

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

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Florida City Community Redevelopment Agency (the "Agency"), a component unit of the Florida City, Florida, as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and major fund of the Agency, as of September 30, 2021, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, the budgetary comparison schedule and related notes, on pages 35 through 36, the retiree health insurance subsidy program related schedules, on page 37, and the schedule of OPEB cost-sharing allocation, on page 38, be presented to supplement the financial statements. Such information, 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 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 May 24, 2022 on our consideration of the Agency's internal control over financial reporting and 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.

Marcum LLP

Miami, FL
May 24, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

Management’s Discussion and Analysis

For the fiscal year ended September 30, 2021

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, 2021 compared to September 30, 2020. 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 \$16 million.
- The Agency’s total net position increased by approximately \$1.76 million. The increase noted was primarily attributable to the timing of capital outlay that was budgeted, but not expended by September 30, 2021.

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 and liabilities 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.

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 includes only the financial activities of the Agency. However the Agency is considered a component unit of the Florida City, Florida (the “City”), and as such, the financial activities of the Agency is 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 as of September 30, 2021 and 2020.

SUMMARY OF NET POSITION SEPTEMBER 30, 2021 AND 2020

	Governmental Activities	
	2021	2020
Current and other assets	\$ 6,434,056	\$ 4,063,748
Capital assets, net	<u>9,712,289</u>	<u>10,201,815</u>
Total Assets	<u>16,146,345</u>	<u>14,265,563</u>
Deferred Outflows	<u>4,906</u>	<u>--</u>
Long-term liabilities	77,483	26,730
Other liabilities	<u>33,600</u>	<u>61,070</u>
Total Liabilities	<u>111,083</u>	<u>87,800</u>
Deferred Inflows	<u>1,439</u>	<u>--</u>
Net Position		
Investment in capital assets	9,712,289	10,201,815
Restricted:		
Assets held for resale	578,710	847,349
Capital projects	<u>5,747,730</u>	<u>3,128,599</u>
Total Net Position	<u>\$ 16,038,729</u>	<u>\$ 14,177,763</u>

Fund Financial Statements (Continued)

Government-wide Financial Analysis (Continued)

At September 30, 2021 and 2020, the Agency is able to report positive balances in each category of net position.

Governmental Activities

In excess of approximately \$9.7 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.

The CRA has one employee that participates in the Florida Retirement System (“FRS”) Investment Plan (Defined Contribution Plan) and Health Insurance Subsidy (“HIS”) Plan (Defined Benefit Plan). The CRA does not have any employees that participate in the FRS Defined Benefit Plan. The CRA records an allocation from the City’s portion for the one CRA employee.

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, 2021 and 2020.

SUMMARY OF CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	Governmental Activities	
	2021	2020
Revenues		
Tax increment financing revenue	\$ 1,371,650	\$ 1,325,116
Intergovernmental revenues	890,834	860,612
Gain from sale of capital assets	801,490	56,050
Investment earnings	9,021	36,884
Miscellaneous	61,511	--
Total Revenues	<u>3,134,506</u>	<u>2,278,662</u>
Expenses		
Economic environment	<u>1,273,540</u>	<u>1,141,717</u>
Total Expenses	<u>1,273,540</u>	<u>1,141,717</u>
Change in Net Position	<u>1,860,966</u>	<u>1,136,945</u>
Net Position		
Beginning of year	<u>14,177,763</u>	<u>13,040,818</u>
End of year	<u>\$ 16,038,729</u>	<u>\$ 14,177,763</u>

Fund Financial Statements (Continued)

Governmental Activities

Governmental activities increased the Agency's net position by approximately \$1.86 million during fiscal year ended September 30, 2021. Tax increment revenue increased by approximately \$46,500 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 Districts above the base year valuation amounts, as well as the operating millage rate of each 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, 2021, amounts to \$9.7 million, net of accumulated depreciation. This investment in capital assets includes land, equipment, buildings and other improvements.

CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION) SEPTEMBER 30, 2021 AND 2020

	Governmental Activities	
	2021	2020
Land	\$ 2,493,189	\$ 2,728,091
Other capital assets, net	<u>7,219,100</u>	<u>7,473,724</u>
Totals	<u>\$ 9,712,289</u>	<u>\$ 10,201,815</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 2021 and 2020, the CRA had no debt (bonds, notes, etc.) outstanding.

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 Oct. 1, 2019 or on September 30, 2039, whichever is earlier." In the case of the Florida City CRA, the sunset 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 sunshine date of the CRA through June, 2055.

Miami Dade County drafted an Amended and Restated Interlocal Cooperation Agreement, including both the expansion of the CRA area and extension of the sunset deadline for the Agency and submitted it to 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 Interlocal to the County for review and approval. Miami Dade County approved the 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 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. In fiscal year 2022, the Estimated Taxable Values by Taxing Authority displayed an increase of 9.8%.

	<u>Tax Increment</u>
City of Florida City	\$ 1,513,295
Miami-Dade County	<u>968,168</u>
Totals	<u>\$ 2,481,463</u>

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. Thusfar, 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 2021-2022 fiscal year, these economic factors will have a impact on its' outcome. As an example, included in the budget are infrastructure improvements for roadwork of \$8,000,000. The increase in asphalt costs may lead to adjusting the timing of this streetscape and the ability to accomplish other tasks. Other budgeted projects include: Redevelopment of Washington Park, Rehabilitation of Homeowner Occupied Houses, and providing assistance to the Florida Pioneer Museum Association.

Contacting the Agency's Financial Management

This financial report is designed to provide our citizens, taxpayers, and customers 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 Florida City, 404 West Palm Drive, Florida City, Florida 33034.

FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Governmental Activities
Assets	
Cash	\$ 4,385,525
Investments	1,000,000
Receivables	30,608
Due from City	417,482
Assets held for resale and redevelopment	578,710
Other Assets	21,731
Capital assets:	
Land	2,493,189
Other capital assets, net	7,219,100
Total capital assets, net	9,712,289
Total Assets	16,146,345
Deferred Outflows of Resources	
Pensions	4,906
Liabilities	
Unearned revenue	33,600
Noncurrent liabilities:	
Net pension liability	32,068
Total OPEB liability	5,326
Compensated absences:	
Due within one year	4,009
Due in more than one year	36,080
Total Liabilities	111,083
Deferred Inflows of Resources	
Pensions	1,439
Net Position	
Investment in capital assets	9,712,289
Restricted for:	
Assets held for resale	578,710
Capital projects	5,747,730
Total Net Position	\$ 16,038,729

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

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

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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	\$ 1,273,540	\$ --	\$ --	\$ --	\$ (1,273,540)
Total Governmental Activities	<u>\$ 1,273,540</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>(1,273,540)</u>
General Revenues					
					1,371,650
					890,834
					801,490
					9,021
					<u>61,511</u>
					Total General Revenues
					<u>3,134,506</u>
					Change in Net Position
					1,860,966
					Net Position - Beginning
					<u>14,177,763</u>
					Net Position - Ending
					<u>\$ 16,038,729</u>

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

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

BALANCE SHEET
GENERAL FUND

SEPTEMBER 30, 2021

Assets	
Cash	\$ 4,385,525
Investments	1,000,000
Receivables	30,608
Due from City	417,482
Assets held for resale and redevelopment	578,710
Other assets	<u>21,731</u>
Total Assets	<u>\$ 6,434,056</u>
Liabilities	
Unearned revenue	<u>\$ 33,600</u>
Total Liabilities	<u>33,600</u>
Fund Balance	
Restricted:	
Assets held for resale and redevelopment	578,710
Capital projects	<u>5,821,746</u>
Total Fund Balance	<u>6,400,456</u>
Total Liabilities and Fund Balance	<u>\$ 6,434,056</u>

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

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

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

SEPTEMBER 30, 2021

Fund Balance - General Fund \$ 6,400,456

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	\$ 11,881,703	
Less accumulated depreciation	<u>(2,169,414)</u>	9,712,289

Deferred outflows of resources related to pensions	4,906	
Deferred inflows of resources related to pensions	<u>(1,439)</u>	3,467

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		(32,068)
Total OPEB liability		(5,326)
Compensated absences		<u>(40,089)</u>

Net Position of Governmental Activities **\$ 16,038,729**

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

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

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Revenues	
Tax increment financing	\$ 1,371,650
Intergovernmental	890,834
Investment earnings	9,021
Miscellaneous	<u>61,511</u>
Total Revenues	<u>2,333,016</u>
Expenditures	
Current:	
Economic environment	<u>971,630</u>
Total Expenditures	<u>971,630</u>
Excess of Revenues Over Expenditures	<u>1,361,386</u>
Other Financing Sources	
Proceeds on sale of capital assets	<u>1,036,392</u>
Total Other Financing Sources	<u>1,036,392</u>
Net Change in Fund Balance	2,397,778
Fund Balance - Beginning	<u>4,002,678</u>
Fund Balance - Ending	<u>\$ 6,400,456</u>

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

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the 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, 2021

Net Change in Fund Balance - General Fund \$ 2,397,778

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.

Depreciation (254,624)

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.

Disposal on sale of capital assets (234,902)
Net pension liability (28,601)
Total OPEB liability (5,326)
Compensated absences (13,359)

Change in Net Position - Governmental Activities \$ 1,860,966

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 Florida City, Florida)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – THE FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY

The Florida City Community Redevelopment Agency (the “Agency” or “CRA”) was created jointly by the 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. 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. This area has been modified once in 2009.

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 Agency 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 Florida City, Florida)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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.

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 Florida City, Florida)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 Florida City, Florida)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEPOSITS AND INVESTMENTS

The Agency's cash represents cash deposits. The Agency's investments is composed of a certificate of deposit which is reported at fair value.

The nature of investments of the Agency are governed by the provisions of Florida Statutes Section 218. Under this statute, authorized investments are limited, unless otherwise authorized by law or resolution/ordinance.

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

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DUE FROM 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 from City".

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 legislation's. 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, 2021

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, 2021.

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
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

At September 30, 2021, the Agency had the following investments subject to interest rate risk:

Investment	Weighted Average Maturity
Certificate of Deposits	\$ 1,000,000 64 days

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, 2021

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

Assets held for resale and redevelopment activity for the fiscal year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balances
Assets Held for Resale and Redevelopment	<u>\$ 847,369</u>	<u>\$ --</u>	<u>\$ 268,659</u>	<u>\$ 578,710</u>

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	<u>\$ 2,728,091</u>	<u>\$ --</u>	<u>\$ 234,902</u>	<u>\$ 2,493,189</u>
Capital assets, being depreciated:				
Buildings and other improvements	9,273,443	--	--	9,273,443
Machinery and equipment	<u>115,071</u>	<u>--</u>	<u>--</u>	<u>115,071</u>
Total capital assets being depreciated	<u>9,388,514</u>	<u>--</u>	<u>--</u>	<u>9,388,514</u>
Less: accumulated depreciation for:				
Buildings and other improvements	(1,891,776)	(231,610)	--	(2,123,386)
Machinery and equipment	<u>(23,014)</u>	<u>(23,014)</u>	<u>--</u>	<u>(46,028)</u>
Total accumulated depreciation	<u>(1,914,790)</u>	<u>(254,624)</u>	<u>--</u>	<u>(2,169,414)</u>
Total Capital Assets Being Depreciated, Net	<u>7,473,724</u>	<u>(254,624)</u>	<u>--</u>	<u>7,219,100</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,201,815</u>	<u>\$ (254,624)</u>	<u>\$ 234,902</u>	<u>\$ 9,712,289</u>

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 5 – CAPITAL ASSETS (CONTINUED)

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

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

NOTE 6 – COMPENSATED ABSENCES

Compensated Absences activity for the fiscal year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Compensated absences	<u>\$ 26,730</u>	<u>\$ 44,772</u>	<u>\$ 31,413</u>	<u>\$ 40,089</u>	<u>\$ 4,009</u>

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.

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.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

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 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' 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, 2021 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, 2021

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, 2021, 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 \$2,412 for the fiscal year ended September 30, 2021.

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

At September 30, 2021, the CRA reported liabilities of \$32,068 for the HIS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2020. The CRA's proportionate share of the net pension liability was based on the CRA's fiscal year 2021 contributions relative to the fiscal year 2021 contributions of all participating members of the City.

At June 30, 2021, the City's proportionate share was 0.0167% for the HIS plan, which was an increase of 0.0001%, from the proportionate share measured as of June 30, 2020. The CRA records an allocation from the City's portion for the one CRA employee.

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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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	\$ 1,073
Assumption changes	2,520
Net difference between projected and actual earnings on pension plan investments	33
Changes in proportion and differences between CRA contributions and proportionate share of contributions	926
Employer contributions subsequent to the measurement date	354
Total Deferred Outflows of Resources	\$ 4,906
	Deferred Inflows of Resources
	HIS
Differences between expected and actual experience	\$ 13
Assumption Changes	1,321
Changes in proportion and differences between CRA contributions and proportionate share of contributions	104
Total Deferred Inflows of Resources	\$ 1,439

**FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 \$354, 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 related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2022	\$ 905
2023	458
2024	521
2025	647
2026	485
Thereafter	98
Total	\$ 3,113

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	2.16%
Projected salary increases	3.25%
Inflation	2.40%

**FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 2.16% 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, 2021.

	CRA's Proportionate Share of the Net Pension Liability		
	1%	Current Discount Rate	1%
Pension Plan	Decrease	(2.16%)	Increase
HIS	\$ 37,073	\$ 32,068	\$ 27,967

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 Annual Comprehensive Financial Report.

FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 Annual Comprehensive 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 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, 2021, 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.

**FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

I. FRS – INVESTMENT PLAN (CONTINUED)

The CRA’s contributions into the Investment Plan were approximately \$12,200 and employee contributions totaled \$4,300 for the fiscal year ended September 30, 2021.

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)	6/30/2021	\$ 32,068	\$ 4,906	\$ 1,439	\$ 28,601

NOTE 9 – COST-SHARING 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, 2021

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (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, 2021 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, 2021, 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 \$5,326 was measured as of September 30, 2020, and was determined by an actuarial valuation date as of September 30, 2019. 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, 2021

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

TOTAL OPEB LIABILITY (CONTINUED)

Actuarial Assumptions and Other Inputs

The Total OPEB Liability was rolled forward twelve months from September 30, 2019 valuation date to the measurement date of September 30, 2020, which results are applicable to the fiscal year ending September 30, 2021 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	2.41%
Healthcare cost trend rates	6.50% for fiscal year beginning 2020, 6.25% for fiscal year beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.00%
Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.

Changes in assumptions and other inputs include the change in the discount rate from 2.75% as of the previous measurement date to 2.41% as of September 30, 2020. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

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 (1.41%) or 1-percentage-point higher (3.41%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	(1.41%)	(2.41%)	(3.41%)
Total OPEB Liability	\$ 5,748	\$ 5,326	\$ 4,896

**FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

TOTAL OPEB LIABILITY (CONTINUED)

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 (5.25%) or 1-percentage-point higher (7.25%) than the current healthcare cost trend rates:

	Current Healthcare Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
Total OPEB Liability	\$ 4,655	\$ 5,326	\$ 6,134

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For fiscal year ended September 30, 2021, the CRA recognized an increase in OPEB expense of \$5,326. There were no payables, deferred outflows of resources and deferred inflows of resources related to OPEB for the fiscal year ended September 30, 2021.

**FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 2021:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues	\$ 1,371,650	
Proceeds from sale of capital assets	1,036,392	
Intergovernmental	890,834	
Miscellaneous	61,511	
Investment income	9,021	
Purpose of withdrawals:		
Law enforcement services		\$ 350,000
Housing assistance projects		175,227
Salaries and benefits		158,374
Administrative and overhead		126,383
Operating services		73,347
Professional services		46,371
Infrastructure and rehabilitation		25,924
Advertising		7,141
Pioneer Museum		5,820
Dues and subscriptions		1,520
Miscellaneous		721
Transportation and travel		482
Office supplies and equipment		320
Total:	\$ 3,369,408	\$ 971,630

REQUIRED SUPPLEMENTARY INFORMATION

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

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,262,484	\$ 2,262,484	\$ 2,323,995	\$ 61,511
Investment earnings	30,000	9,324	9,021	(303)
Total Revenues	<u>2,292,484</u>	<u>2,271,808</u>	<u>2,333,016</u>	<u>61,208</u>
Expenditures				
Current:				
Economic Environment	7,835,409	944,631	971,630	(26,999)
Capital outlay	<u>500,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>8,335,409</u>	<u>944,631</u>	<u>971,630</u>	<u>(26,999)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,042,925)</u>	<u>1,327,177</u>	<u>1,361,386</u>	<u>88,207</u>
Other Financing Sources				
Prior year carryover	3,642,925	4,002,677	--	4,002,677
Sale of capital assets	<u>2,400,000</u>	<u>388,637</u>	<u>1,036,392</u>	<u>(647,755)</u>
Total Other Financing Sources	<u>6,042,925</u>	<u>4,391,314</u>	<u>1,036,392</u>	<u>3,354,922</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ 5,718,491</u>	<u>2,397,778</u>	<u>\$ 3,443,129</u>
Fund Balance - Beginning			<u>4,002,678</u>	
Fund Balance - Ending			<u>\$ 6,400,456</u>	

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

See notes to required supplementary information.

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 regrading 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, 2021.
- 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.

The total actual expenditures of the Agency for the fiscal year ended September 30, 2021, exceeded the total expenditures approved by the Agency's Board in the Final Budget by a total of \$26,699. These expenditures were funded by the Agency with the current year revenues which exceeded current year expenditures by a total of \$1,361,386 for the fiscal year ended September 30, 2021.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	2021
City's proportionate share of the net pension liability*	0.0167%
CRA's proportionate share of the HIS net pension liability	\$ 32,068
CRA's covered payroll	\$ 142,024
CRA's proportionate share of the HIS net pension liability as a percentage of its covered payroll	22.6%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.56%

*Note: The amounts presented above were determined as of **June 30th**.*

** 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**

	2021
Contractually required HIS contribution	\$ 2,412
HIS contribution in relation to the contractually required contribution	2,412
HIS contribution deficiency (excess)	\$ --
City's covered payroll	\$ 145,312
HIS contribution as a percentage of covered payroll	1.66%

*Note: The amounts presented above were determined as of **September 30th**.*

The schedules presented above illustrate the requirements of GASB Statement No. 68. Currently, only data from fiscal year 2021 is available.

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

REQUIRED SUPPLEMENTARY INFORMATION

OPEB - SCHEDULE OF OPEB COST-SHARING ALLOCATION

	<u>2021</u>
CRA's proportionate share of the total OPEB liability	0.91%
CRA's proportionate share of the total OPEB liability	\$ 5,326
CRA's covered payroll	\$ 145,312
CRA's proportionate share of the total OPEB liability as a percentage of its covered payroll	3.7%
OPEB Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

Note: The amounts presented above were determined as of September 30th .

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
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, 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 Florida City, Florida, as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated May 24, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) 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 may exist that have not been identified.

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
May 24, 2022

**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
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 Florida City, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 24, 2022.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and 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 May 24, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 \$145,312.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$375.
- 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 & 5th Court Streetscape – Budget of \$2,848,972; Expenditures \$0.
 - b. Washington Park – Budget \$900,000; Expenditures \$0.
 - c. NW 8th & 9th Ave Streetscape – Budget of \$300,000; 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 \$7,390,778.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, 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
May 24, 2022

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

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

We have examined the Florida City Community Redevelopment Agency (the “Agency”), a component unit of the Florida City, Florida, compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2021. 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, 2021. 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.

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, 2021.

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
May 24, 2022