

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022**

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Greater Boca Raton Beach & Park District
Boca Raton, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Greater Boca Raton Beach & Park District, Boca Raton, Florida (the "District") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of September 30, 2022, 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.

Basis for Opinions

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

Auditor's 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 auditor's 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 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, 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge 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 Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 District'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 District's internal control over financial reporting and compliance.

Bhav & Associates

May 15, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Greater Boca Raton Beach & Park District, Boca Raton, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$106,437,682.
- The change in the District's total net position in comparison with the prior fiscal year was \$6,757,005, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2022, the District's governmental fund reported ending fund balance of \$24,768,174, an increase of \$6,558,352 in comparison with the prior fiscal year. The total fund balance is non-spendable for prepaid items, assigned to subsequent year's expenditures and other reserves, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: **1)** government-wide financial statements, **2)** fund financial statements, and **3)** notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

1) Government-Wide Financial Statements

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

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual amount being 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 District is improving or deteriorating.

The statement of activities presents information showing how the government'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.

The government-wide financial statements include all governmental activities that are principally supported by ad-valorem revenues. The District does not have any business-type activities. The governmental activities of the District include general government, community redevelopment, park operations and management functions.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

2) Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund for external reporting. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, which is the District's major fund.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget.

3) Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

	NET POSITION	
	SEPTEMBER 30,	
	2022	2021
Current and other assets	\$ 30,977,144	\$ 27,447,858
Capital assets, net of depreciation	95,883,806	96,878,170
Total assets	126,860,950	124,326,028
Current liabilities	6,296,634	9,333,719
Long-term liabilities	14,126,634	15,311,632
Total liabilities	20,423,268	24,645,351
Net Position		
Net investment in capital assets	81,699,560	81,478,924
Unrestricted	24,738,122	18,201,753
Total net position	\$ 106,437,682	\$ 99,680,677

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The largest portion of the District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position may be used to meet the District's financial obligations.

At September 30, 2022 the District was able to report positive balances in all categories of net position. The same held true for the prior fiscal year. In addition, the District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which the ongoing program revenues exceeded the cost of operations and depreciation expense.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION		
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2022	2021
Revenues:		
Program revenues	\$ 5,009,275	\$ 3,330,559
General revenues	31,933,402	25,689,659
Total revenues	<u>36,942,677</u>	<u>29,020,218</u>
Expenses:		
General government	2,443,712	1,819,593
Community redevelopment	1,828,186	1,411,494
Park maintenance and operations	24,891,014	22,075,083
Interest on long-term debt	394,713	426,096
FAU field project	628,047	49,808
Total expenses	<u>30,185,672</u>	<u>25,782,074</u>
Change in net position	6,757,005	3,238,144
Net position, beginning	<u>99,680,677</u>	<u>96,442,533</u>
Net position, ending	<u>\$ 106,437,682</u>	<u>\$ 99,680,677</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2022 was \$30,185,672. The costs were paid primarily from general revenues. General revenues for the current and prior fiscal years consist primarily of ad valorem taxes. The increase from the prior year in General Revenues is the result of increased tax rate of 1.05 mills per \$1,000 per \$1,000 of taxable value. Program revenues also increased. Program revenues were comprised primarily of park and recreation user fees, which increased due to the resumption of all programs after the end of the global pandemic.

GENERAL FUND BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the Board of Commissioners for the District pursuant to the requirements of Florida Statutes. The District's budgeting process is based on estimates of cash receipts and cash expenditures, which are approved by the Board. Further, classification of certain revenues under accounting principles generally accepted in the United States of America differs from classification utilized for budgetary purposes. Other than the classification, the budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles). The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Budget amendments that change aggregated appropriations must be approved by the Board. The general fund budget for the fiscal year ended September 30, 2022 was amended to increase appropriations and use of fund balance. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2022, the District had \$128,497,541 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$32,613,735 has been taken, which resulted in a net book value of \$95,883,806. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Debt

During a prior fiscal year, the District entered into an Interlocal agreement with the City, whereby the District will repay the City for the Bond issued to finance the purchase of the golf course. The Bond was issued for \$19.1 million in a prior fiscal year. At September 30, 2022, the District had a note payable of \$14,040,000 outstanding. More detailed information about the District's capital debt is presented in the notes to the financial statement.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

With the end of global pandemic, all the District's programs have resumed including recreation programs, community center activities and the Gumbo Limbo Nature Center.

The District approved a master plan for the Ocean Breeze Park. The District contracted with Miller Legg (consultant) for site plan preparation, design and permitting of Phases 1 and 2 of the Northeast and Southeast quadrants of the proposed Ocean Breeze Park. The District anticipates receiving construction bids during the year.

The FY 2022-23 property values increased 14.2% in the District. The net increase is composed of a 13.5% increase from reassessments of existing properties and an increase of 87.7% from new construction. Property values in the District are over \$35 billion. The operating millage rate for FY2023 was increased to 1.08 mills per \$1,000 of taxable value compared to the prior year rate of 1.05 mills per \$1,000 dollars of taxable value.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains.

If you have questions about this report or need additional financial information, contact the Greater Boca Raton Beach & Park District at (561) 417-4599.

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	Governmental Activities
ASSETS	
Cash	\$ 546,860
Investments	30,015,599
Due from other government	397,885
Prepaid items	16,800
Capital assets:	
Depreciable assets, net of accumulated depreciation	20,425,320
Nondepreciable assets	75,458,486
Total assets	126,860,950
 LIABILITIES	
Accounts payable	562,017
Accrued interest payable	92,664
Due to City of Boca Raton	5,420,207
Contracts and retainage payable	144,246
Due to FAU	77,500
Performance Bond payable	5,000
Non-current liability:	
Due within one year	1,245,000
Due in more than one year	12,795,000
Compensated absence	81,634
Total liabilities	20,423,268
 NET POSITION	
Net investment in capital assets	81,699,560
Unrestricted	24,738,122
Total net position	\$ 106,437,682

See accompanying notes to the financial statements

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
				<u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 2,443,712	\$ -		\$ (2,443,712)
Community redevelopment	1,828,186	-		(1,828,186)
Park operations and maintenance	24,891,014		5,009,275	(19,881,739)
Interest on long-term debt	394,713	-		(394,713)
FAU Field project	628,047	-		(628,047)
Total governmental activities	30,185,672		5,009,275	(25,176,397)
General revenues:				
Ad valorem taxes				31,618,453
Unrestricted interest earnings				294,126
Miscellaneous revenue				20,823
Total general revenues				31,933,402
Change in net position				6,757,005
Net position - beginning				99,680,677
Net position - ending				\$ 106,437,682

See accompanying notes to the financial statements

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA
GOVERNMENTAL FUND
BALANCE SHEET
SEPTEMBER 30, 2022**

	Major Fund
	General
ASSETS	
Cash	\$ 546,860
Investments	30,015,599
Due from other governments	397,885
Prepaid items	16,800
Total assets	\$ 30,977,144
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 562,017
Due to City of Boca Raton	5,420,207
Due to FAU	77,500
Performance Bond payable	5,000
Unearned revenue	144,246
Total liabilities	6,208,970
 Fund balances:	
Nonspendable:	
Prepaid items	16,800
Assigned to:	
Beach renourishment sinking fund	2,622,300
Operating reserve	2,000,000
Subsequent years expenditures	14,085,900
Unassigned	6,043,174
Total fund balances	24,768,174
 Total liabilities and fund balances	 \$ 30,977,144

See accompanying notes to the financial statements

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Fund balance - governmental fund \$ 24,768,174

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. The statement of net position includes those capital assets net of accumulated depreciation.

Cost of capital assets	128,497,541	
Accumulated depreciation	<u>(32,613,735)</u>	95,883,806

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Accrued interest payable	(92,664)	
Note payable	(14,040,000)	
Compensated absence	<u>(81,634)</u>	<u>(14,214,298)</u>

Net position of governmental activities		<u>\$ 106,437,682</u>
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See accompanying notes to the financial statements

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Major Fund General
REVENUES	
Ad valorem taxes	\$ 31,618,453
Park revenues	5,009,275
Interest	294,126
Other revenues	20,823
Total revenues	36,942,677
EXPENDITURES	
Current:	
General government	2,413,710
Community redevelopment	1,828,186
Park operations and maintenance	22,876,755
Debt Service:	
Principal	1,215,000
Interest	402,732
Capital outlay	1,647,942
Total expenditures	30,384,325
Excess (deficiency) of revenues over (under) expenditures	6,558,352
Fund balance - beginning	18,209,822
Fund balance - ending	\$ 24,768,174

See accompanying notes to the financial statements

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Net change in fund balances - governmental fund	\$ 6,558,352
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is eliminated and is capitalized in the statement of net position.	1,019,895
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	1,215,000
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.	8,019
The change in accrued compensated absences between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.	(30,002)
Depreciation on capital assets is not recognized in the governmental fund statement but is reported as an expense in the statement of activities.	<u>(2,014,259)</u>
Change in net position of governmental activities	<u>\$ 6,757,005</u>

See accompanying notes to the financial statements

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

The Greater Boca Raton Beach Tax District was created by the 1974 session of the Florida Legislature (Chapter 74 - 423, Laws of Florida), as an independent special district within Palm Beach County. In May 1997, the name of the District was changed to "Greater Boca Raton Beach & Park District."

The District has ownership interests in Patch Reef Park, Sugar Sand Park, Swim and Racquet Center and the Ocean Strand property. The other projects in which the District is involved are owned by the City of Boca Raton, Palm Beach County School Board, or Florida Atlantic University.

The District is governed by the Board of Commissioners ("Board"), which is composed of five members, elected by the residents of the District. The Board has the final responsibility for:

1. Assessing and levying applicable taxes.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Commissioners is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad-valorem taxes are recognized as revenues in the year for which they are levied and when an enforceable lien exists. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting.

Ad Valorem Taxes

The District levies ad-valorem taxes on all property within the District. Ad-valorem taxes are levied each November 1 on property as of the previous January 1. The fiscal year for which taxes are levied begins on October 1. All taxes are due from property owners by March 31 and become delinquent on April 1. The Palm Beach County, Florida, Tax Collector's Office bills and collects taxes on behalf of the District. The ad-valorem tax rate for fiscal year ended September 30, 2022 was \$1.05 per \$1,000 of assessed taxable property value.

Ad-valorem taxes and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of ad-valorem taxes receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The government reports the following major governmental fund:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position or Equity

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

The District has adopted a written investment policy, which complies with the requirements of Section 218.415 Florida Statutes. All investments comply with the requirements of the written investment policy. The District may invest any surplus public funds in the following:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deposits and Investments (Continued)

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury;
- e) Repurchase agreements;
- f) Commercial paper;
- g) Corporate notes;
- h) FDIC Corporate Obligations;
- i) Municipal Bonds;
- j) Mortgage-Backed Securities.

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a "2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The District has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

Securities listed shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the general fund. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. 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.

Property, plant and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	30
Building improvements	30
Infrastructure	30
Machinery, equipment and furniture	3 - 10

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick benefits which are subject to pay out upon retirement or during any year elected by the employee. All accrued vacation and sick time subject to pay out is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Commissioners. Commitments may be changed or lifted only by the Board of Commissioners taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Commissioners of the District that are intended to be used for specific purposes that are neither considered restricted nor committed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position (Continued)

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the net position restricted by outside parties for use for a specific purpose. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

Use of Estimates

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

NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a. The District's Executive Director submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally adopted by the District Board.
- d. All budget changes must be approved by the District Board.
- e. The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f. Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act," requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments

The District’s investments at September 30, 2022 were as follows:

	Amortized cost	Credit Risk	Maturities
FLORIDA PRIME	\$ 30,015,599	S&P AAAM	Weighted average of the fund portfolio: 21 days
Total	<u>\$ 30,015,599</u>		

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

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

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

For external investment pools that qualify to be measured at amortized cost, the pool’s participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District’s investments have been reported at amortized cost above.

External Investment Pool – With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 22,029,539	\$ -	\$ -	\$ 22,029,539
Land - Ocean Strand Park	20,255,327	-	-	20,255,327
Ocean Breeze Golf Course	24,343,390	-	-	24,343,390
Land improvement - deHoernle Park	5,923,749	-	-	5,923,749
Improvements in progress	2,031,491	874,990	-	2,906,481
Total capital assets, not being depreciated	74,583,496	874,990	-	75,458,486
Capital assets, being depreciated				
Improvements, infrastructure, buildings and carousel	51,977,422	144,905	-	52,122,327
Machinery, equipment and furniture	916,728	-	-	916,728
Total capital assets, being depreciated	52,894,150	144,905	-	53,039,055
Less accumulated depreciation for:				
Improvements, infrastructure, buildings and carousel	30,239,856	1,922,586	-	32,162,442
Machinery, equipment and furniture	359,620	91,673	-	451,293
Total accumulated depreciation	30,599,476	2,014,259	-	32,613,735
Total capital assets, being depreciated, net	22,294,674	(1,869,354)	-	20,425,320
Governmental activities capital assets, net	\$ 96,878,170	\$ (994,364)	\$ -	\$ 95,883,806

Depreciation expense was charged to the park operations and maintenance.

NOTE 6 – TRANSACTIONS WITH THE CITY OF BOCA RATON

Each year the City is reimbursed by the District for certain costs related to maintenance and operations, construction, and other commitments for various parks. For the fiscal year ended September 30, 2022 the total reimbursable costs incurred by the District were \$22,494,856. This amount includes a payable at year-end of \$5,420,207. The park operations had revenues of \$2,480,276 in the current year.

The City also runs certain special interest activities at the District parks, including, tennis programs, yoga classes, and aquatic programs. These activities are funded by user charges. User fees related to the special interest activities were \$2,508,999 and are included in park revenues.

NOTE 7 – PATCH REEF PARK

Palm Beach County and the District jointly purchased forty - five (45) acres for this park on January 28, 1982. The County paid \$1,000,000 toward the land purchase. The District paid the balance plus all costs of construction and furnishings. The County has assigned its rights in the property to the District for 99 years provided that all residents of the County are allowed to use the park. If the County divests its ownership interest, the District has a first right of refusal to purchase the County's interest for \$1,000,000 plus increases in the Consumer Price Index from January 28, 1982 to the date of sale. Significant deed restrictions ensure that the property will always remain a public park. The District acquired an adjacent ten acres in 1983, which are also included in the park.

NOTE 7 – PATCH REEF PARK (Continued)

The District pays all maintenance and operating costs of the park, and has engaged the City of Boca Raton to maintain the park and to assume responsibility for its continued operation should the District cease to exist.

For the fiscal year ended September 30, 2022, the District incurred \$90,725 related to various projects.

NOTE 8 – SUGAR SAND PARK

In January 1988, the 132 acres of land for Sugar Sand Park was acquired. The total purchase price was \$16 million. Significant deed restrictions ensure that the property will always remain a public park.

To date, the District has expended approximately \$21.6 million for improvements to the park including, all infrastructure, buildings and landscaping. The prior construction was done in three (3) Phases.

The District has engaged the City of Boca Raton to operate and maintain the Park.

For the fiscal year ended September 30, 2022, the District incurred \$199,665 related to various projects.

NOTE 9 – SWIM AND RACQUET CENTER

In October 2000, the District purchased the existing Racquet Club in Boca Raton for \$3,750,000. The property located on Saint Andrews Boulevard, consists of 26 clay tennis courts, a swimming pool, and a building. The lease on the building was terminated and the building was renovated. In addition to renovating facilities for the club, the District Offices and the Commission Meeting Room were included on the second floor of the facility. The project was completed in April 2019 with a total for construction of \$5,649,067. Office furnishings and audio equipment costs were \$130,965.

For the fiscal year ended September 30, 2022, the District incurred \$283,260 related to various projects including \$250,000 for tennis courts rehab.

NOTE 10 – OCEAN BREEZE PARK

During a prior fiscal year, the District executed a Purchase and Sale Agreement with Lennar Homes, LLC for the Ocean Breeze property (approximately 214 acres) at a price of \$24 million.

In a prior fiscal year, the District and the City executed an Interlocal agreement for the acquisition and funding of the Ocean Breeze property. Pursuant to the agreement, the City will provide funding for the acquisition of the portion of the golf course (“west course”) consisting of approximately 141.448 acres through the issuance of revenue Bonds. The remaining 72.528 acres (east course and hotel site) will be funded by the District. The total amount of the Bond issue will be \$20 million (\$19.1 million to be used for funding the sale) and the District agrees to repay the City for the principal and interest payments. The City will hold title to the west course until such time as the Bond is repaid, then will transfer title to the District. The District will hold title to the east course and hotel site. The sale of the property closed in March 2019. The District paid an additional \$2.6 million for the purchase.

For the fiscal year ended September 30, 2022, the District incurred \$250,855 related to projects.

NOTE 11 – LONG-TERM LIABILITIES

Note Payable

During a prior fiscal year, the District entered into an Interlocal agreement with the City, whereby the District will repay the City for the Bond issued to finance the purchase of the golf course. The Bond was issued for \$19.1 million in the prior fiscal year and the District has reported a note payable to the City.

NOTE 11 – LONG-TERM LIABILITIES (Continued)

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2022 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Golf Course Note Payable	\$ 15,255,000	\$ -	\$ (1,215,000)	\$ 14,040,000	\$ 1,245,000
Total Notes payable	\$ 15,255,000	\$ -	\$ (1,215,000)	\$ 14,040,000	\$ 1,245,000

At September 30, 2022, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2023	\$ 1,245,000	\$ 370,656	\$ 1,615,656
2024	1,280,000	337,788	1,617,788
2025	1,310,000	303,996	1,613,996
2026	1,345,000	269,412	1,614,412
2027	1,380,000	233,904	1,613,904
2028-2032	7,480,000	602,712	8,082,712
Total	\$ 14,040,000	\$ 2,118,468	\$ 16,158,468

NOTE 12 – COMMITMENTS

Red Reef Park

Red Reef Park consists of a 67 acre tract of land between the Atlantic Ocean and Intracoastal Waterway in Boca Raton. The land for the park, which includes the Executive Golf Course and Gumbo Limbo Environmental Complex, was purchased by the City of Boca Raton in 1974 at a total cost of \$19,400,000.

The City issued bonds to acquire the property. The District reimbursed the City for bond payments and paid the final commitment to the City of Boca Raton with respect to the bonds during the fiscal year ended September 30, 1998. The City continues to own and operate the park. The District is responsible for reimbursement to the City for development and operation and maintenance costs of the Park.

Gumbo Limbo Nature Center

In a prior fiscal year, the District approved an interlocal agreement between the City and the District allowing for the operational costs for Gumbo Limbo Nature Center to be incorporated into the Red Reef Park Operations. Further, in the prior year, the District approved a Boardwalk project for the Center.

The Gumbo Limbo Pipes and Pumping Capital Project was bid in the 2020-2021 year. The accepted bid of \$3,366,246 was awarded by the City after approval by the District. With the project being over the District budget, the Gumbo Limbo Nature Center Inc. (d/b/a Friends of Gumbo Limbo) agreed in a memorandum of understanding to donate \$144,246 for the project. Funds are included in current year revenue for this project in the 2021-2022 budget year. The City is coordinating the project and the District will reimburse. The project began in March 2022 and is currently ongoing.

During the prior fiscal year, the District entered into a memorandum of understanding with Friends of Gumbo Limbo regarding the boardwalk and tower project at the nature center. Pursuant to the agreement, the Friends of Gumbo Limbo will donate \$500,000 to ensure the tower is ADA compliant. Pursuant to the agreement, the District received \$250,000 in the prior fiscal year. The project had not commenced by May 31, 2022, the District returned \$250,000 to the Friends of Gumbo Limbo.

NOTE 12 – COMMITMENTS (Continued)

Florida Atlantic University

Through a cooperative agreement with the State of Florida dated June 29, 1989, the District developed a series of athletic fields on the Boca Raton campus of Florida Atlantic University. Both the University and the local community utilize the fields. Two fields were completed in 1996 and another athletic field was completed during 1999.

The District has entered into facility use agreements with FAU commencing October 1, 2020 and terminating on September 30, 2023 for use of the Glades Road Soccer Fields. The District will be charged \$265,000 for fiscal years 2022 and each year through the duration of the contract, a 2% escalating fee will be added to the rental costs of the fields.

The District has entered into facility use agreements with FAU commencing October 1, 2009 and terminating September 30, 2020 for use of the Varsity Soccer Field. On October 17, 2016 the District signed an amendment to Facilities Use Agreement which provided the termination date to be extended to September 30, 2036. On October 17, 2016 the District signed an amendment to Facilities Use Agreement which provided the termination date to be extended to September 30, 2036. The annual facilities fee through September 30, 2020 shall remain at \$106,090. On October 1, 2020 and every five years thereafter (October 1, 2025, October 1, 2030, and October 1, 2035), the annual Facilities Fee shall increase by 10%.

Pursuant to the agreements, the District incurred charges of \$381,899 during the current fiscal year. This amount includes a payable at year-end of \$77,500.

The District rents two additional athletic fields from FAU on an as needed basis.

Don Estridge Middle School

The District has agreed to fund field maintenance expenditures at Don Estridge Middle School. The School Board of Palm Beach County has agreed to reimburse the District \$20,000 annually.

The City pays for maintenance of certain school facilities and charges the District monthly as part of the operation and maintenance charges.

NOTE 13 – BEACH RENOURISHMENT PROJECT

In a prior fiscal year, the District executed an agreement with the City for a term of ten years automatically renewing for an additional ten years. The agreement is for the North, Central and South beaches. The District will share the costs of the program not funded by federal, state or county sources (local share) 50/50 with the City. The anticipated cost to the District for the next five years is \$5.8 million.

NOTE 14 – RETIREMENT PROGRAMS

The District entered into a Trust Joinder Agreement with the Florida Municipal Pension Trust Fund (the "Master Trustee") as a participating employer in the 457(b) deferred compensation plan and the 401 (a) defined contribution plan. The 457 (b) plan is open to all employees for participation. The District does not have a matching requirement for the plan. The 401 (a) plan is open to all current employees and employer contributions vest immediately. The District will contribute 5% for the Executive Director and will match 100% up to 5% of participating employees contribution.

In current fiscal year, the District paid \$21,166 for both plans.

NOTE 15 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims that exceeded coverage during the past three years.

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 31,845,000	\$ 31,845,000	\$ 31,618,453	\$ (226,547)
Park revenues	3,500,000	3,500,000	5,009,275	1,509,275
Interest	125,000	125,000	294,126	169,126
Other revenues	21,000	21,000	20,823	(177)
Total revenues	35,491,000	35,491,000	36,942,677	1,451,677
EXPENDITURES				
Current:				
General government	2,307,800	2,557,800	2,413,710	144,090
Boca Raton Community Redevelopment	1,825,900	1,825,900	1,828,186	(2,286)
Reserves	9,274,600	8,234,600	-	8,234,600
Park operations and maintenance	28,488,600	30,513,600	22,876,755	7,636,845
Debt service	1,618,000	1,618,000	1,617,732	268
Capital outlay	9,800,000	9,800,000	1,647,942	8,152,058
Total expenditures	53,314,900	54,549,900	30,384,325	24,165,575
Excess (deficiency) of revenues over (under) expenditures	(17,823,900)	(19,058,900)	6,558,352	25,617,252
OTHER FINANCING SOURCES				
Use of fund balance	17,823,900	19,058,900	-	(19,058,900)
Total other financing sources (uses)	17,823,900	19,058,900	-	(19,058,900)
Net change in fund balance	\$ -	\$ -	6,558,352	\$ 6,558,352
Fund balance - beginning			18,209,822	
Fund balance - ending			\$ 24,768,174	

See notes to required supplementary information

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. Further, classification of certain revenues under accounting principles generally accepted in the United States of America differs from classification utilized for budgetary purposes. Other than the classification, the budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Budget amendments that change aggregated appropriations must be approved by the Board. The general fund budget for the fiscal year ended September 30, 2022 was amended to increase appropriations and use of fund balance.

Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2022.

**GREATER BOCA RATON BEACH & PARK DISTRICT
BOCA RATON, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
UNAUDITED**

<u>Element</u>	<u>Comments</u>
Number of district employees compensated at 9/30/2022	3
Number of independent contractors compensated in September 2022	5
Employee compensation for FYE 9/30/2022 (paid/accrued)	\$289,340
Independent contractor compensation for FYE 9/30/2022	\$177,138
Construction projects to begin on or after October 1; (>\$65K)	
Shade Cover Project	\$1,500,000
Ocean Breeze Project	\$7,300,000
Sugar Sand Project - roof replacement	\$150,000
PR Tennis & Pickleball Center design/construction	\$5,000,000
Misc. Projects	\$290,000
Budget variance report	See page 23 of annual financial report
Ad Valorem taxes;	
Millage rate FYE 9/30/2022	1.05
Ad valorem taxes collected FYE 9/30/2022	\$31,618,453
Outstanding Bonds:	Not applicable
Note Payable, due July 1, 2032, see Note 11 for details	\$14,040,000
Non ad valorem special assessments;	Not applicable



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

To the Board of Commissioners
Greater Boca Raton Beach & Park District
Boca Raton, 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 Greater Boca Raton Beach & Park District, Boca Raton, Florida ("District") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated May 15, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Bhav & Associates

May 15, 2023



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Commissioners
Greater Boca Raton Beach & Park District
Boca Raton, Florida

We have examined Greater Boca Raton Beach & Park District Community Development District, Boca Raton, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2022. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2022, except that the individual assigned to make investment decisions did not have the required hours of continuing education for the year. The District should adopt the alternative guidelines for investments according to Florida Statute 218.415 or ensure the investment officer obtains the required hours.

This report 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, management, and the Board of Supervisors of Greater Boca Raton Beach & Park District Community Development District, Boca Raton, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

May 15, 2023



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Commissioners
Greater Boca Raton Beach & Park District
Boca Raton, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Greater Boca Raton Beach & Park District, Boca Raton, Florida (the "District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated May 15, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 15, 2023, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Commissioners of the Greater Boca Raton Beach & Park District, Boca Raton, Florida and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the Greater Boca Raton Beach & Park District and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

Grau & Associates

May 15, 2023

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2021.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2022.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2022.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 25.