

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and CRA Director
Florida City Community Redevelopment Agency
City of Florida City, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund, of the Agency, as of September 30, 2023, and the respective changes in financial position, for the fiscal 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 (*Government Auditing Standards*). 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 Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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 Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, the budgetary comparison schedule and related notes, on pages 36 through 37, the retiree health insurance subsidy program related schedules, on page 38, and the schedule of OPEB cost-sharing allocation, on page 39, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the 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 June 18, 2024 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Marcum LLP

Miami, FL
June 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

Management’s Discussion and Analysis

For the fiscal year ended September 30, 2023

The Florida City Community Redevelopment Agency (the “Agency” or “CRA”) offers readers of its financial statements this narrative overview and analysis of the financial activities of the Agency as of and for the fiscal year ended September 30, 2023 compared to September 30, 2022. We encourage readers to consider the information presented here in conjunction with the financial statements.

Overview of the Financial Statements

This annual report follows a format consisting of three parts – Management’s Discussion and Analysis (this section), the Financial Statements and Required Supplementary Information. The financial statements include two kinds of statements that present different views of the Agency.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Agency's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Agency, reporting the Agency’s financial position and activity with a short-term focus and in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements.

Financial Highlights

- The assets of the Agency exceeded its liabilities at the close of the fiscal year by approximately \$20 million.
- The Agency’s total net position increased by \$2.06 million. The increase noted was attributable to an excess of revenues over expenses for the year.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency’s finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the Agency’s assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. The statement of activities presents information showing how the Agency’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Management's Discussion and Analysis

For the fiscal year ended September 30, 2023

Government-Wide Financial Statements (Continued)

Both government-wide financial statements present functions of the Agency that are principally supported by taxes and intergovernmental revenues. The primary governmental activity of the Agency is economic environment.

The government-wide financial statements include only the financial activities of the Agency. However, the Agency is considered a component unit of the City of Florida City, Florida (the "City"), and as such, the financial activities of the Agency are included in the City's Annual Comprehensive Financial Report in each fiscal year.

Fund Financial Statements

The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Reconciliations of the general fund financial statements to the government-wide financial statements are provided within the financial statements to explain the differences between the general fund financial statements and the government-wide financial statements.

Government-wide Financial Analysis

The following table provides a summary of the Agency's net position for the fiscal year ended September 30, 2023 and 2022.

SUMMARY OF NET POSITION SEPTEMBER 30, 2023 AND 2022

	Governmental Activities	
	2023	2022
Current and other assets	\$ 10,813,622	\$ 10,665,935
Capital assets, net	10,546,726	7,494,408
Total Assets	21,360,348	18,160,343
Deferred Outflows	2,902	4,070
Long-term liabilities	81,971	71,913
Other liabilities	1,136,464	6,500
Total Liabilities	1,218,435	78,413
Deferred Inflows	4,725	5,569
Net Position		
Investment in capital assets	10,546,726	7,494,408
Restricted:		
Assets held for resale	2,510	3,795
Capital projects	9,590,854	10,582,228
Total Net Position	\$ 20,140,090	\$ 18,080,431

Management's Discussion and Analysis

For the fiscal year ended September 30, 2023

Fund Financial Statements (Continued)

Government-wide Financial Analysis (Continued)

At September 30, 2023 and 2022, the Agency is able to report positive balances in each category of net position.

Governmental Activities

In excess of \$10 million has been invested in streetscape projects over the life of the CRA to improve the viability and mobility of the streets in the redevelopment area.

While still a focus, the CRA has also acquired and developed property in an effort to spur economic development.

Analysis of the Agency's Operations

The following table provides a summary of the Agency's changes in net position for the fiscal year ended September 30, 2023 and 2022.

SUMMARY OF CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	Governmental Activities	
	2023	2022
Revenues		
Tax increment financing	\$ 1,867,733	\$ 1,513,078
Intergovernmental	1,244,951	968,029
Gain from sale of capital assets	--	670,255
Investment earnings	104,595	6,964
Total Revenues	<u>3,217,279</u>	<u>3,158,326</u>
Expenses		
Economic environment	<u>1,157,620</u>	<u>1,116,624</u>
Total Expenses	<u>1,157,620</u>	<u>1,116,624</u>
Change in Net Position	<u>2,059,659</u>	<u>2,041,702</u>
Net Position		
Beginning of year	<u>18,080,431</u>	<u>16,038,729</u>
End of year	<u>\$ 20,140,090</u>	<u>\$ 18,080,431</u>

Management's Discussion and Analysis

For the fiscal year ended September 30, 2023

Fund Financial Statements (Continued)

Governmental Activities

Governmental activities increased the Agency's net position by approximately \$2.06 million during fiscal year ended September 30, 2023. Tax increment revenue increased by approximately \$355k, primarily due to an increase in the property values within the CRA District. Tax increment revenues is 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 the taxing district that contributes.

Final Budget Compared to Actual

The original budget was amended to reflect a reduction on overall expenses due to a delay in CRA projects caused by COVID-19. Refer to budgetary comparison schedule on pages 36-37 for more information.

Capital Assets

The Agency's investment in capital assets for its governmental activities as of September 30, 2023, amounts to over \$10.5 million, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, equipment, buildings and other improvements.

CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION) SEPTEMBER 30, 2023 AND 2022

	Governmental Activities	
	2023	2022
Land	\$ 531,493	\$ 530,208
Construction in progress	3,305,657	--
Other capital assets, net	<u>6,709,576</u>	<u>6,964,200</u>
Totals	<u><u>\$ 10,546,726</u></u>	<u><u>\$ 7,494,408</u></u>

Major capital assets events during the fiscal year included:

- Housing Assistance Projects

Additional information on the Agency's capital assets can be found in the notes to the financial statements, Note 5.

Outstanding Debt

As of fiscal year end 2023 and 2022, the CRA had no debt (bonds, notes, etc.) outstanding.

Management’s Discussion and Analysis

For the fiscal year ended September 30, 2023

Economic Factors and Next Year’s Budget Rates

On September 11, 2018, Florida City adopted Resolution 18-48, approving a study aimed at enlarging the CRA area, to take in a residential section referred to as the North Central Expansion Area, consisting of a proposed additional 190 acres. The amended study was approved by the CRA and City and submitted to the County on June 25, 2019.

In 2019, the Florida Legislature amended the Community Redevelopment Act, to require that a CRA in existence on October 1, 2019, "shall terminate on the expiration date provided in the Agency's charter on October 1, 2019 or on September 30, 2039, whichever is earlier." In the case of the Florida City CRA, the expiration date was in 2025. The Legislature allowed, however, that the Agency's continued existence could be approved by a "majority vote of the governing body," in this case, the County Commission.

As an element of the consideration of the North Central Expansion, the CRA also requested that the County recognize the value that the Agency had created and that it extend the expiration date of the CRA through June, 2055.

Miami-Dade County drafted an Amended and Restated Interlocal Cooperation Agreement (“Amended Interlocal Agreement”), including both the expansion of the CRA area and extension of the expiration deadline for the Agency and submitted it to City of Florida City. The City and CRA approved the Amended Interlocal Agreement on June 23, 2020 (Resolutions 20-34 and 20-02, respectively) and submitted the Amended Interlocal Agreement to the County for review and approval. Miami-Dade County approved the Amended Interlocal Agreement through the passage of Resolution R-936-20, on October 6, 2020.

The primary source of revenue for the CRA is derived of tax increment received from the City and Miami-Dade County. Tax increment revenue for the fiscal year is based on preliminary taxable value figures provided by the Miami-Dade County Property Appraiser and an estimate of contributing authority millage rates. As of June 1st, the 2023 Estimated Taxable Values by Taxing Authority displayed an increase of 19.9%. The tax increment revenue received during fiscal year 2022-2023 was \$1,867,733 from the City and \$1,244,951 from Miami-Dade County. The budgeted tax increment revenues expected for fiscal year 2023-2024 are:

	<u>Tax Increment</u>
City of Florida City	\$ 2,237,862
Miami-Dade County	<u>1,476,181</u>
Totals	<u>\$ 3,714,043</u>

Management's Discussion and Analysis

For the fiscal year ended September 30, 2023

Economic Factors and Next Year's Budget Rates (Continued)

The outbreak of the novel strain of the coronavirus known as COVID-19 affected the Agency's operations, its suppliers and vendors, and its customer base. Any business or social disruptions to the Agency's operations, or those of its customers and residents, may adversely impact the Agency's revenues, ability to provide services and operating results. The duration and full impacts of the challenges responding to these disruptions are yet unknown and may have a negative impact on the local, national and global economy. It could result in an economic downturn that could affect demand for goods and services. The same can be said for the invasion of Ukraine by Russia in 2022. Thus far, we've seen increases in the price of oil and oil related products (such as asphalt). However, the extent to which COVID-19, and the invasion, has and may continue to impact the Agency's financial condition or results of operations is highly uncertain and cannot be predicted at this time. As it pertains to the CRA's planned activity for the 2023-2024 fiscal year, these economic factors will have an impact on its' outcome.

Budgeted projects for fiscal year 2023-2024 include: Rebuilding Neighborhood Streets, Redeveloping Washington Park and Rehabilitating Homeowner Occupied Houses. To provide necessary infrastructure to support community projects and to rebuild surrounding neighborhoods, the CRA is allocating funding to rebuild neighborhood streets in a large swath of the District, from Davis Parkway on the south to Lucy Street on the north, and from 6th Avenue on the west to the Busway on the east. The work is providing new drainage, curbs and gutters and pavement, plus rebuilding existing driveways and sidewalks in this challenged area.

The construction at Washington Park, a children's park at NW 5th Avenue and NW 12th Street, is projected to cost \$1.34 million. The park, featuring an innovative "Crab Trap" design as its main feature, will be a striking addition to the District and is located in the center of the affordable housing activity, making it convenient and accessible for neighborhood families.

Contacting the Agency's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have any questions about this report or need any additional financial information, contact the Agency's Finance Department, at the City of Florida City, 404 West Palm Drive, Florida City, Florida 33034.

FINANCIAL STATEMENTS

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Governmental Activities
Assets	
Cash	\$ 10,795,125
Assets held for resale and redevelopment	2,510
Other assets	15,987
Capital assets:	
Land	530,208
Construction in progress	3,306,942
Other capital assets, net	6,709,576
Total capital assets, net	10,546,726
Total Assets	21,360,348
Deferred Outflows of Resources	
Pensions	2,902
Liabilities	
Unearned revenue	6,500
Due to City	1,129,964
Noncurrent liabilities:	
Net pension liability	45,668
Total OPEB liability	4,893
Compensated absences:	
Due within one year	3,141
Due in more than one year	28,269
Total Liabilities	1,218,435
Deferred Inflows of Resources	
Pensions	4,725
Net Position	
Investment in capital assets	10,546,726
Restricted for:	
Assets held for resale and redevelopment	2,510
Capital projects	9,590,854
Total Net Position	\$ 20,140,090

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

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Economic Environment	\$ 1,157,620	\$ --	\$ --	\$ --	\$ (1,157,620)
Total Governmental Activities	<u>\$ 1,157,620</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>(1,157,620)</u>
General Revenues					
					1,867,733
					1,244,951
					<u>104,595</u>
Total General Revenues					<u>3,217,279</u>
Change in Net Position					2,059,659
Net Position - Beginning					<u>18,080,431</u>
Net Position - Ending					<u>\$ 20,140,090</u>

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

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

BALANCE SHEET
GENERAL FUND

SEPTEMBER 30, 2023

Assets	
Cash	\$ 10,795,125
Assets held for resale and redevelopment	2,510
Other assets	<u>15,987</u>
Total Assets	<u><u>\$ 10,813,622</u></u>
Liabilities	
Due to City	\$ 1,129,964
Unearned revenue	<u>6,500</u>
Total Liabilities	<u>1,136,464</u>
Fund Balance	
Restricted:	
Assets held for resale and redevelopment	2,510
Capital projects	<u>9,674,648</u>
Total Fund Balance	<u>9,677,158</u>
Total Liabilities and Fund Balance	<u><u>\$ 10,813,622</u></u>

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

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

RECONCILIATION OF THE GENERAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

Fund Balance - General Fund		\$ 9,677,158
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the general fund;

Governmental capital assets	\$ 13,225,664	
Less: accumulated depreciation	<u>(2,678,938)</u>	10,546,726

Deferred outflows of resources related to pensions	2,902	
Deferred inflows of resources related to pensions	<u>(4,725)</u>	(1,823)

Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the general fund:

Net pension liability		(45,668)
Total OPEB liability		(4,893)
Compensated absences		<u>(31,410)</u>

Net Position of Governmental Activities		\$ <u>20,140,090</u>
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The accompanying notes are an integral part of these financial statements.

**FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GENERAL FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Revenues	
Tax increment financing	\$ 1,867,733
Intergovernmental	1,244,951
Investment earnings	<u>104,595</u>
Total Revenues	<u>3,217,279</u>
Expenditures	
Current:	
Economic environment	883,922
Capital outlay	<u>3,306,942</u>
Total Expenditures	<u>4,190,864</u>
Net Change in Fund Balance	(973,585)
Fund Balance - Beginning	<u>10,650,743</u>
Fund Balance - Ending	<u><u>\$ 9,677,158</u></u>

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

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GENERAL FUND TO THE
STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Net Change in Fund Balance - General Fund \$ (973,585)

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

The General fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets are capitalized and depreciated over their estimated useful lives.

Capital outlay	3,306,942
Depreciation	<u>(254,624)</u>

Some revenues and expenses reported in the statement of activities are not reported in the general fund because they have no effect on current financial resources.

Net pension liability	(13,972)
Total OPEB liability	497
Compensated absences	<u>(5,599)</u>

Change in Net Position - Governmental Activities \$ 2,059,659

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

NOTES TO FINANCIAL STATEMENTS

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – THE FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY

The Florida City Community Redevelopment Agency (the “Agency” or “CRA”) was created jointly by the City of Florida City, Florida (the “City”) and Miami-Dade County (the “County”) in 1995. The Agency was established pursuant to Chapter 163, Part III, of the Florida Statutes through City Ordinance 96-02. The purpose of the Agency is to assist the City in the redevelopment of a defined Community Redevelopment Area.

The Agency provides needed infrastructure to businesses desiring to locate within the Community Redevelopment Area. Projects in the past have funded water and sewer lines, street upgrades, sidewalks and handicap access, deceleration lanes, and landscaping. The Agency has a program that assists new and existing business improve the appearance of an existing building facade and a program to assist a new business with the cost of physically setting up a new business in the Agency. The Agency also funds streetscape projects in residential portions of the Community Redevelopment Area, including new streets, drainage, curb and gutter, sidewalks, and landscaping.

During 2009, the Agency completed a revised Community Redevelopment Plan (“CR Plan”) and worked with County staff to get the 2009 revised Agency Plan through the County’s review and approval process. The focus of the original 1995 Agency Plan had been on the recovery from Hurricane Andrew, the facilitation of revenue enhancing commercial development projects and the development of public/private partnerships to generate new construction. The 2009 revision of the CR Plan provided for the expansion of the Agency Area. The expanded Agency’s Area contains a large residential area in Northwest Florida City in which the infrastructure was deficient and many of the structures are older or dilapidated. Much of the focus and spending of the Agency over the past seven years was, and in the coming years will be, the correction of this infrastructure deficit and upgrading the appearance and quality of life in this predominately African-American neighborhood. Emphasis will also be on arresting the blighting effects of dilapidated structures in this residential neighborhood through rehabilitation of some structures and the demolition of others that are beyond redemption. The Agency’s focus in the 2009 CR Plan was broadened to include more proactive projects initiated solely by the Agency.

The City and the Agency are separate legal entities which share the mutual goal of redeveloping the Agency’s areas. The City provides administrative support services to the Agency. The Agency is charged by the City for the provision of these administrative support services in accordance with the Interlocal Agreement between the City and Agency.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. This summary of the Agency’s Significant Accounting Policies is presented to assist the reader in interpreting the financial statements and other information in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements. The more significant of the Agency’s governmental accounting policies are described below.

FINANCIAL REPORTING ENTITY

The Agency operates under a Board of Directors (the “Board”) composed of the Mayor, the four City Commissioners and two appointed individuals who live in or own property in the City. The Agency’s Bylaws designate the Mayor as Chairman of the Agency’s Board and the Vice Mayor is designated as the Vice Chairman.

Management of the City has operational responsibility for the Agency. The City is considered to be financially accountable for the Agency; the Agency is considered to be a blended component unit in the City's Annual Comprehensive Financial Report (“ACFR”).

The Agency has adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- an amendment of GASB Statements No. 14 and No. 34*, for the purpose of evaluating whether it has any component units. Based on the criteria therein, the Agency has determined that there are no component units that meet criteria for inclusion in the Agency's financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements report information on all of the activities of the Agency, using the economic resources measurement focus and the accrual basis of accounting.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The statement of net position reports all financial and capital resources of the Agency. 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 specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Agency reports donated assets held for resale and redevelopment as program revenue-operating contributions. Incremental property taxes and other items, not properly included as program revenue are reported instead as general revenue. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Incremental property taxes are recognized as revenue in the year for which they are levied. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Their operating statements present sources (revenue and other financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Incremental property taxes, when levied. Rental revenue, proceeds from the sale of property and investment earnings associated with the current fiscal periods are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue is considered to be measurable and available only when cash is received by the Agency or property has legally transferred to the Agency. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are necessary to explain the adjustments needed to transform the fund-based financial statements into the governmental activities column of the government-wide presentation.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEPOSITS AND INVESTMENTS

The Agency's cash represents cash deposits. As of September 30, 2023, the Agency did not hold any investments.

CAPITAL ASSETS

Capital assets, which include land, buildings, machinery and equipment, and certain infrastructure assets (e.g., streets, alleys, sidewalks, drainage, lighting systems, and similar items), are reported in the government-wide financial statements. The Agency did not retroactively report infrastructure assets. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

The Agency records impairment losses on long-lived assets used in operations when events and circumstances indicate the assets might be impaired. No impairment losses have been recorded.

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

Buildings and other improvements	10-50 years
Machinery and equipment	3-5 years

DUE TO CITY

Activity between the City and Agency that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Due to City".

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES

Agency employees are granted vacation and sick pay leave in varying amounts based on length of service and the department in which the employee provides service. It is the Agency's policy to permit full-time employees to accumulate limited amounts of earned vacation leave and a limited amount of earned sick pay. Upon separation from service, employees receive payment for all unused vacation leave and 50% of unused sick leave for general employees and 75% of unused sick leave for police officers. In the governmental funds, a liability is recorded only for vacation and sick leave payouts for employees that resigned or terminated prior to fiscal year end and were subsequently paid with current available financial resources.

FUND BALANCE/NET POSITION

In the governmental fund financial statements, fund balance classifications are as follows:

- Restricted Fund Balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

- Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, retainage payable, and related debt when applicable.
- Restricted Net Position – amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations. These amounts are reduced by liabilities and deferred inflows of resources related to those assets.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from those estimates.

IMPLEMENTATION OF GASB STATEMENTS

There were no new significant GASB Statements which were implemented by the CRA during the fiscal year ended September 30, 2023.

NOTE 3 – DEPOSITS AND INVESTMENTS

DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation (“FDIC”), all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as cash deposits including certificate of deposits, are insured or collateralized.

INVESTMENTS

The Agency has adopted an investment policy in accordance with Florida Statutes to establish guidelines for the efficient management of its cash reserves. The Agency is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, the State Board of Administration investment pool, any intergovernmental investment pools authorized pursuant to Chapter 163 of the Florida Statutes, SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and securities of any interest in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to obligations of the U.S. government, its agencies and instrumentalities and to repurchase agreements fully collateralized by such U.S. government obligations and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Interest Rate Risk

The Agency has an investment policy of structuring the investment portfolio so that the investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell investments on the open market prior to maturity and investing operating funds primarily in cash, short-term securities, certificates of deposit, or similar investment pools.

Credit Risk

The Agency's investment policy limits investments to the highest ratings issued by a nationally recognized statistical rating organization ("NRSRO").

NOTE 4 – ASSETS HELD FOR RESALE AND REDEVELOPMENT

The Agency acquires and develops property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling it to private sector purchasers meeting certain criteria. Since these properties are acquired with the express intent of resale and development, they are reported at lower of cost/donated value or net realizable value. Assets donated from the City or other related entities are recorded at the carrying value of the donor entity. Donated assets from other sources are recorded at lower of cost/donated value or net realizable value. The cost basis of assets held for resale and development include costs incurred to acquire the asset and prepare the asset for resale and development, such as purchase price, closing fees, surveys, lot clearing, demolition, judgments levied through suits, costs of construction, permits etc. These assets include land, land improvements and buildings. Upon the sale of these assets, a gain or loss is recognized. When the net realizable amount is less than the carrying amount a loss would be recognized. Gains are recorded as a gain from sale of capital assets in the government-wide statements and proceeds from sale of capital assets in the fund financial and losses are recorded as economic environment expenses/expenditures.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 – ASSETS HELD FOR RESALE AND REDEVELOPMENT (CONTINUED)

Assets held for resale and redevelopment activity for the fiscal year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balances
Assets Held for Resale and Redevelopment	\$ 3,795	\$ --	\$ 1,285	\$ 2,510

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 530,208	\$ 1,285	\$ --	\$ 531,493
Construction in progress	--	3,305,657	--	3,305,657
Total capital assets not being depreciated	530,208	3,306,942	--	3,837,150
Capital assets, being depreciated:				
Buildings and other improvements	9,273,443	--	--	9,273,443
Machinery and equipment	115,071	--	--	115,071
Total capital assets being depreciated	9,388,514	--	--	9,388,514
Less: accumulated depreciation for:				
Buildings and other improvements	(2,355,272)	(231,610)	--	(2,586,882)
Machinery and equipment	(69,042)	(23,014)	--	(92,056)
Total accumulated depreciation	(2,424,314)	(254,624)	--	(2,678,938)
Total Capital Assets Being Depreciated, Net	6,964,200	(254,624)	--	6,709,576
Governmental Activities Capital Assets, Net	\$ 7,494,408	\$ 3,052,318	\$ --	\$ 10,546,726

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged as functions/programs of the Agency as follows:

Governmental Activities	
Economic Environment	\$ 254,624
Total Depreciation Expense - Governmental Activities	<u>\$ 254,624</u>

NOTE 6 – COMPENSATED ABSENCES

Compensated Absences activity for the fiscal year ended September 30, 2023 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
Governmental Activities					
Compensated absences	\$ 25,811	\$ 45,763	\$ 40,164	\$31,410	\$ 3,141

NOTE 7 – COST-SHARING DEFINED BENEFIT PLANS

Effective May 1, 2008, the CRA through the City, commenced participation in the Florida Retirement System (“FRS”), a cost-sharing multiple employer Public Employee Retirement System (“PERS”). There are two defined benefit plans as part of the Florida Retirement System. The FRS is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (“DROP”) for eligible employees. An additional plan is also available to provide a defined contribution plan alternative to the defined benefit plan for FRS members. This integrated defined contribution pension plan is the FRS Investment Plan. The Retiree Health Insurance Subsidy Program (“HIS”) is a cost-sharing, multiple-employer defined benefit pension plan. The FRS and HIS were created by the Florida Legislature and are administered by the State of Florida. The CRA has one employee that participates in the FRS Investment Plan and HIS. The CRA does not have any employees that participate in the FRS plan. The CRA records an allocation from the City’s portion for the one CRA employee.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

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 cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An ACFR 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' website:

(http://www.dms.myflorida.com/workforce_operations/retirement/publications).

A. PLAN DESCRIPTION

HIS Plan

The 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 the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

B. BENEFITS PROVIDED

HIS Plan

For the fiscal year ended September 30, 2023 eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 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.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

C. CONTRIBUTIONS

HIS Plan

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. For the fiscal year ended September 30, 2023, the HIS contribution rate was 1.66%. The CRA contributed 100% of its statutorily required contributions for the current year and preceding three years. The 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 allocation of contributions to the HIS Plan totaled \$2,711 for the fiscal year ended September 30, 2023.

D. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At September 30, 2023, the CRA reported liabilities of \$45,668 for the HIS 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 July 1, 2023. The CRA's proportionate share of the net pension liability was based on the CRA's fiscal year 2023 contributions relative to the fiscal year 2023 contributions of all participating members of the City.

At June 30, 2023, the City's proportionate share was 0.0162% for the HIS plan, which was a decrease of 0.0002%, from the proportionate share measured as of June 30, 2022. The CRA records an allocation from the City's portion for the one CRA employee.

**FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

***D. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES
AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)***

	Deferred Outflows of Resources
	HIS
Differences between expected and actual experience	\$ 669
Assumption changes	1,201
Net difference between projected and actual earnings on pension plan investments	24
Changes in proportion and differences between CRA contributions and proportionate share of contributions	372
Employer contributions subsequent to the measurement date	637
Total Deferred Outflows of Resources	\$ 2,902
	Deferred Inflows of Resources
	HIS
Differences between expected and actual experience	\$ 107
Assumption Changes	3,957
Changes in proportion and differences between CRA contributions and proportionate share of contributions	661
Total Deferred Inflows of Resources	\$ 4,725

**FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

D. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

The deferred outflows of resources related to pensions, totaling \$637, resulting from CRA contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense (income) as follows:

Fiscal Year Ending September 30	Amount
2024	\$ (388)
2025	(250)
2026	(429)
2027	(861)
2028	(484)
Thereafter	(48)
Total	\$ (2,460)

E. ACTUARIAL ASSUMPTIONS

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	HIS
Mortality Table	Generational RP-2010 with Projection Scale MP-2018
Experience Study	07/01/13-6/30/18
Actuarial Cost Method	Individual Entry Age Normal
Investment rate of return	3.65%
Projected salary increases	3.25%
Inflation	2.40%

**FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)**

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

F. DISCOUNT RATE

The HIS program uses a pay as you go funding structure, so therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 3.65% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

G. SENSITIVITY OF THE CRA’S PROPORTIONATE SHARE OF THE NET POSITION LIABILITY TO CHANGES IN THE DISCOUNT RATE.

The following table presents the sensitivity of the CRA’s proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the CRA’s proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2023.

<u>CRA's Proportionate Share of the Net Pension Liability</u>			
	1%	Current Discount Rate	1%
<u>Pension Plan</u>	<u>Decrease</u>	<u>(3.65%)</u>	<u>Increase</u>
HIS	\$ 52,101	\$ 45,668	\$ 40,337

H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the fiduciary net position of the HIS plan is available in the separately issued FRS Pension Plan and Other State Administered Systems ACFR.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

I. FRS – INVESTMENT PLAN

The CRA contributes to the FRS defined contribution Investment Plan (“Investment Plan”). The Investment Plan is administered by the State Board of Administration (“SBA”) investment pool, and is reported in the SBA’s annual financial statements and in the State of Florida ACFR. 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 the 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 Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member’s accounts, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one 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 five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. 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. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 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.

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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

I. FRS – INVESTMENT PLAN (CONTINUED)

The CRA’s contributions into the Investment Plan were \$20,184 and employee contributions totaled \$4,900 for the fiscal year ended September 30, 2023.

NOTE 8 – PENSION SUMMARY

The following summarizes the total net pension liability, deferred outflows/inflows and other amounts related to pensions for the CRA as of the indicated measurement date:

	Measurement Date	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
HIS (cost-sharing PERS)	6/30/2023	<u>\$ 45,668</u>	<u>\$ 2,902</u>	<u>\$ 4,725</u>	<u>\$ 18,890</u>

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS PLAN

PLAN DESCRIPTION

The City provides health insurance benefits to its retired employees through an optional single-employer plan administered by the City. The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under the plan are provided for a retiree’s lifetime (or until such time at which retiree discontinues coverage under the City sponsored plans, if earlier). The plan has no assets and does not issue a separate financial report. The CRA has one employee that participates in the Other Post-employment Benefits plan of the City. The CRA records an allocation from the City’s portion for the one CRA employee.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

FUNDING POLICY

Currently, the OPEB Plan has a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses. The CRA does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the CRA for active employees by its healthcare provider. For the fiscal year ended September 30, 2023 there were no retirees receiving other postemployment benefits. Current and future retirees are required to pay 100% of the blended premium to continue coverage under the City’s group health insurance program.

EMPLOYEES COVERED BY BENEFIT TERMS

At September 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	--
Inactive employees entitled to but not yet receiving benefit payments	--
Active employees	<u>1</u>
Total	<u><u>1</u></u>

TOTAL OPEB LIABILITY

The CRA’s allocation of the total OPEB liability in the amount of \$4,893 was measured as of September 30, 2022, and was determined by an actuarial valuation date as of September 30, 2021. As authorized by GASB Statement No. 75, the alternative measurement method was used by the CRA. This method allows the CRA to use simplification of certain assumptions in measuring costs and liabilities.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

TOTAL OPEB LIABILITY (CONTINUED)

Actuarial Assumptions and Other Inputs

The Total OPEB Liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	5.00%
Discount rate	4.40%
Healthcare cost trend rates	6.00% for fiscal year beginning 2022, 5.75% for fiscal year beginning 2023 and then gradually decreasing to an ultimate trend rate of 3.75%
Mortality	Mortality tables used in the July 1, 2021 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class members. These rates were taken from adjusted PUB-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018.

Changes in assumptions and other inputs include the change in the discount rate from 2.19% as of the beginning measurement period to 4.40% as of September 30, 2022. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

TOTAL OPEB LIABILITY (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the CRA, as well as what the CRA’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.40%) or 1-percentage-point higher (5.40%) than the current discount rate:

	1% Decrease (3.40%)	Discount Rate (4.40%)	1% Increase (5.40%)
Total OPEB Liability	\$ 5,354	\$ 4,893	\$ 4,472

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the CRA, as well as what the CRA’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	\$ 4,335	\$ 4,893	\$ 5,552

OPEB Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For fiscal year ended September 30, 2023, the CRA recognized OPEB income of \$497. There were no payables, deferred outflows of resources and deferred inflows of resources related to OPEB for the fiscal year ended September 30, 2023.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 10 – 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 Agency for the fiscal year ended September 30, 2023:

	Deposits	Withdrawals
Source of deposits:		
Tax increment revenues	\$ 1,867,733	
Intergovernmental	1,244,951	
Investment income	104,595	
 Purpose of withdrawals:		
Infrastructure and rehabilitation		\$ 3,368,311
Law enforcement services		305,589
Salaries and benefits		217,925
Administrative and overhead		144,461
Operating services		82,273
Housing assistance projects		44,185
Pioneer Museum		10,485
Business improvement grant		10,000
Miscellaneous		3,172
Dues and subscriptions		1,713
Professional services		1,286
Transportation and travel		988
Office supplies and equipment		476
 Total:	\$ 3,217,279	\$ 4,190,864

REQUIRED SUPPLEMENTARY INFORMATION

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,112,960	\$ 3,112,960	\$ 3,112,684	\$ (276)
Investment earnings	<u>10,000</u>	<u>10,000</u>	<u>104,595</u>	<u>94,595</u>
Total Revenues	<u>3,122,960</u>	<u>3,122,960</u>	<u>3,217,279</u>	<u>94,319</u>
Expenditures				
Current:				
Economic Environment	5,807,369	5,807,369	883,922	4,923,447
Capital outlay	<u>8,000,000</u>	<u>8,000,000</u>	<u>3,306,942</u>	<u>4,693,058</u>
Total Expenditures	<u>13,807,369</u>	<u>13,807,369</u>	<u>4,190,864</u>	<u>9,616,505</u>
Net Change in Fund Balance	<u>\$ (10,684,409)</u>	<u>\$ (10,684,409)</u>	<u>(973,585)</u>	<u>\$ 9,710,824</u>
Fund Balance - Beginning			<u>10,650,743</u>	
Fund Balance - Ending			<u>\$ 9,677,158</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget.

See note to required supplementary information.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

NOTE TO THE BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

An annual appropriated budget is adopted on a basis consistent with U.S. GAAP for the Agency.

The Agency follows these procedures in establishing the budgetary data reflected in the accompanying financial statements:

- a. Management submits to the Agency Board a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature;
- b. Public hearings are conducted to obtain taxpayer comments;
- c. Prior to October 1st, the budget is legally enacted through passage of a resolution;
- d. The Agency's Board, by motion, may make supplemental appropriations for the year up to the amount of revenue in excess of those estimated appropriations. There were no supplemental appropriations in the Agency for the fiscal year ended September 30, 2023.
- e. Formal budgetary integration is employed as a management control device during the year for all funds;
- f. Any amendments must be approved by the Agency's Board;
- g. Unencumbered appropriations lapse at year end.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CRA'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM**

Measurement Date, June 30th	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's proportionate share of the net pension liability*	0.0162%	0.0164%	0.0167%
CRA's proportionate share of the HIS net pension liability	\$ 45,668	\$ 32,020	\$ 32,068
CRA's covered payroll	\$ 161,114	\$ 149,817	\$ 142,024
CRA's proportionate share of the HIS net pension liability as a percentage of its covered payroll	28.3%	21.4%	22.6%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.56%

* The CRA net pension liability is an allocation of the City's total proportionate share based on the contributions made for the CRA employee.

**SCHEDULE OF THE CRA'S CONTRIBUTIONS
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM**

For the fiscal year ended September 30th	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required HIS contribution	\$ 2,711	\$ 2,623	\$ 2,412
HIS contribution in relation to the contractually required contribution	<u>2,711</u>	<u>2,623</u>	<u>2,412</u>
HIS contribution deficiency (excess)	\$ --	\$ --	\$ --
City's covered payroll	\$ 163,336	\$ 158,020	\$ 145,312
HIS contribution as a percentage of covered payroll	1.66%	1.66%	1.66%

The schedules above are presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Florida City, Florida)

REQUIRED SUPPLEMENTARY INFORMATION

OPEB - SCHEDULE OF OPEB COST-SHARING ALLOCATION

Measurement Date, September 30	<u>2022</u>	<u>2021</u>	<u>2020</u>
CRA's proportionate share of the total OPEB liability	0.88%	0.88%	0.91%
CRA's proportionate share of the total OPEB liability	\$ 4,893	\$ 5,390	\$ 5,326
CRA's covered employee payroll	\$ 163,336	\$ 158,020	\$ 145,312
CRA's proportionate share of the total OPEB liability as a percentage of its covered employee payroll	3.0%	3.4%	3.7%
OPEB Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

Note: The OPEB Plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the OPEB Plan. As such, the OPEB Plan has no assets and does not issue a separate financial report.

REPORTING SECTION

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

To the Board of Directors and CRA Director
Florida City Community Redevelopment Agency
City of Florida City, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund of the Florida City Community Redevelopment Agency (the "Agency"), a component unit of the City of Florida City, Florida, as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated June 18, 2024.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 result of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Miami, FL
June 18, 2024

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Directors and CRA Director
Florida City Community Redevelopment Agency
City of Florida City, Florida

Report on the Financial Statements

We have audited the financial statements of the Florida City Community Redevelopment Agency (the “Agency”), a component unit of the City of Florida City, Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 18, 2024.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 18, 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 findings or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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 Agency reported:

- a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as; 1.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as; 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$163,336.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with that total expenditures for such project as follows:
 - a. NW 5th Ave & 6th Avenue Streetscape – Budget of \$8,000,000; Expenditures \$3,305,657.
 - b. Washington Park – Budget \$1,000,000; Expenditures \$0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes, as noted on page 36.

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 have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Board of Directors, CRA Director, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Miami, FL
June 18, 2024

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
FLORIDA STATUTES**

To the Board of Directors and CRA Director
Florida City Community Redevelopment Agency
City of Florida City, Florida

We have examined the Florida City Community Redevelopment Agency (the “Agency”), a component unit of the City of Florida City, Florida, compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2023. We also examined the Agency’s compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2023. Management of the Agency is responsible for the Agency’s compliance with the specified requirements. Our responsibility is to express an opinion on the Agency’s compliance based on our examination.

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

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

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

In our opinion, the Agency complied, in all material respects, with Section 218.415, 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2023.

This report is intended solely to describe our testing of compliance with aforementioned sections of the Florida Statutes, and it is not suitable for any other purpose.

Marcum LLP

Miami, FL
June 18, 2024