, *Pension Issues*.

Schedule of the CRA's Proportionate Share of the Net Pension Liability
Retiree Health Insurance Subsidy Program
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
CRA's Proportion of the Net Pension Liability	0.000931216%	0.001051655%	0.000858718%	0.000964294%	0.000977511%
CRA's Proportionate Share of the Net Pension Liability	\$ 147,890	\$ 111,387	\$ 105,335	\$ 117,739	\$ 109,374
CRA's Covered Payroll *	\$ 557,020	\$ 414,394	\$ 452,195	\$ 287,162	\$ 292,242
CRA's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	26.55%	26.88%	23.29%	41.00%	37.43%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	4.12%	4.81%	3.56%	3.00%	2.63%

* Covered Payroll consists of pensionable wages calculated as of the respective measurement date, restated for periods 2014 to 2017 pursuant to GASB No. 82, *Pension Issues*.

Schedule of CRA Contributions
Retiree Health Insurance Subsidy Program
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Contractually Required Contribution	\$ 8,145	\$ 7,308	\$ 7,482	\$ 4,787	\$ 4,899
Contributions in Relation to the Contractually Required Contribution	(8,145)	(7,308)	(7,482)	(4,787)	(4,899)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
CRA's Covered Payroll-Fiscal Year*	\$ 536,695	\$ 440,241	\$ 450,711	\$ 288,369	\$ 295,110
Contributions as a Percentage of Covered Payroll	1.52%	1.66%	1.66%	1.66%	1.66%

* Covered Payroll consists of pensionable wages calculated as of the respective measurement date, restated for periods 2014 to 2017 pursuant to GASB No. 82, *Pension Issues*.

2018	2017	2016	2015	2014
0.000773684%	0.000761273%	0.000825305%	0.000744335%	0.000887746%
\$ 233,038	\$ 225,179	\$ 208,390	\$ 96,141	\$ 54,166
\$ 285,447	\$ 265,276	\$ 272,635	\$ 237,028	\$ 283,409
81.64%	84.88%	76.44%	40.56%	19.11%
84.26%	83.89%	84.88%	92.00%	96.09%

2018	2017	2016	2015	2014
\$ 25,163	\$ 23,937	\$ 23,726	\$ 21,318	\$ 24,455
(25,163)	(23,937)	(23,726)	(21,318)	(24,455)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 285,307	\$ 273,437	\$ 286,312	\$ 240,567	\$ 286,700
8.82%	8.75%	8.29%	8.86%	8.53%

2018	2017	2016	2015	2014
0.000662418%	0.000798507%	0.000650646%	0.000999160%	0.001014190%
\$ 70,111	\$ 85,380	\$ 75,830	\$ 101,899	\$ 94,829
\$ 285,447	\$ 265,276	\$ 272,635	\$ 237,028	\$ 283,409
24.56%	32.19%	27.81%	42.99%	33.46%
2.15%	1.64%	0.97%	0.50%	0.99%

2018	2017	2016	2015	2014
\$ 4,736	\$ 4,539	\$ 4,753	\$ 3,248	\$ 3,297
(4,736)	(4,539)	(4,753)	(3,248)	(3,297)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 285,307	\$ 273,437	\$ 286,312	\$ 240,567	\$ 286,700
1.66%	1.66%	1.66%	1.35%	1.15%

COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Collier County, Florida)
SCHEDULE OF CHANGES IN THE COLLIER COUNTY COMMUNITY REDEVELOPMENT AGENCY
TOTAL OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability							
Service Cost	\$ 979	\$ 1,777	\$ 1,347	\$ 1,596	\$ 945	\$ 1,149	\$ 1,108
Interest	667	376	340	474	635	601	605
Changes of benefit terms		-	-	-	-	-	-
Differences between expected and actual experience	631	(4)	(33,428)	-	(4,326)	-	(185)
Changes of assumptions or other inputs	654	(4,014)	156	32,989	1,697	(529)	-
Benefit payments	<u>(1,282)</u>	<u>(1,381)</u>	<u>(1,273)</u>	<u>(1,219)</u>	<u>(1,378)</u>	<u>(1,296)</u>	<u>(1,248)</u>
Net change in total OPEB liability	1,649	(3,246)	(32,858)	33,840	(2,427)	(75)	280
Total OPEB liability, beginning	<u>16,623</u>	<u>19,869</u>	<u>52,727</u>	<u>18,887</u>	<u>21,314</u>	<u>21,389</u>	<u>21,109</u>
Total OPEB liability, ending	<u><u>\$ 18,272</u></u>	<u><u>\$ 16,623</u></u>	<u><u>\$ 19,869</u></u>	<u><u>\$ 52,727</u></u>	<u><u>\$ 18,887</u></u>	<u><u>\$ 21,314</u></u>	<u><u>\$ 21,389</u></u>
Covered-employee payroll	\$ 537,993	\$ 452,888	\$ 411,503	\$ 350,272	\$ 322,211	\$ 316,693	\$ 257,364
Total OPEB liability as a percentage of covered employee payroll	3.40%	3.67%	4.83%	15.05%	5.86%	6.73%	8.31%

Notes to the Schedule

Changes in Assumptions: Change in the discount rate of 3.9% as of September 30, 2022 to 4.09 as of September 30, 2023.

**Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.*

REPORTING SECTION

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

Executive Board
Collier County Community Redevelopment Agency
Collier County, 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 of the governmental activities and each major fund of the Collier County Community Redevelopment Agency (CRA), a component unit of the Collier County, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated April 1, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 were not identified.

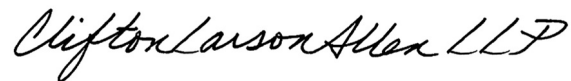
Executive Board
Collier County Community Redevelopment Agency
Collier County, Florida

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Naples, Florida
April 1, 2024



MANAGEMENT LETTER

Executive Board
Collier County Community Redevelopment Agency
Collier County, Florida

Report on the Financial Statements

We have audited the financial statements of the Collier County Community Redevelopment Agency (CRA) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 1, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 1, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

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

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

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

Special District Component Units

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

Specific Information

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 5.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 2.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$733,573.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$53,089.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project: None.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$18,380,794.

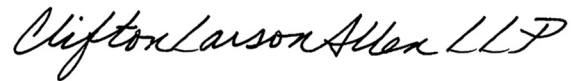
Executive Board
Collier County Community Redevelopment Agency
Collier County, Florida

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 Executive Board, Collier County, Florida, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Naples, Florida
April 1, 2024



INDEPENDENT ACCOUNTANTS' REPORT

Executive Board
Collier County Community Redevelopment Agency
Collier County, Florida

We have examined the Collier County Community Redevelopment Agency's (CRA)'s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Sections 163.387(6) and (7), Florida Statutes, regarding community development agencies during the year ended September 30, 2023. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA'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 CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the CRA complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; and Sections 163.387(6) and (7), Florida Statutes, regarding community development agencies during the year ended September 30, 2023.

This report is intended solely for the information and use of the CRA and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Naples, Florida
April 1, 2024