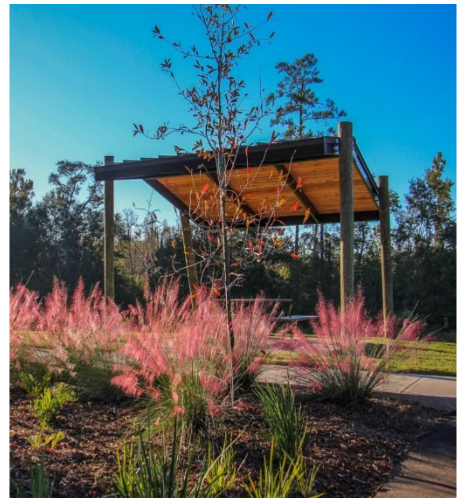
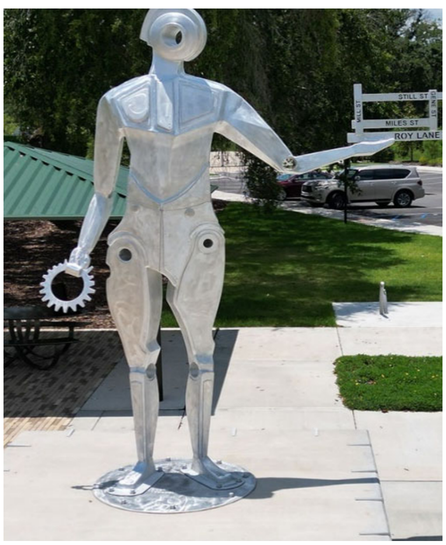
BLUEPRINT

INTERGOVERNMENTAL AGENCY




# Annual Comprehensive Financial Report

## For The Fiscal Year Ended September 30, 2023

CITY OF
TALLAHASSEE,
FLORIDA

LEON
FLORIDA'S CAPITAL COUNTY

PLACE
PLANNING, LAND MANAGEMENT and COMMUNITY ENHANCEMENT

BLUEPRINT ECONOMIC VITALITY PLANNING

# ANNUAL
# COMPREHENSIVE
# FINANCIAL REPORT

# BLUEPRINT
# INTERGOVERNMENTAL AGENCY

## For The Fiscal Year Ended
## September 30, 2023

## PREPARED BY:


Tres Long, CPA, CIA, CGFM,
Blueprint Finance Officer

AND:

Financial Services Department
Financial Reporting Division
City of Tallahassee, Florida

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**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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## LIST OF FINANCIAL REPORTING DIVISION STAFF

May 8, 2024

To the Chair and Members of the Board of the Blueprint Intergovernmental Agency

The Annual Comprehensive Financial Report of the Blueprint Intergovernmental Agency (the Agency) for the fiscal year ended September 30, 2023, is hereby submitted pursuant to Section 11.45, Florida Statutes and Chapter 10.550 Rules of the Auditor General of the State of Florida. This report represents the official report of the Agency's financial operations and condition to the citizens, the Agency's Board, the Agency's management, rating agencies, and other interested persons.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, but not absolute, assurance that the financial statements are free of any material misstatements.

The certified public accounting firm of MSL, P.A. has issued an unmodified opinion on the Agency's financial statements for the year ended September 30, 2023. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

**PROFILE OF THE AGENCY**

On October 27, 2000, pursuant to Section 163.01 (7), Florida Statutes, Leon County, Florida, and the City of Tallahassee, Florida, created the Blueprint Intergovernmental Agency to govern the project management structure for the project planning and the construction of the Blueprint 2000 projects. These projects were to be funded from a 15-year discretionary one-cent sales surtax extension approved by a voting majority of Leon County voters on November 7, 2000. The Board of County Commissioners and the City Commission constitute the Board of Directors (the Board) for the Agency. On December 9, 2015, the Board elected to change the name of the Agency to Blueprint Intergovernmental Agency. The County Administrator and the City Manager approve staffing for the Agency. Various committees provide professional advice and serve in advisory capacities.

Tallahassee, the capital city of Florida, was incorporated in 1825, twenty years before Florida was admitted to the Union. The City is governed by a Mayor and four Commissioners elected at-large. The City Commission appoints the City Manager, the City Treasurer-Clerk, the City Inspector General, and the City Attorney. Collectively the appointed officials are responsible for all administrative aspects of the government, with most falling under the purview of the City Manager.

The Leon County Board of Commissioners consists of seven members, five of whom are elected within districts, with the remaining two elected at-large. Each Commissioner is elected to a four-year term with the position of Chairperson selected annually on a rotating basis. A County Administrator administers all county offices not governed by elected County officials.

In 1989 the voters of Leon County approved an additional one-cent sales tax, increasing the sales tax total to seven and one-half cents. The additional penny tax, levied through the year 2004, was used for capital projects in the areas of transportation and law enforcement.

On November 7, 2000, voters approved a 15-year extension of the penny sales tax, with 80% of the proceeds to be used for a variety of transportation, stormwater, and environmental projects identified in Blueprint 2000 and Beyond: A Community-Based Guide for Economic Development and Natural Resources Management, a study produced by a citizens group representing business and environmental interests, to help guide the community's future growth. The funds collected under this extension are the funds the Agency uses for projects.

On November 4, 2014, a majority of Leon County voters approved another extension of the penny sales surtax through December 31, 2039. The tax collected will be used for projects designed to improve roads, reduce traffic congestion, protect lakes and water quality, reduce flooding, expand and operate parks and recreational areas, invest in economic development and other uses authorized under Florida law; and to seek matching funds for these purposes.

The Agency is required to adopt a final budget prior to the close of the fiscal year. This annual budget serves as the foundation for the Agency's financial planning and control. The annual budget process involves input and collaboration between the Director of PLACE, members of the Intergovernmental Agency, and input and review from the various committees.

**FACTORS AFFECTING FINANCIAL CONDITION**

The economy of Leon County is strongly influenced by governmental and educational activities. The presence of the State Capital and two major universities help shape Leon County's population as relatively young, well educated, and affluent.

Leon County is a racially diverse community. Minorities account for 46.1% of the population, with African-Americans comprising 29.9%.

Leon County residents have historically attained a very high level of education. Forty-nine percent of area residents aged 25 or older have completed at least four years of college.

The 2022 American Community Survey 5-Year Estimates report median household income in Leon County is $61,297, which is comparable to the national median.

The level of governmental employment has a stabilizing effect on the economy and helps to minimize unemployment. In December 2022, the unemployment rate was 3.1% in Leon County as compared to the State's unemployment rate of 2.9%. The percentage of employees employed by local, state, and federal government is approximately 30.0% of the work force. The unemployment rate is one of many economic indicators utilized to evaluate the condition of the economy.

The populations of Tallahassee and Leon County have consistently grown over time and are projected to continue growing as shown in the table below:

| Year | Tallahassee | Unincorporated | Leon County |
|---|---|---|---|
| 1960 | 48,174 | 26,051 | 74,225 |
| 1970 | 71,897 | 31,150 | 103,047 |
| 1980 | 81,548 | 67,104 | 148,652 |
| 1990 | 124,773 | 67,720 | 192,493 |
| 2000 | 150,624 | 88,858 | 239,482 |
| 2010 | 181,736 | 94,111 | 275,847 |
| 2020 | 196,169 | 96,029 | 292,198 |
| 2023 | 201,731 | 99,993 | 301,724 |
| 2025 | 207,100 | 97,800 | 304,900 |
| 2030 | 215,200 | 99,000 | 314,200 |
| 2035 | 221,200 | 100,000 | 321,200 |
| 2040 | 226,500 | 100,800 | 327,300 |
| 2045 | 231,200 | 101,600 | 332,800 |

As previously indicated, the Agency is primarily funded via a penny sales tax collection which is predicated on retail sales; the following chart indicates the trend in retail sales (in thousands) for Leon County:

| Year | Amount | Year | Amount |
|---|---|---|---|
| 2006 | $ 7,154,823 | 2015 | $ 7,510,613 |
| 2007 | 7,358,014 | 2016 | 7,751,449 |
| 2008 | 7,265,784 | 2017 | 8,026,814 |
| 2009 | 6,385,468 | 2018 | 8,290,351 |
| 2010 | 6,357,986 | 2019 | 8,652,367 |
| 2011 | 6,518,559 | 2020 | 8,354,156 |
| 2012 | 6,681,858 | 2021 | 9,230,547 |
| 2013 | 7,071,265 | 2022 | 10,549,961 |
| 2014 | 7,686,804 | 2023 | 10,879,284 |

**CONSTRUCTION TRENDS**

Residential Construction

Single-family residential building permits in Leon County were up 34% in calendar year 2023, following a 38% decrease in 2022. Permits for multi-family units were up 82% in calendar year 2023 following a 15% decrease in 2022. Multi-family new construction permits in 2023 were the most since 1973 and included Exchange at Blair Stone, Ridge Road Apartments, Arbor at Canopy, and Haven 17. Year-over-year new multi-family construction can be volatile given the number of units included in each development.

Commercial Development

In calendar year 2023, nearly $109 million in new commercial construction was permitted in Leon County, down 21% from the $137.6 million permitted in 2022. Of the commercial projects permitted during calendar year 2023, none were as large as the Amazon facility or the Danfoss Turbocor manufacturing facility permitted in 2022.

## LONG-TERM FINANCIAL PLANNING

Financing for Blueprint 2000 and Blueprint 2020 projects is continually evaluated in terms of pay-as- you-go financing (either sales tax collections or grants, when available) or long-term debt financing. The Agency adopted a long-term implementation plan in 2021 to program funding through the end of the sales surtax in 2039. The Agency planned for and secured a State Infrastructure Bank Loan totaling $25.5 million and a 15-year bond totaling $91 million during 2022 to implement the approved projects. Additional bond financing of up to $136 million is planned for 2024.

## ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the staff of the City of Tallahassee's Financial Reporting Division, who assisted with compiling this report. We would also like to thank the members of the City and County Commissions for their interest and support in planning and conducting the financial operations of the Agency in a responsible and progressive manner.

Respectfully submitted,

Artie White
Director of P.L.A.C.E.
Blueprint Intergovernmental Agency



315 South Calhoun Street, Suite 450 • Tallahassee, FL 32301 • 850.219.1060 • BlueprintIA.org

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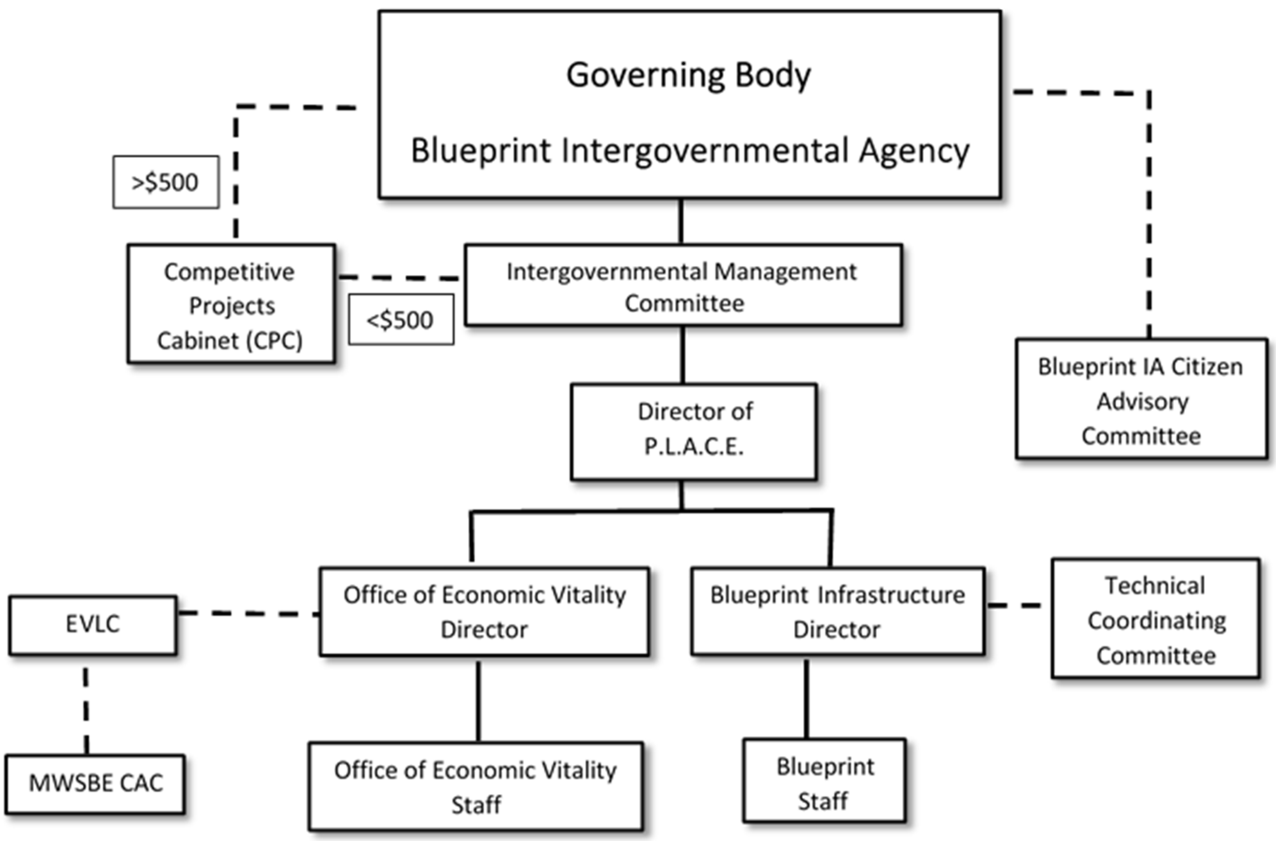
# Blueprint Intergovernmental Agency

## Organization Chart



# BLUEPRINT INTERGOVERNMENTAL AGENCY

## BOARD OF DIRECTORS

**Carolyn Cummings, Chairman**

**Diane Williams-Cox, Vice-Chairman**

Commissioner Christian Caban
Mayor John Dailey
Commissioner Nick Maddox
Commissioner Jeremy Matlow
Commissioner Rick Minor

Commissioner David O'Keefe
Commissioner Jacqueline Porter
Commissioner Bill Proctor
Commissioner Curtis Richardson
Commissioner Brian Welch

## INTERGOVERNMENTAL MANAGEMENT COMMITTEE

Vincent S. Long, Leon County Administrator
Reese Goad, City Manager, City of Tallahassee

## DIRECTOR OF PLANNING, LAND MANAGEMENT AND COMMUNITY ENHANCEMENT

Artie White

The Annual Comprehensive Financial Report for the Blueprint Intergovernmental Agency was produced by the combined efforts of Blueprint Accounting Staff and the Financial Reporting Division of the Financial Services Department. The following staff had primary responsibility for preparing and assuring the accuracy of this report:

**Assistant City Manager**
Christian Doolin

**Director, Financial Services**
Patrick Twyman

**Manager, Financial Reporting**
Rita Stevens, CPA

**Blueprint Finance Officer**
Tres Long, CPA, CIA, CGFM

| | | |
|---|---|---|
| Linda Caines, CGFM | Mazie Crumbie | Andrea Durham |
| Latrenda Johnson | Kereen Jones | Vernessa McMillon |
| Julie Paniucki | Lajja Patel, CGFM | Angela Roberts |
| Keith Srinivasan | Emerson Thompson | Shea Tillmon |

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# FINANCIAL SECTION

## INDEPENDENT AUDITORS' REPORT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## BASIC FINANCIAL STATEMENTS

## REQUIRED SUPPLEMENTARY INFORMATION

MSL

Certified Public Accountants

# INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Board
Blueprint Intergovernmental Agency
Tallahassee, Florida

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major fund of the Blueprint Intergovernmental Agency (the "Agency") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, as listed in the table of contents.

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 8, 2024 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
May 8, 2024

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Agency's (or "Blueprint") annual financial report is designed to provide the reader with a better understanding of the financial activity for the fiscal year that ended September 30, 2023. It should be read in conjunction with the Transmittal Letter at the front of this report and the financial statements, which follow this section. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

---

## FINANCIAL HIGHLIGHTS

- Assets and Deferred Outflows of Resources at September 30, 2023 totaled $383.0 million, representing an increase of $33.4 million from the prior year. This increase is primarily due to the collection of additional revenues along with the issuance of a State Infrastructure Bank (SIB) loan with related funding of projects under construction.
- Liabilities and Deferred Inflows of Resources at September 30, 2023 totaled $126.5 million, representing an increase of $8.7 million. This increase is primarily due to the SIB Loan noted above.
- Total net position increased $24.7 million during the fiscal year ended September 30, 2023 primarily as a result of current year operations.
- Revenues decreased by $285,000 as shared revenues, which is comprised entirely of sales tax collections, remained essentially flat while investment income increased by $6.6 million in Fiscal Year 2023, offsetting the $7.0 million in non-tax revenue received in Fiscal Year 2022.
- Expenses decreased by $3.8 million in line with the normal fluctuation of non-capital project expenses administered by the Agency. Expenses related to infrastructure projects are recorded as an asset, Construction in Progress, while under construction and the expense is recorded once the projects are transferred to another agency for perpetual maintenance.

## AN OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency'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. The focus of the financial statements is on both Blueprint's overall financial status and the major individual funds. The following briefly describes the component parts.

## GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are designed to report information about the Agency as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position combines all of Blueprint's current financial resources with capital assets and long-term obligations. Net position, the difference between Blueprint's assets, deferred outflows of resources, liabilities and deferred inflows of resources, is one way to measure its financial health.

Blueprint is considered a single-function government with all activities classified as governmental rather than business-type. Consequently, the government-wide financial statements include only governmental activities. These are services that are financed primarily from shared revenues.

## 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. All of Blueprint's funds are considered to be Governmental funds. Blueprint maintains three individual funds - a general fund, a special revenue fund and a debt service fund; all of which are considered major funds. The following bulleted list describes the fund requirements.

- **Scope** - Includes Blueprint's revenues from bond sales, shared revenues, investment income, operational expenditures, and approved community projects

- **Required financial statements** - Balance Sheet; Statement of Revenues, Expenditures and Changes in Fund Balances

- **Accounting basis and measurement focus** - modified accrual accounting and current financial resources focus

- **Type of asset/liability information** - Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets are included

- **Type of inflow/outflow information** - Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter. Activity consists of pension and OPEB-related deferred inflows/outflows.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Position compared to the prior year. As indicated in the table, Blueprint's net position increased by $24.72 million in fiscal year 2023. Total assets and deferred outflows of resources increased by $33.37 million primarily due to the collection of additional revenues along with the issuance of a SIB loan with related funding of projects under construction. Total liabilities and deferred inflows of resources increased by $8.66 million primarily due to the above noted SIB Loan and related future debt service.

**Table 1**
**Statement of Net Position**
**As of September 30**
**Governmental Activities**
**(in thousands)**

| | 2023 | 2022 | $ Change |
|---|---|---|---|
| **Assets and Deferred Outflows of Resources** | | | |
| Current Assets | $ 216,134 | $ 205,460 | $ 10,674 |
| Noncurrent Assets | 162,764 | 141,999 | 20,765 |
| Deferred Outflow of Resources | 4,100 | 2,169 | 1,931 |
| **Total Assets and Deferred Outflows of Resources** | $ 382,998 | $ 349,628 | $ 33,370 |
| **Liabilities and Deferred Inflows of Resources** | | | |
| Current Liabilities | $ 9,177 | $ 10,172 | $ (995) |
| Noncurrent Liabilities | 114,556 | 104,480 | 10,076 |
| Deferred Inflows of Resources | 2,731 | 3,157 | (426) |
| **Total Liabilities and Deferred Inflows of Resources** | 126,464 | 117,809 | 8,655 |
| **Net Position** | | | |
| Net investment in capital assets | 113,063 | 108,095 | 4,968 |
| Restricted | 143,471 | 123,724 | 19,747 |
| **Total Net Position** | 256,534 | 231,819 | 24,715 |
| **Total Liabilities, Deferred Inflows of Resources and Net Position** | $ 382,998 | $ 349,628 | $ 33,370 |

## CHANGES IN NET POSITION

Blueprint's total revenues were $54.64 million in fiscal year 2023, comprised primarily of shared revenues (sales tax receipts) of $47.41 million, grants and contributions of $731,000 and investment income of $6.51 million, representing a decrease of $285,000 compared to fiscal year 2022. Sales taxes received by the Agency remained relatively flat over the two years displayed below.

The following table shows revenues and expenses by sources and programs and the resulting change in net position.

**Table 2**
**Changes in Net Position**
**Governmental Activities**
**(in thousands)**

| | 2023 | 2022 | $ Change |
|---|---|---|---|
| **Program revenue** | | | |
| Operating Grants and Contributions | $ 669 | $ 527 | $ 142 |
| Capital Grants and Contributions | 62 | 7,399 | (7,337) |
| **General Revenues** | | | |
| Shared Revenues | 47,407 | 47,033 | 374 |
| Net Investment Income (Loss) | 6,505 | (87) | 6,592 |
| Miscellaneous | - | 56 | (56) |
| **Total Revenues** | 54,643 | 54,928 | (285) |
| **Expenses** | | | |
| Transportation | 22,979 | 14,662 | 8,317 |
| Economic Development | 2,954 | 16,687 | (13,733) |
| Interest on long-term debt | 3,613 | 1,969 | 1,644 |
| Depreciation | 382 | 385 | (3) |
| **Total Expenses** | 29,928 | 33,703 | (3,775) |
| **Increase (Decrease) in Net Position** | 24,715 | 21,225 | 3,490 |
| **Net Position - October 1** | 231,819 | 210,594 | 21,225 |
| **Net Position - September 30** | $ 256,534 | $ 231,819 | $ 24,715 |

## GOVERNMENTAL ACTIVITIES

All activities are classified as governmental because expenditures are funded by shared revenues, grants, and income on invested funds. The cost of all activities in fiscal year 2023 was $29.93 million while revenues were $54.64 million resulting in an increase in net position of $24.72 million.

**Revenue Impacts**:

- Collection of shared revenues during fiscal year 2023 were $374,000 greater than fiscal year 2022, indicating that the stimulus effects on the post-pandemic economic recovery may be waning.
- Operating and capital grants and contributions during fiscal year 2023 were $7.20 million less than fiscal year 2022. The Agency received nearly $6.5 million in total funding from a right of way purchasing agreement with the Florida Department of Transportation during 2022 while there was little in the way of capital or operating grant revenue in fiscal year 2023. Grant revenue is expected to be received during fiscal year 2025 and 2026 from the Florida Department of Transportation and the Florida Department of Environmental Protection.

**Expense Impacts**:

- Expenses in fiscal year 2023 include interest on bonds and loans, personnel and operating costs of administering the Blueprint program, and contractual and professional services and other expenses related to approved Blueprint projects, which do not meet the definition of a capital asset.

The following table summarizes the change in fund balance for the governmental funds:

**Table 3**
**Financial Analysis of the Agency's Governmental Funds**
**(in thousands)**

| Fund | Fund Balances 9/30/2022 | Sources | Uses | Sources Over (Under) Uses | Fund Balances 9/30/2023 |
|---|---|---|---|---|---|
| **General Fund** | $ 10,090 | $ 58,802 | $ 65,029 | $ (6,227) | $ 3,863 |
| **Special Revenue** | 184,469 | 54,648 | 42,120 | 12,528 | 196,997 |
| **Debt Service** | (1,989) | 10,705 | 8,639 | 2,066 | 77 |
| **Total Fund Balances** | $ 192,570 | $ 124,155 | $ 115,788 | $ 8,367 | $ 200,937 |

As of September 30, 2023, Blueprint reported combined ending fund balances of $200.94 million, which is $8.37 million greater than last year. Of this amount, $143.47 million is restricted for infrastructure.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Relative to the differences between final budgets and actual results, shared revenues were $6.42 million above estimates due to a conservative budget, as the Agency is required to budget at 95% of expected sales tax revenues.

## CAPITAL ASSETS

Blueprint's capital assets, consisting primarily of construction in progress on road projects, were $162.76 million as of September 30, 2023. This represents an increase of $20.77 million from prior year. Please see Note I.B and III.B for more information about the Agency's capital assets.

Major capital acquisitions and improvements during the year included the following:

- Construction work continued on Capital Cascades Segments 3 and 4. Land and construction in progress related to this project as of the close of the fiscal year was $53.67 million.
- Construction work continued on the Magnolia Drive Trail project, with land and construction in progress related to this project totaling $6.5 million.
- Construction work continued on the Northeast Gateway: Welaunee Boulevard project, with land and construction in progress for the project totaling $25.49 million.

## LONG-TERM DEBT

At September 30, 2023, Blueprint had $105.19 million in general long-term debt outstanding, comprised of $8.35 million outstanding on a note issued by Regions Bank, the Series 2022 Bonds with $75.51 million outstanding principal and $11.95 million in unamortized premium, a SIB loan with current outstanding balance totaling $9.11 million as well as $273,000 representing compensated absences payable. During the year, Blueprint's total debt increased by a net amount of $4.90 million due to the SIB Loan draw netted with principal payments for existing debt. For more information about Blueprint's Long-Term Debt, see the Notes to the Financial Statements, Note III.D.

## ECONOMIC AND OTHER FACTORS THAT MAY IMPACT BLUEPRINT'S FINANCIAL POSITION

Blueprint's funding from the local option one-cent sales tax is impacted by the local economy. The following factors and indicators will have a positive impact on Tallahassee and Leon County's economy.

- The presence of two state universities, a community college and the state government provides a stabilizing influence on the Leon County's financial position. In December 2023, the unemployment rate in Leon County was 3.1% as compared to the state's unemployment rate of 2.9%. For December 2022, Leon County's unemployment rate was 2.2% as compared with the statewide rate of 2.7%. The percentage of employees employed by local, state, and federal government in Leon County is approximately 30% of the work force.

- As with any capital county, the health of the state government will continue to have a substantial impact on the economic or financial health of the Agency. The impact of the COVID-19 pandemic temporarily reduced the state government’s sales tax revenues. Since then, revenues have rebounded significantly. Additionally, the Agency is deliberate in seeking out state and federal grant opportunities to leverage funding for infrastructure and economic development projects.

- Alongside the state workforce, Leon County’s institutions of higher learning continue to be major economic drivers in the community. Ongoing partnerships between Blueprint Intergovernmental Agency and these institutions represents significant economic and development opportunities for the Community. Most recently, increased partnership between the universities and the Agency have helped attract companies to relocate to Tallahassee, especially those companies that are interested in the research being performed by Florida State University’s National High Magnetic Field Laboratory as well as the Florida A&M University – Florida State University College of Engineering. Furthermore, while the cost of college education has come under increased scrutiny in the past couple of years, tuition at the state universities remains affordable when compared to public universities in other states.

- The Agency is actively involved in recruiting new businesses and employers to the area by providing a number of incentives and funding for eligible businesses as well as planning tools designed to promote economic development. This strategy has been successful in attracting new businesses and supporting existing businesses. In 2021, Amazon began construction of a 635,000 square foot robotics fulfillment center. When completed, the center will provide 1,000 full-time jobs. In addition to this initial location on the east side of town, Amazon has acquired another 30 acres on the west side of Tallahassee for construction of a second facility; specifics for that site have not yet been announced. In Innovation Park, Danfoss Turbocor broke ground broke ground on construction of a new 167,000 square foot manufacturing facility. The expansion will nearly double its current workforce of 260 employees.

- Another sign of economic activity is the number of new developments that have been completed or are under construction throughout the County. The first phase of The Cascades Project was completed in 2021. Adjacent to Cascades Park downtown, the mixed-use development includes a new 150-room AC Hotel, 161 apartments and office space. Another downtown development project, 4Forty North Apartments, will feature 231 apartments, 17 townhouses and 15,000 square feet of retail space. Construction is underway with completion expected in 2024. The Canopy Project, a mixed-use development of 505 acres, continues to build out apartments and hundreds of new single-family homes. Redevelopment of the Market District includes a Springhill Suites that opened in 2021 and a significant amount of new retail space. South of downtown, SoMo Walls has begun construction on 33,000 square feet of dining, retail, service, and office space, with the Agency providing some incentives for the project. New subdivisions continue their construction of single-family homes in various sectors of the County while a number of apartment complexes and condominium units are planned or underway across the community. The Agency is also in the process of funding and managing projects including more than 20 miles of roadway improvements, 78 miles of bike and pedestrian facilities, 250 acres of developed public space and 8 new public parks.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

On November 4, 2014, a majority of voters in Leon County voted to extend the local option sales tax another 20 years until 2039. In response to the passage of the extension, the Agency also opened the Office of Economic Vitality whose purpose is to invest in and cultivate the evolving economic development landscape. The goal is to align the resources of supporting organizations, partners, community stakeholder and planning bodies to better optimize what the area affords and to provide opportunity for all. This investment in the community is expected to increase sales tax collections.

## FISCAL YEAR 2023 BUDGET

Blueprint Intergovernmental Agency's General Fund Budget for fiscal year 2024 totals $197.50 million, consisting of $7.03 million for administration, a $12.08 million transfer to the Debt Service Fund, and a $178.38 million transfer to the Construction and Economic Development Funds for projects. Funding for the budget is primarily based upon $47.75 million of shared revenues and funding from a 2024 bond issue.

## FINANCIAL CONTACT

This financial report is designed to provide residents, taxpayers, customers, and creditors with a general overview of Blueprint Intergovernmental Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the Agency's Accounting Staff at 315 South Calhoun Street Suite 450, Tallahassee, FL 32301-1837 or via the web at www.BlueprintIA.org.

# BASIC FINANCIAL STATEMENTS

These basic financial statements provide a summary overview of the financial position as well as the operating results of the Blueprint Intergovernmental Agency. They also serve as an introduction to the more detailed statements and schedules that follow in subsequent sections:

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

## FUND FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**STATEMENT OF NET POSITION**
**September 30, 2023**
**(in thousands)**

| | | |
|---|---|---|
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | |
| ASSETS | | |
| Cash and Cash Equivalents | $ | 955 |
| Securities Lending Collateral | | 12 |
| Accounts Receivable | | 2 |
| Accrued Interest | | 13 |
| Due From Other Governments | | 9,388 |
| Cash and Cash Equivalents - Restricted | | 202,471 |
| Securities Lending Collateral - Restricted | | 1,136 |
| Accrued Interest - Restricted | | 2,157 |
| Capital Assets: | | |
| Land and Construction in Progress | | 161,750 |
| Other, Net of Accumulated Depreciation | | 1,014 |
| Total Assets | | 378,898 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Outflows - OPEB | | 478 |
| Pension Related Deferred Outflows | | 3,622 |
| Total Deferred Outflows of Resources | | 4,100 |
| Total Assets and Deferred Outflows of Resources | $ | 382,998 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION** | | |
| LIABILITIES | | |
| Obligations Under Securities Lending | $ | 12 |
| Accounts and Retainage Payable | | 147 |
| Compensated Absences | | 239 |
| Lease Payable | | 363 |
| Accounts and Retainage Payable - Restricted | | 1,280 |
| Obligations Under Securities Lending - Restricted | | 1,136 |
| Bonds and Loans Payable | | 6,000 |
| Due to Other Governments | | 12,406 |
| Compensated Absences - Noncurrent | | 34 |
| Lease Payable - Noncurrent | | 457 |
| Net OPEB Liability | | 696 |
| Net Pension Liability | | 2,045 |
| Bonds and Loans Payable - Noncurrent | | 98,918 |
| Total Liabilities | | 123,733 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Inflows - OPEB | | 348 |
| Pension Related Deferred Inflows | | 2,383 |
| Total Deferred Inflows of Resources | | 2,731 |
| Total Liabilities and Deferred Inflows of Resources | | 126,464 |
| NET POSITION | | |
| Net Investment in Capital Assets | | 111,351 |
| Restricted for: | | |
| Infrastructure | | 145,183 |
| Total Net Position | | 256,534 |
| Total Liabilities, Deferred Inflows of Resources and Net Position | $ | 382,998 |

**The notes to the financial statements are an integral part of these financial statements.**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**STATEMENT OF ACTIVITIES**
**For the fiscal year ended September 30, 2023**
**(in thousands)**

| | | Program Revenue | | Net (Expense) Revenue and Changes in Net Position |
|---|---|---|---|---|
| | Expenses | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| **FUNCTION/PROGRAMS** | | | | |
| PRIMARY GOVERNMENT: | | | | |
| Transportation | $ 22,979 | $ - | $ 59 | $ (22,920) |
| Economic Development | 2,954 | 669 | 3 | (2,282) |
| Unallocated Depreciation/ Amortization on Infrastructure | 382 | - | - | (382) |
| Interest on Long-Term Debt | 3,613 | - | - | (3,613) |
| Total Primary Government | $ 29,928 | $ 669 | $ 62 | (29,197) |
| General Revenues: | | | | |
| Shared Revenues | | | | 47,407 |
| Net Investment Income | | | | 4,440 |
| Change in Fair Value of Investments | | | | 2,065 |
| Total General Revenues | | | | 53,912 |
| Change in Net Position | | | | 24,715 |
| Net position - October 1 | | | | 231,819 |
| Net position - September 30 | | | | $ 256,534 |

**The notes to the financial statements are an integral part of these financial statements.**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**September 30, 2023**
**(in thousands)**

| | General | Infrastructure | Debt Service | Total Governmental Funds |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and Cash Equivalents | $ 955 | $ - | $ - | $ 955 |
| Securities Lending Collateral | 12 | - | - | 12 |
| Accounts Receivable | 2 | - | - | 2 |
| Accrued Interest | 13 | - | - | 13 |
| Due From Other Governments | 9,388 | - | - | 9,388 |
| Due From Other Funds | - | 8,683 | - | 8,683 |
| Cash and Cash Equivalents - Restricted | - | 202,395 | 76 | 202,471 |
| Securities Lending Collateral - Restricted | - | 1,102 | 34 | 1,136 |
| Accrued Interest - Restricted | - | 2,156 | 1 | 2,157 |
| **Total Assets** | $ 10,370 | $ 214,336 | $ 111 | $ 224,817 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| LIABILITIES | | | | |
| Accounts and Retainage Payable | $ 147 | $ - | $ - | $ 147 |
| Obligations Under Securities Lending | 12 | - | - | 12 |
| Accounts and Retainage Payable - Restricted | - | 1,496 | - | 1,496 |
| Obligations Under Securities Lending - Restricted | - | 1,102 | 34 | 1,136 |
| Due to Other Funds | 3,689 | 4,994 | - | 8,683 |
| Due to Other Governments | 2,659 | 9,747 | - | 12,406 |
| **Total Liabilities** | 6,507 | 17,339 | 34 | 23,880 |
| FUND BALANCES | | | | |
| Restricted for: | | | | |
| Infrastructure | - | 196,997 | - | 196,997 |
| Unassigned | 3,863 | - | 77 | 3,940 |
| **Total Fund Balances** | 3,863 | 196,997 | 77 | 200,937 |
| **Total Liabilities and Fund Balances** | $ 10,370 | $ 214,336 | $ 111 | $ 224,817 |

**The notes to the financial statements are an integral part of these financial statements.**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**
**TO THE STATEMENT OF NET POSITION**
**September 30, 2023**
**(in thousands)**

| | | |
|---|---|---|
| **Total Fund Balances per the Governmental Fund Financial Statements** | $ | 200,937 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Bonds and loans payable are not due and payable in the current period and therefore are not reported in the funds. | | (104,918) |
| Annual leave liabilitiy is not due and payable in the current period and therefore is not reported in the funds. | | (273) |
| Net Pension Liability is not due and payable in the current period and therefore is not reported in the funds. | | (2,045) |
| Pension related deferred outflows and inflows of resources are deferred and amortized over time and are not reported in the funds. | | 1,239 |
| Net OPEB Liability is not due and payable in the current period and therefore is not reported in the funds. | | (696) |
| OPEB related deferred outflows and inflows of resources are deferred and amortized over time and are not reported in the funds. | | 130 |
| Retainage on long-term contracts is not due and payable in the current period and therefore is not reported in the funds. | | 216 |
| Leases payable are not due and payable in the current period and therefore are not reported in the funds. | | (820) |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. | | 162,764 |
| **Total Net Position per the Government-Wide Statement of Net Position** | $ | 256,534 |

**The notes to the financial statements are an integral part of these financial statements.**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**STATEMENT OF REVENUES, EXPENDITURES**
**AND CHANGES IN FUND BALANCE**
**GOVERNMENTAL FUNDS**
**For the fiscal year ended September 30, 2023**
**(in thousands)**

| | General | Special Revenue | Debt Service | Total |
|---|---|---|---|---|
| REVENUES | | | | |
| Intergovernmental | $ 48,076 | $ 62 | $ - | $ 48,138 |
| Net Investment Income (Loss) | 484 | 3,880 | 75 | 4,439 |
| Change in Fair Value of Investments | 302 | 1,760 | 3 | 2,065 |
| Total Revenues | 48,862 | 5,702 | 78 | 54,642 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation | 3,714 | 40,897 | - | 44,611 |
| Economic Development | 1,742 | 1,223 | - | 2,965 |
| Debt Service: | | | | |
| Principal | - | - | 4,839 | 4,839 |
| Interest | - | - | 3,800 | 3,800 |
| Total Expenditures | 5,456 | 42,120 | 8,639 | 56,215 |
| Excess (Deficiency) of Revenues Over Expenditures | 43,406 | (36,418) | (8,561) | (1,573) |
| Other Financing Sources (Uses) | | | | |
| Transfers In From General Fund | - | 48,946 | 10,627 | 59,573 |
| Transfers To Special Revenue Fund | (48,946) | - | - | (48,946) |
| Transfers To Debt Service Fund | (10,627) | - | - | (10,627) |
| Proceeds From Bonds | 9,940 | - | - | 9,940 |
| Total Other Financing Sources (Uses) | (49,633) | 48,946 | 10,627 | 9,940 |
| Net Change in Fund Balances | (6,227) | 12,528 | 2,066 | 8,367 |
| Fund Balances - October 1 | 10,090 | 184,469 | (1,989) | 192,570 |
| Fund Balances - September 30 | $ 3,863 | $ 196,997 | $ 77 | $ 200,937 |

**The notes to the financial statements are an integral part of these financial statements.**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**RECONCILIATION OF REVENUES, EXPENDITURES**
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**
**TO THE STATEMENT OF ACTIVITIES**
**For the fiscal year ended September 30, 2023**
**(in thousands)**

| | | |
|---|---|---|
| **Net Changes in Fund Balances per the Governmental Fund Financial Statements** | $ | 8,367 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This includes the amount by which capital outlays exceeded depreciation in the current period as well as the donation of completed projects to other governments. | | 21,492 |
| The change in compensated absences which is reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds. | | (10) |
| Amortization of bond premiums are not current financial resources and therefore are not reported in the funds. | | 197 |
| Repayment of bond and loan principal is reported as an expenditure in governmental funds. Principal payments reduce the liability in the Statement of Net Position and does not result in an expense in the Statement of Activities. | | 4,839 |
| Pension related items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as an expenditure in governmental funds. | | (198) |
| OPEB related items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as an expenditure in governmental funds. | | (32) |
| The issuance of long term debt provides current financial resources to governmental funds. However, the issuance of debt increases the liability in the Statement of Net Position and does not result in an expense in the Statement of Activities. | | (9,940) |
| **Total Change in Net Position per the Government-Wide Statement of Net Position** | $ | 24,715 |

**The notes to the financial statements are an integral part of these financial statements.**

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# NOTES TO FINANCIAL STATEMENTS

## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

## NOTE III - DETAILED NOTES (ALL FUNDS)

## NOTE IV - OTHER INFORMATION

# I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This Summary of Significant Accounting Policies is presented to assist the reader in interpreting the financial statements. The policies are considered essential and should be read in conjunction with the accompanying financial statements. The accounting policies of the Blueprint Intergovernmental Agency (Agency) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. This report, the accounting systems, and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB).

## A. REPORTING ENTITY

In October 2000, the Agency was created through an inter-local agreement between the City of Tallahassee (City) and Leon County, Florida (County) as authorized by Section 163.01(7) Florida Statutes. It was created to provide project management for the planning and construction of various specified projects included in the inter-local agreement. The City Commission and the Board of County Commissioners constitute the Agency's Board of Directors and jointly govern the organization. It is not a component unit of the County, the City, or any other entity. In addition, the Agency has not identified any other entities for which the Agency has operational or financial relationships that would require them to be included as component units of the Agency.

## B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements report information on all of the activities of the Agency. The effect of interfund activity has been removed from the government-wide statements. These statements include the Statement of Net Position and the Statement of Activities.

Separate fund financial statements are also provided for the individual governmental funds of the Agency. The Agency has no other types of funds. All funds are treated as major funds and are therefore presented in separate columns in the fund financial statements. The fund financial statements include the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance.

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 are revenues that derive from the program itself or from parties outside the reporting government's taxpayers or citizenry. Program revenues reduce the net cost of the function to be financed from the governmental revenues. Program revenues in the current year consisted primarily of joint project agreements and grants from the Florida Department of Transportation and Florida Department of Environmental Protection. The City of Tallahassee and Leon County each fund one-third of the operating costs of the Minority, Women, and Small Business Enterprise division of the Office of Economic Vitality within the Agency, and this funding is classified as an operating grant. These grants were used to fund the Agency's ongoing projects.

## C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to when revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 generally are recorded when a liability is incurred, as under accrual accounting.

When an expense or expenditure is incurred for purposes for which both restricted and unrestricted net position is available, it is the Agency's policy to use restricted resources first, and then unrestricted resources as they are needed.

Investment revenues associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available by the Agency.

The Agency reports the following major governmental funds:

- General Fund - is the Agency's primary operating fund. It accounts for all financial resources of the Agency, except those required to be accounted for in another fund.
- Infrastructure Fund - accounts for bond proceeds, loan proceeds, and various grant revenues expended for Agency projects.
- Debt Service Fund - is used for the accumulation of resources for the payment of interest and principal on the bonds, notes, and State Infrastructure Bank loans.

## D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION

### *1. CASH AND CASH EQUIVALENTS*

The Agency considers cash on hand, demand deposits, liquid investments with an original maturity of 90 days or less, other liquid investments, and balances included within the City of Tallahassee's (City) cash and investments pool to be cash and cash equivalents. The City's cash and investments pool is an internal cash management pool used to obtain efficiencies of operation and improved financial performance, and includes certain non-pension cash, cash equivalent, and investment securities. The Agency maintains a share in the equity of the pool which is reported as cash and cash equivalents in the statement of net position since cash may be withdrawn from the pool at any time without penalty. Interest earned by the cash and investments pool is distributed to the Agency monthly based on daily balances.

Liquid investments classified as cash and cash equivalents include repurchase agreements purchased under the terms of the City's depository contract, open repurchase agreements, certificates of deposit, banker's acceptances, commercial paper, U.S. Treasury direct and agency obligations, and the Florida Department of Treasury Special Purpose Investment Account (SPIA). Investments are carried at fair value, except for those investments for which net asset value or amortized cost is the most appropriate measurement.

The Agency's bank balances are insured by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Depository Act (the Act). Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets. Investments classified in Level 2 of the fair value hierarchy are based upon observable, market-based inputs for similar, but not identical, investments. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified in Level 3 of the fair value hierarchy are based upon extrapolated data, proprietary pricing models and indicative quotes for similar securities. The Agency has no investments classified as Level 3.

### *2. LEASES*

As of October 1, 2021, the Agency adopted the provisions of GASB 87, Leases, which amended the existing accounting standards for lease reporting. The new guidance requires lessors in a leasing arrangement to recognize a lease receivable and a deferred inflow of resources for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability (lessees) or deferred inflow (lessors) will be equal to the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. Additionally, the new guidance requires lessees in a leasing arrangement recognize a right to use asset and a lease liability for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability will be equal to the present value of lease payments.

### *3. RESTRICTED ASSETS*

Certain amounts are classified as restricted assets on the Statement of Net Position because their use is restricted by the Agency.

### *4. CAPITAL ASSETS*

Capital assets include land, equipment, and infrastructure assets. Infrastructure assets are defined as public domain assets and include items such as roads, bridges curbs and gutters, streets and sidewalks, and drainage systems that are immovable and of value only to the government. Capital assets, other than infrastructure assets, are defined as assets with a cost of $1,000 or more and an estimated useful life greater than one year; infrastructure assets are capitalized when they have an expected cost of at least $100,000. Capital assets are recorded at cost when purchased. Donated capital assets, which generally consist of land and easements, are recorded at the estimated fair market value at the date of donation based on appraisals or donor's cost. Equipment is depreciated using the straight-line method over an estimated useful life of 5 to 10 years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Included within the Agency's construction in progress is the construction and/or acquisition of infrastructure assets for the City, the County, and the State of Florida. The Agency accumulates these costs while it manages the particular project. Upon completion of the project, the assets (e.g., land, right-of-way, facilities, etc) are transferred from the Agency to the appropriate government and such government is thereafter responsible for maintaining the transferred assets.

### *5. RIGHT TO USE LEASED ASSETS*

The right to use assets are initially measured at an amount equal to the present value of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

### *6. DEFERRED OUTFLOWS OF RESOURCES*

Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resource (expense) until then. Changes in the fair value of effective hedging derivatives are reported as deferred inflows or outflows of resources. The deferred losses on refunding results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amounts for pensions and OPEB relate to certain differences between projected and actual actuarial results, certain differences between projected and actual investment earnings, as well as contributions between measurement and reporting dates, which are accounted for as deferred outflows of resources.

### *7. COMPENSATED ABSENCES*

Employees earn vacation and sick leave starting with the first day of employment. Vacation leave is earned based on creditable service hours worked as follows:

| Executive | | Senior Management | | General | |
|---|---|---|---|---|---|
| Creditable Service Hours | Leave earned per hour | Creditable Service Hours | Leave earned per hour | Creditable Service Hours | Leave earned per hour |
| 0 - 2,079 | 0.057693 | 0 - 2,079 | 0.057693 | 0 - 10,400 | 0.057693 |
| 2,080 - 10,400 | 0.080770 | 2,080 - 10,400 | 0.069231 | 10,401 - 20,800 | 0.069231 |
| 10,401 - 20,800 | 0.923080 | 10,401 - 20,800 | 0.080770 | 20,801 - 41,600 | 0.080770 |
| over 20,800 | 0.103847 | 20,801 - 41,600 | 0.092308 | over 41,600 | 0.092308 |
| | | over 41,600 | 0.103847 | | |

A maximum of 344 hours of vacation leave time may be carried over from one calendar year to the next for executive employees and a maximum of 264 hours for senior management and general employees. An employee who terminates employment with the Agency is paid for any unused vacation leave accumulated to the time of termination.

Sick leave is earned at the rate of .023077 hours for each hour of service with no maximum limit on the number of hours which may be accumulated.

An employee who terminates from the Agency for any reason other than termination for cause will be paid one half of the total amount of sick leave (without regard to catastrophic illness leave) accumulated by the employee on the effective date of termination. If the employee dies, the sick leave amount will be paid to the employee's beneficiary or estate. Retiring employees can elect the option of using the accumulated sick leave amount to purchase single coverage health insurance in lieu of receiving payment for such accumulated sick leave.

Accumulated current and long-term vacation and sick leave amounts are accrued when earned in the government-wide financial statements. A liability of the accumulated vacation and sick leave is reported in the governmental funds only if it is expected to be paid as a result of employee resignation or retirement as of September 30, 2023.

### *8. DEFERRED INFLOWS OF RESOURCES*

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Changes in the fair value of effective hedging derivatives are reported as deferred inflows or outflows of resources. The deferred gain on refunding results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amounts for pensions and OPEB relate to certain differences between projected and actual actuarial results and certain differences between projected and actual investment earnings, which are accounted for as deferred inflows of resources. The city also recognizes a deferred inflow of resources at the initial measurement of lease receivables. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

### *9. NET POSITION AND FUND BALANCE*

In the government-wide financial statements, net position represents net investment in capital assets, amounts restricted for debt service payments, and amounts restricted for capital projects as required by enabling legislation. For governmental fund financial statements, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for fund financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- Nonspendable, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),
- Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
- Committed fund balance classification included amounts that can be used only for the specific purposes determined by a formal action of the Agency Board (the Agency's highest level of decision-making authority),
- Assigned fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
- Unassigned fund balances is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The Agency was created through an interlocal agreement authorized by Section 163.01(7) Florida Statutes and all money collected by the Agency is restricted in its use to funding the projects agreed to in the interlocal agreement, therefore all fund balances of the Agency are classified as restricted.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. BUDGETARY INFORMATION

Annual budgets are adopted on a budgetary basis for the general fund. The difference between budgetary revenues and expenditures and modified accrual basis revenues and expenditures as reported in the fund financial statements are explained in the budgetary comparison schedule notes in the Required Supplementary Information of this report. The Board of Directors must approve any revision that alters the total expenditures of the Agency's operating budget. At year-end, unencumbered appropriations are carried forward for use in future years.

Encumbrance accounting, under which requisitions, purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are reported as assigned fund balance, and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

### B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The Agency had no material violations of finance-related legal or contractual provisions.

## III. DETAILED NOTES – ALL FUNDS

### A. CASH, CASH EQUIVALENTS, INVESTMENTS AND SECURITIES LENDING TRANSACTIONS

#### *1. CASH AND CASH EQUIVALENTS*

The Agency has adopted the City's Non-Pension Investment Policy, therefore, the investment policies used by the Agency are the investment policies of the City. As discussed in Note I.D., the Agency participates in the City's cash and investments pool.

The City's Non-Pension Investment Policy, which is approved by the City Commission, governs the investment of all non-pension monies of the City, including the cash and investments pool. The Non-Pension Investment Policy provides for a Core Portfolio, governing the investment of all monies held or controlled by the City not otherwise classified as Specialized or Pension Fund monies. The Non-Pension Investment Policy specifies the investments that are authorized for purchase within the Core Portfolio. The City's Core Portfolio includes investments administered internally by the City (internal) and an external portfolio administered by Galliard Asset Management (Galliard). The Agency's funds are included within the City's Core Portfolio. In addition to authorizing investment instruments, the City's investment policies also identify various portfolio parameters addressing issuer diversification, term to maturity and liquidity, and requirement of "purchase versus delivery" perfection for securities held by a third party on behalf of and in the name of the City. Under the Non-Pension Investment Policy, the City Treasurer-Clerk is designated to invest all monies belonging to the City pursuant to the policy, and is responsible for managing the day-to-day investment of all monies.

The following table presents the Agency's cash and cash equivalent balances at September 30, 2023 carried at fair value by level within the valuation hierarchy, financial assets carried at net asset value or amortized cost, and other cash and cash equivalent balances. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of net position (in thousands).

| | Total | Quoted Prices in Active Markets for Identical Assets Level 1 | Significant Other Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 |
|---|---|---|---|---|
| **Cash equivalents type by fair value level** | | | | |
| Debt Securities | $ 189,802 | $ 95 | $ 189,707 | $ - |
| Total cash equivalents at fair value | 189,802 | 95 | 189,707 | - |
| **Other cash and cash equivalent balances** | 13,624 | | | |
| Total cash and cash equivalents | $ 203,426 | | | |

Credit Risk related to the cash and investments pool: The structure of the City's non-pension portfolio is designed to minimize credit risk. To limit risk against possible credit losses, a maximum of 5% of the total portfolio may not be held at any one time in all securities of any corporate entity, inclusive of commercial paper, medium term notes, or corporate notes and bonds. No corporate entity represented more than 5% of the portfolio at September 30, 2023. The investment policy also provides that the majority of the securities held to be those of the highest available credit quality ratings. The portfolio's credit quality is measured using the Standard & Poor's rating scale.

As of September 30, 2023, the Agency had the following investments subject to credit risk in the internal and Galliard portion of the portfolio:

| Quality Breakdown | Portfolio Percentage |
|---|---|
| US Treasury | 13.44% |
| US Agency | 22.07% |
| AAA | 23.94% |
| AA | 9.85% |
| A | 24.22% |
| BBB | 4.54% |
| Other | 1.95% |
| Total | 100.00% |

Interest Rate Risk related to the cash and investments pool: In accordance with the City's Non-Pension Investment Policy, there are established maturity limitations for each authorized investment category. The maximum duration of the various investments within the internally managed portion of the non-pension portfolio ranges from 60 days to 3.5 years. The maximum duration for externally managed investments ranges from 3.0 years to 6.0 years. The option-adjusted duration of the non-pension portfolio as of September 30, 2023 was 2.38 years.

As of September 30, 2023, the Agency had the following investments on a time-segmented basis (in thousands):

| Investment Type | Fair Value | < 1 Year | 1 - 5 Years | 6 - 10 Years | 10+ Years |
|---|---|---|---|---|---|
| US Treasury | $ 29,252 | $ 10,037 | $ 18,838 | $ 233 | $ 144 |
| US Agency | 40,544 | 9,022 | 20,865 | 4,578 | 6,079 |
| Asset Backed | 9,127 | 10 | 7,573 | 1,303 | 241 |
| Corporate Bonds | 62,431 | 15,975 | 38,278 | 7,438 | 740 |
| Municipal | 16,937 | 6,789 | 8,880 | 540 | 728 |
| Other | 31,511 | 924 | 803 | 1,223 | 28,561 |
| Subtotal | 189,802 | 42,757 | 95,237 | 15,315 | 36,493 |
| Commingled | 13,624 | | | | |
| Total | $ 203,426 | | | | |

### *2. SECURITIES LENDING TRANSACTIONS*

The Agency participates in securities lending transactions through its participation in the City's cash and investment pool. In accordance with Section 51 of the City Charter, the City Treasurer-Clerk or his designee may authorize investment transactions that he considers prudent. Accordingly, the City participates in securities lending transactions via a Securities Lending Agreement with The Northern Trust Company (“Northern”) that authorizes the banking institution to lend securities to approved broker-dealers and banks in order to generate additional income. Gross income from securities lending transactions and the fees paid to Northern are reported in the Agency’s statements. Assets and liabilities include the value of the collateral held.

During the fiscal year ended September 30, 2023, Northern loaned, at the direction of the City’s Treasurer-Clerk, securities and received cash, securities issued or guaranteed by the United States government, and irrevocable bank letters of credit as collateral. Northern does not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver cash collateral for each loan equal to at least 102% of the initial market value of the loaned securities or if the borrowed securities and the collateral were denominated in different currencies, equal to 105% of the market value of the securities.

There are no restrictions on the amount of securities that may be loaned. The Agreement requires Northern to indemnify the City for losses attributable to violations by Northern of the Standard of Care set out in the Agreement. There were no such violations during the fiscal year ended September 30, 2023. Moreover, there were no losses during the fiscal year ended September 30, 2022 resulting from a default of any borrower.

During the fiscal year ended September 30, 2023, the City and each borrower maintained the right to terminate all securities lending transactions on demand. The cash collateral for lending activity was invested in a liquid assets portfolio institutional account. Because the loans are terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. The average term of the loan was approximately 120 days, while the average duration of the investment pool as of September 30, 2023 was 21 days. On September 30, 2023, there was no credit risk exposure to borrowers.

As of September 30, 2023, the Agency's collateral held and the market value of securities on loan were $1,136,000 and $1,136,000, respectively.

## B. CAPITAL ASSETS

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

| | Beginning Balance (As Restated) | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Governmental Activities | | | | |
| Non-Depreciable Assets: | | | | |
| Land | $ 43,311 | $ - | $ - | $ 43,311 |
| Construction in Progress | 97,292 | 21,147 | - | 118,439 |
| Total Non-Depreciable Assets | 140,603 | 21,147 | - | 161,750 |
| Depreciable Assets: | | | | |
| Equipment | 46 | - | - | 46 |
| Vehicles | 68 | - | - | 68 |
| Infrastructure | 375 | - | - | 375 |
| Leased Property | 1,507 | - | - | 1,507 |
| Leased Equipment & Fixtures | 17 | - | - | 17 |
| Total Depreciable Assets | 2,013 | - | - | 2,013 |
| Less accumulated depreciation/amortization for: | | | | |
| Equipment | (46) | - | - | (46) |
| Vehicles | (54) | (3) | - | (57) |
| Infrastructure | (157) | (19) | - | (176) |
| Leased Property | (354) | (354) | - | (708) |
| Leased Equipment & Fixtures | (6) | (6) | - | (12) |
| Total Accumulated Depreciation/Amortization | (617) | (382) | - | (999) |
| Capital Assets, net | $ 141,999 | $ 20,765 | $ - | $ 162,764 |

Depreciation expense of $22,000 and amortization expense of $360,000 was charged to the transportation function of the Agency during the year ended September 30, 2023.

## C. LEASE COMMITMENTS

The Agency has entered into agreements to lease certain office buildings, machinery, and equipment. These lease agreements qualify as other than short-term leases under GASB 87 and therefore have been recorded at the present value of the future minimum lease payments as of their inception. The terms and conditions for these leases vary and may contain renewal options, the options are not considered in determining the lease term and associated potential option payments are excluded from the present value calculation of the right to use lease asset and the lease liability determination. The Agency's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. As a result of the leases, the Agency has recorded the right to use assets with a total net book value of $803,000 for governmental activities. Payments due under the lease contracts include fixed, periodic payments over the lease terms plus, for some of the Agency's leases, variable, and non-lease component payments. For the Agency's leases, variable lease payments that depend on future performance or usage of the underlying asset are not lease components and are excluded from the measurement of the lease liability and recognized as outflows of resources.

As of September 30, 2023, the Agency's lease payables were valued at $820,000.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023, were as follows (in thousands):

| Year Ending September 30, | Principal | Interest |
|---|---|---|
| 2024 | 363 | 7 |
| 2025 | 365 | 3 |
| 2026 | 92 | - |
| Total | $ 820 | $ 10 |

### D. LONG-TERM DEBT

The following is a summary of the changes in Long-Term Debt for the year ended September 30, 2023 (in thousands):

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| Regions Bank Note | $ 8,970 | $ - | $ (620) | $ 8,350 | $ 630 |
| Series 2022 Bond | 78,895 | - | (3,390) | 75,505 | 3,560 |
| State Infrastructure Bank Loan | - | 9,940 | (829) | 9,111 | 1,810 |
| Total Bonds and Loans | 87,865 | 9,940 | (4,839) | 92,966 | 6,000 |
| Unamortized Premiums | 12,150 | - | (197) | 11,952 | - |
| Total Bonds, Loans and Related Balances | 100,015 | 9,940 | (5,036) | 104,918 | 6,000 |
| Compensated Absences | 263 | 217 | (207) | 273 | 239 |
| Total Long-Term Debt | $ 100,278 | $ 10,157 | $ (5,243) | $ 105,191 | $ 6,239 |

Compensated absences are generally liquidated by the general fund.

#### *1. SUMMARY OF INDIVIDUAL BOND ISSUES, NOTES, AND LOANS*

REGIONS BANK NOTE – On December 16, 2020, the Agency obtained a Sales Tax Revenue Note from Regions Bank for use in the financing of the Florida A&M University Bragg Stadium Repairs project. The note amount was for $10,055,000 and the note accrues an interest rate of 1.78%. The term of the note is for fifteen years, and the final payment will become due on October 1, 2035.

SERIES 2022 BOND – On March 8, 2022, the Agency engaged in a public sale to fund $90.8 million in capital projects. The Series 2022 Bonds were issued for $78.9 million and the premium on the bonds totaled $12.2 million. The interest rates range between 4.0% and 5.0% depending on maturity date. The term of the bonds is 15 years and the final installment of this bond will be repaid on October 1, 2038. The bonds are limited obligations of the Agency and are paid exclusively from pledged revenues consisting of sales tax revenues (78% of the 1% local government infrastructure and economic development surtax revenues).

STATE INFRASTRUCTURE BANK LOAN 2022 – On March 7, 2022, the Agency entered into a State Infrastructure Bank (SIB) Loan agreement with the Florida Department of Transportation in the amount of $25.5 million and for a fixed interest rate of 1.85%. This loan functions on a reimbursement basis and draws totaling $9.94 million were made by the Agency during fiscal year 2023. The term of the loan is for 15 years and the final payment schedule will be prepared upon distribution of the final draw, which is likely to take place in either 2024 or 2025. The preliminary repayment schedule is maintained until then.

### 2. *SCHEDULE OF ANNUAL DEBT SERVICE ON ALL BOND ISSUES, NOTES, AND LOANS*

| Fiscal Year | Principal | Interest | Principal & Interest |
|---|---|---|---|
| 2024 | 6,000 | 3,840 | 9,840 |
| 2025 | 6,094 | 3,742 | 9,836 |
| 2026 | 6,331 | 3,512 | 9,843 |
| 2027 | 6,568 | 3,272 | 9,840 |
| 2028 | 6,816 | 3,021 | 9,837 |
| 2029 | 7,080 | 2,760 | 9,840 |
| 2030 | 7,354 | 2,486 | 9,840 |
| 2031 | 7,639 | 2,200 | 9,839 |
| 2032 | 7,939 | 1,902 | 9,841 |
| 2033 | 8,200 | 1,642 | 9,842 |
| 2034 | 8,462 | 1,373 | 9,835 |
| 2035 | 8,745 | 1,095 | 9,840 |
| 2036 | 8,253 | 807 | 9,060 |
| 2037 | 6,395 | 522 | 6,917 |
| 2038 | 6,650 | 266 | 6,916 |
| Total | $ 108,526 | $ 32,440 | $ 140,966 |

## E. INTERFUND TRANSFERS

At September 30, 2023, interfund transfers were as follows (in thousands):

| | |
|---|---|
| Transfer in from General Fund | $ 59,573 |
| Transfer to Special Revenue Fund for project costs | (48,946) |
| Transfer to Debt Service Fund for required payments | (10,627) |
| Net Transfers | $ - |

## F. NET POSITION

Net position invested in capital assets (net of related debt) is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. Related debt includes the outstanding balance of sales tax revenue bonds and other borrowings attributable to the acquisition of capital assets.

At September 30, 2023, net position invested in capital assets (net of related debt) is as follows (in thousands):

| | |
|---|---|
| Capital assets, nondepreciable | $ 161,750 |
| Capital assets, depreciable | 2,013 |
| Accumulated depreciation | (999) |
| Outstanding balance, bonds, loans & notes payable | (92,966) |
| Unspent bond proceeds | 55,217 |
| Unamortized premiums on bonds payable | (11,952) |
| Capital related accounts payable | (1,496) |
| Retainage payable | (216) |
| Net investment in capital assets | $ 111,351 |

# IV. OTHER INFORMATION

## A. RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; automobile liability; forgery and alteration; and fraud for which the Agency carries commercial insurance. The primary coverage limits include bodily injury and property damage of $1,000,000 per occurrence, no aggregate; Employee Benefits Liability of $1,000,000 per occurrence, no aggregate; Public Officials Liability of $1,000,000; $1,000,000 aggregate; Employee Related Practices of $1,000,000; $1,000,000 aggregate; and Auto Liability of $1,000,000.

Liabilities for losses would be recorded when a loss occurs and the amount can be reasonably estimated. There are no such losses as of September 30, 2023. Since the inception of the Agency, there have been no claims.

## B. PENSION PLAN OBLIGATIONS

Employees of the Agency have the option of participating in either the City of Tallahassee or the Leon County benefits program. Employees electing to participate in the Leon County benefits program are eligible for the Florida Retirement System (FRS), which includes the Retiree Health Insurance Subsidy Program (HIS). Employees electing to participate in the City of Tallahassee program are eligible for the City's General Employees' Pension Plan (City Plan). The aggregate amount of net pension liabilities, related deferred inflows and outflows of resources, and pension expense for the Agency's defined benefit pension plans are summarized below:

| | **Leon County** | | **City of Tallahasse** | |
|---|---|---|---|---|
| **Plan Obligations and Expenses (in thousands):** | FRS | HIS | City Plan | **Total** |
| Net Pension Liability | $ 546 | $ 157 | $ 1,342 | $ 2,045 |
| Pension Related Deferred Outflows | 350 | 9 | 3,263 | 3,622 |
| Pension Related Deferred Inflows | 221 | 14 | 2,148 | 2,383 |
| Pension Expense | 124 | 73 | 1 | 198 |
| **Member Statistics** | | | | |
| Retirees and beneficiaries, if deceased retirees currently receiving benefits | 1 | | 0 | 1 |
| Terminated employees entitled to benefits, not yet receiving benefits | 0 | | 1 | 1 |
| Active Employees | 4 | | 28 | 32 |

### *1. FLORIDA STATE RETIREMENT SYSTEM*

The FRS is a cost-sharing, multiple-employer, defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The FRS provides retirement, in-line-of-duty or regular disability and survivors benefits. Chapter 121, Florida Statutes, establishes the authority for benefit provisions and contribution requirements. Changes to the law can only occur through an act of the Florida Legislature. The FRS issues financial statements and required supplementary information for the System, which may be obtained by writing to:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P.O.Box 9000
Tallahassee, Florida 32315-900
850-488-4706 or toll free at 877-377-1737

In addition, a copy of the System's ACFR as of June 30, 2023 is available online at:
http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

Currently, there are four (4) employees for the Agency participating in the FRS defined benefit plan out of more than 700,000 active FRS participants in the defined benefit plan. Active employees are required to contribute 3% of their gross compensation to the retirement plan. The Agency is required to contribute at an actuarially determined rate. Agency participants who were members as of June 30, 2011 in the FRS are members of the Regular Class with a normal retirement benefit at age 62 or at least 30 years of service; the benefit accumulates at 1.60% times average compensation (5 highest years) times years of creditable service; vesting occurs after 6 years of creditable service. Agency participants who joined the System after June 30, 2011 are members of the Regular Class with a normal retirement benefit at age 65 or at least 33 years of service; the benefit accumulates at 1.60% times average compensation (8 highest years) times years of creditable service; vesting occurs after 8 years of creditable service. Employer contribution rates effective July 1, 2022 was 6.30%, and July 1, 2023 was 8.30%.

The Agency also participates in the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing, multiemployer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly cash payment to assist retirees of state-administered retirement systems in paying their health insurance costs. The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees. Employees are not required to contribute. For the fiscal year ended September 30, 2023, the contribution rate was 3.30% of payroll pursuant to Section 112.363, Florida Statutes.

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program ("DROP"). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a Florida Retirement System employer for a period not to exceed 96 months after electing to participate. DROP benefits are held in the FRS Trust Fund and accrue interest.

Net Pension Liability – At September 30, 2023, the Agency reported for its share of the FRS and HIS plans the amount of the net pension liability as shown below (in thousands):

| | FRS | HIS | Total |
|---|---|---|---|
| June 30, 2022 - measurement date | $ 546 | $ 157 | $ 703 |

The net pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2023 for the net pension liability as of June 30, 2023.

The Agency represents 0.375% of Leon County's proportionate share of the FRS net pension liability. At September 30, 2023, the Agency's and Leon County's proportionate share of the employer portion of the FRS and HIS net pension liability are shown below:

| | Agency | | Leon County | |
|---|---|---|---|---|
| | FRS | HIS | FRS | HIS |
| June 30, 2023 | 0.0013697741% | 0.0009909943% | 0.3649078140% | 0.2640008770% |
| June 30, 2022 | 0.0011049941% | 0.0008098861% | 0.3679630300% | 0.2696920733% |
| Increase/Decrease | 0.0002647800% | 0.0001811082% | (0.0030552160%) | (0.0056911963%) |

The Agency's and Leon County proportionate share of the net pension liability was based on the County's 2022- 2023 fiscal year contributions relative to the 2021-2022 fiscal year contributions of all participating members of FRS.

Actuarial Methods and Assumptions – Actuarial Assumptions for both defined benefit plans are reviewed by the Florida Retirement System Actuarial Assumptions Conference on an annual basis. The FRS Pension Plan has an annual Valuation in accordance with 121.031(3), Florida Statutes while the Health Insurance Subsidy HIS program is valued biennially and updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. The HIS program is funded on a pay as you go basis and thus no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2023, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth for both plans is assumed at 3.25%.

The plan's fiduciary net position was projected as available for all projected future benefit payments of current active and inactive employees. The discount rate for calculating the total pension liability is equal to the long term expected rate of return. Both the discount rate and the long term expected rate of return on investments used by System is 6.7% for the Defined Benefit Pension Plan. The HIS Program uses a pay-as-you-go funding structure, thus it utilized a municipal bond rate of 3.65% for its discount rate to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). The 3.65% was an increase from 3.54% used in 2022. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB Tables. The actuarial assumptions that determined the total pension liability as of June 30, 2023 were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018 and are shown below.

| | |
|---|---|
| Valuation Date | July 1, 2023 |
| Measurement Date | June 30, 2023 |
| Payroll Growth | 3.25% |
| Inflation | 2.40% |
| Salary Increase including inflation | Varies by Years of Service |
| Rate of Return | 6.70% |
| HIS Municipal Rate | 3.65% |
| Mortality | Generational RP-2000 with Projection Scale BB |
| Actuarial Cost Method | Entry Age Normal |

Investments - To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2022 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by capital market assumptions team from both Milliman, the System's actuary, and Aon Hewitt Investment Consulting, investment consultant to the Florida State Board of Administration. The table below shows the assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

| Asset Class | Target Allocation Percentage(1) | Annual Arithmetic Rate of Return |
|---|---|---|
| Cash | 1.0% | 2.9% |
| Fixed Income | 19.8% | 4.5% |
| Global Equity | 54.0% | 8.7% |
| Real Estate | 10.3% | 7.6% |
| Private Equity | 11.1% | 11.9% |
| Strategic Investments | 3.8% | 6.3% |
| Total | 100.0% | |

Assumed Inflation - Mean 2.4%
(1) As in the FRS Pension Plan's investment policy

Discount Rates – The discount rate used to measure the total pension liability was 6.70%, which is the same rate used to determine the total pension liability in the prior year. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

The tables below represent the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the Agency's proportionate share of the FRS and HIS net pension liability if the discount rate is 1.00% higher or 1.00% lower than the current discount rates (in thousands):

**Agency Net Pension Liability - FRS**

| 1% Decrease 5.70% | Current Discount Rate 6.70% | 1% Increase 7.70% |
|---|---|---|
| $ 932 | $ 546 | $ 222 |

**Agency Net Pension Liability - HIS**

| 1% Decrease 2.54% | Current Discount Rate 3.54% | 1% Increase 4.54% |
|---|---|---|
| $ 180 | $ 157 | $ 139 |

Pension Expense and Deferred Outflows/(Inflows) of Resources – In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized as pension expense in the current measurement period, except as shown below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Differences between expected and actual earnings on pension plan investments are amortized over five years.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2023 was 5.3 years for FRS and 6.3 for HIS. The components of collective pension expense reported in the pension allocation schedules for the year ended June 30, 2023 are presented for each plan.

For the fiscal year ended September 30, 2023, the Agency recognized $124,000 pension expense for the FRS plan and $73,000 for the HIS plan, respectively. In addition, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following (in thousands):

| | FRS | | HIS | | |
|---|---|---|---|---|---|
| Description | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Total |
| Difference between expected and actual experience | $ 51 | $ - | $ 2 | $ - | $ 53 |
| Change of assumptions | 36 | - | 4 | 13 | 27 |
| Net difference between projected and actual earnings on FRS Plan investments | 23 | - | - | - | 23 |
| Changes in proportion and differences between Agency FRS and HIS Plan contributions and proportionate share of contributions | 220 | 221 | 1 | 1 | (1) |
| Contributions made by the Agency subsequent to the measurement date | 20 | - | 2 | - | 22 |
| Total | $ 350 | $ 221 | $ 9 | $ 14 | $ 124 |

Deferred outflows of resources related to the FRS Plan of $20,000 and to the HIS Plan of $2,000 resulting from Agency contributions to the plan paid subsequent to the measurement date and prior to the employer's fiscal year, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the City Plan's pension expense will be recognized in future pension expense as follows (in thousands):

| Year Ending September 30, | FRS / HIS Net Deferred Outflows/(Inflows) |
|---|---|
| 2024 | $ 14 |
| 2025 | (7) |
| 2026 | 88 |
| 2027 | 6 |
| 2028 | 1 |
| Total | $ 102 |

### *2. CITY OF TALLAHASSEE GENERAL EMPLOYEES PENSION PLAN (CITY PLAN)*

The City Plan is a cost sharing multiple- employer plan established by Chapter 14 of the City Code of Ordinances. Changes to the City Plan can only occur through a change in the law by the City Commission. The City Plan is administered by the City of Tallahassee Treasurer- Clerk's Office, under guidance from the City Plan's Board of Trustees, which is composed of the members of the City Commission and one City police officer or firefighter. The City Plan includes defined benefit and defined contribution provisions. Currently, there are twelve (20) employees for the Agency participating in the City Plan.

The Defined Benefit and Defined Contribution provisions are combined and reported as one plan in the City of Tallahassee's financial statements. The City does not issue a stand-alone financial report on the City Plan. The City's financial statements may be obtained by writing to Financial Services Division, 300 South Adams Street, Tallahassee, Florida 32301. The annual financial statements and required supplemental information of the City Plan may also be obtained at www.talgov.com/transparency/annualrprts.aspx.

DEFINED BENEFIT PROVISION

The City Plan is established in Chapter 14 of the City Code of Ordinances, through Parts A, B, C and D in Articles II, for general employees with Parts A, B and C closed to new participants. Effective April 1, 2013, the City Commission approved changes to the City’s General Employees’ Pension Plan creating Part D participants. Part D provides coverage to all new employees hired after that date. All members of the City Plan are covered by one of these parts depending upon employment date. These parts provide a detailed description of the various defined benefit provisions. These provisions include the types of employees covered, benefit provisions, employee eligibility requirements for normal, early and/or vested retirements, and the related benefits of these retirements, pre-retirement death benefits, and provisions for disability retirements. There are also post retirement cost-of-living adjustments (COLA) and health care supplements.

| City Plan | | |
|---|---|---|
| **Normal Retirement Benefits:** | **Part C-Employees hired prior to April 1, 2013** | **Part D-Employees hired after April 1, 2013** |
| Age | 62 (or 30 years of Credited Service, regardless of age) | 65 (or 33 years of Credited Service, regardless of age) |
| Years of Credited Service (minimum) | 5 | 5 |
| Benefit Calculation | 2.25% x AFC x Years of Credited Service | 2.25% x AFC x Years of Credited Service |
| Average Final Compensation (AFC) | Higher of: 1) final 3 yrs; 2) any consecutive 3 yrs - 1/1987 to 12/2005, escalated by 3%; or 3) any consecutive 3 yrs during 1/1987 to the date of retirement | Average of the highest consecutive 5 years of Credited Service |
| Maximum Benefit | 81% of AFC | 81% of AFC |
| COLA | 3% increase in benefits each 10/1 starting at the later of normal retirement date, or age 55 (under age and service eligibility); or age 50 (under service eligibility) | 3% increase in benefits each 10/1 starting at the later of normal retirement date of age 65 |
| Early Retirement | If a member is retiring under the age and service eligibility, Normal Retirement Benefit is reduced by 4.8% per year for each year by which the Early Retirement date precedes the Normal | |
| Disability | Five years of Credited Service for non-service connected disability. None for service connected disability. | |
| **Contribution Rates - actuarially determined as of September 30, 2022** | | |
| City | 21.88% | |
| Employee | 5.00% | |

## DEFINED CONTRIBUTION PROVISION

The City Plan's defined contribution provisions are described in Article V. All employees may elect to contribute a portion of their salary to the defined contribution plan, also known as the Matched Annuity Plan (MAP). Employees can contribute up to, but not exceed, the maximum amount allowed by the Internal Revenue Service. The Agency contributes 5% to each employee's MAP account. Upon reaching normal retirement age or retiring, a participant shall be paid his contributions, together with accrued earnings. If an employee uses the contributions and accrued earnings to purchase an annuity contract, the Plan will increase the amount of funds (only on the Agency's 5%, employee flex matched contribution and employees' contribution up to the 5%) used by the participant by a factor of 50 percent. Employee and the employer’s 5% contribution, plus accrued earnings thereon, are 100% refundable to the employee if the employee elects to terminate his vesting rights or is not vested at the date of employment termination.

Net Pension Liability – The total pension liability was determined by an actuarial valuation as of October 1, 2022, using a measurement date of September 30, 2023. The net pension liability was also determined using a measurement date of September 30, 2023.

The Agency's proportionate share of the City Plan is based on the covered pensionable payroll, since that was the basis for determining employer contributions. The Agency's portion of the net pension liability of the City Plan as of September 30, 2023 was as follows:

| | |
|---|---|
| Total pension liability | $ 21,278 |
| Plan fiduciary net position | 19,936 |
| Net pension liability | 1,342 |
| Plan fiduciary net position as a % of total pension liability | 93.69% |
| Agency's proportion of the net pension liability | 1.48% |

Actuarial Methods and Assumptions – The Agency's total pension liability and contribution rates were determined by an actuarial valuation as of October 1, 2022, using the following significant actuarial assumptions applied to all periods included in the measurement. The actuarially determined contribution rates are calculated as of October 1, 2022, which is two years prior to the end of the fiscal year in which contributions are reported. The actuarially determined contribution is projected to the contribution year using conventional actuarial projection methods.

| City Plan | |
|---|---|
| Valuation Date | September 30, 2022 |
| Actuarial Cost Method | Entry age, normal |
| Amortization Method | Level percent of pay (with 2.31% payroll growh assumption), closed |
| Remaining Amortization Period | 28 years |
| Asset Valuation Method | 20% of the difference between expected actuarial value (based on assumed return) and market value is recognized annually with a 20% corridor around market value |
| Inflation Rate | 2.50% |
| Salary Increase | A range of 2.95% to 5.00%, depending on completed years of service, including inflation |
| Investment rate of return | 7.40% |
| Mortality Rate | RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. |
| Experience Study | The last experience study was prepared on June 24, 2016. Assumption changes resulting from this experience study were implemented for the fiscal year ending September 30, 2017. |

Investments – Plan assets are managed in accordance with the City of Tallahassee Pension Investment Policy. The table below presents the adopted asset allocation as of September 30, 2023.

| Asset Class | Target Allocation Percentage | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic Equity | 36% | 4.5% |
| International Equity | 10 | 5.0 |
| Emerging Markets Equity | 5 | 6.4 |
| Fixed Income | 19 | 1.6 |
| Real Estate | 15 | 5.0 |
| Private Equity | 5 | 8.0 |
| Private Credit | 5 | 6.8 |
| Timber | 5 | 4.7 |
| Total | 100% | |

The City Plan's investments are managed by various investment managers under contract with the Board who have discretionary authority of the assets managed by them and within the City Plan's investment guidelines as established by the Board. The investments are held in trust by the City Plan's custodian in the City Plan's name. The City of Tallahassee Sinking Fund Commission is responsible for making investment policy changes. These assets are held exclusively for the purpose of providing benefits to members of the City Plan and their beneficiaries.

For the year ended September 30, 2023, the annual money-weighted rate of return on the City Plan's investments, net of investment expense, was 6.9%. The money-weighted rate of return takes into account cash flows into and from the various investments of the City Plan. The long-term expected rate of return on pension plan investments is based upon an asset allocation study that was conducted for the City Plan by its investment consultant toward the end of fiscal year 2022. The study was prepared by the City Plan's investment consultant and went through numerous iterations before a final asset allocation was established. The study looked at expected rates of return for twenty-one (21) different asset classes, as well as examining expected standard deviations and correlations among these various asset classes.

Discount Rates – A single discount rate of 7.40% was used to measure the total pension liability for the City Plan. This single discount rate was based on the expected rate of return on pension plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the employee rate. Based on these assumptions, the City Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments (7.40%) was applied to all periods of projected benefits payments to determine the total pension liability.

The table below represents the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the City Plan and the Agency's proportionate share if the discount rate calculated is 1% higher or 1% lower than the current discount rate (in thousands):

| Measurement year ending September 30, 2020 | 1% Decrease (6.40%) | Current Discount Rate (7.40%) | 1% Increase (8.40%) |
|---|---|---|---|
| City Plan | $ 273,508 | $ 90,633 | $ (60,431) |
| Agency's Proportionate Share | 4,050 | 1,342 | (895) |

Pension Expense and Deferred Outflows/(Inflows) of Resources – In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized as pension expense in the current measurement period, except as shown below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Differences between expected and actual earnings investments are amortized over five years.

For the year ended September 30, 2023, the Agency recognized pension expense of $1,000 for its proportionate share of the City Plan. At September 30, 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to the City Plan from the following sources (in thousands):

| **City Plan** | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows (Inflows) of Resources |
|---|---|---|---|
| Differences between expected and actual experience | $ 182 | $ 10 | $ 172 |
| Assumption Changes | 54 | 92 | (38) |
| Change in Cost Allocation Percentage | 365 | 45 | 320 |
| Net difference between projected and actual earnings on pension plan investments | 2,296 | 2,001 | 295 |
| Contributions to the plan subsequent to the measurement date | 366 | - | 366 |
| Total | $ 3,263 | $ 2,148 | $ 1,115 |

Deferred outflows of resources related to the City Plan of $366,000 resulting from Agency contributions to the plan paid subsequent to the measurement date and prior to the employer's fiscal year, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the City Plan's pension expense will be recognized in future pension expense as follows (in thousands):

| Year Ending September 30, | City Plan Net Deferred Outflows |
|---|---|
| 2023 | $ 220 |
| 2024 | 66 |
| 2025 | (114) |
| 2026 | 577 |
| 2027 | - |
| Total | $ 749 |

## C. OTHER POST EMPLOYMENT BENEFITS (OPEB)

OPEB PLAN DESCRIPTION

As discussed in Note IV.B., employees of the Agency have the option of participating in either the County's or the City's benefit programs. The Agency, through the City's Retiree Medical Insurance Plan (OPEB Plan), provides health insurance and prescription drug coverage to its active and retired employees. Pursuant to Section 112.0801, Florida Statutes, the Agency is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. In addition, the Agency, via its participation in the City's program, has elected to provide a partial subsidy to its retirees to offset the cost of such health insurance. As of September 30, 2023, there were two retired employees of the Agency receiving benefits under the OPEB Plan. The City does not issue a stand alone financial report on the OPEB Plan. The City of Tallahassee Other Post Employment Benefit Plan is described in more detail in the City's Annual Comprehensive Financial Report along with the Schedule of Funding Progress. That report may be obtained by writing to Department of Financial Services, 300 South Adams Street, Tallahassee, Florida 32301 or by calling 850-891-8520.

The Agency's proportionate share of the City's OPEB Plan is 1.10% and was determined based on the amount of covered payroll as an estimate for determining each employer's proportionate share. The aggregate amounts, reported by the Agency as of September 30, 2023, of net OPEB liabilities, related deferred inflows and outflows of resources, and OPEB expenses using a valuation date and measurement date of September 30, 2022 are summarized as follows (in thousands):

| OPEB Plan<br>Obligations and Expenses | Agency Share of<br>City Plan Amounts |
|---|---|
| Net OPEB Liability | $ 696 |
| OPEB Related Deferred Outflows | 478 |
| OPEB Related Deferred Inflows | 348 |
| OPEB Expense | 32 |

Benefits - A member receives a reduced rate on the health insurance premium for the City's health insurance plan. All reduced rate premiums will be deducted from the retiree's pension benefit. If the health insurance premium exceeds the pension benefit amount, the member will pay the City for the difference.

Eligibility - A member may continue on the City's health insurance plan upon retirement if the member is drawing a pension for Normal Retirement, Early Retirement or Disability Retirement. The retiree may continue to cover any qualified dependents that were on the City's health insurance plan at the time of retirement. A member who is a Deferred Retiree (eligible to retire upon termination but chooses to defer the commencement of a pension benefit) may choose to remain on the City's health insurance plan and pay the reduced health insurance premium until the commencement of a pension benefit.

Funding Policy - The contribution requirements of OPEB Plan members and the City are established and may be amended by the City Commission. These contributions are neither mandated or guaranteed. The City has retained the right to unilaterally modify its payment for retiree health care benefits. Effective October 1, 2010, the City implemented a "cap" on employer contributions for retirees. Accordingly, the City's subsidy was frozen at the 2010 levels, and retirees must absorb all future premium rate increases.

Net OPEB Liability - At September 30, 2023, the Agency reported a liability of $696,000 for its employees' proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2022.

The total OPEB liability and contribution rate was determined by an actuarial valuation as of September 30, 2022. The total OPEB liability was rolled forward one year. The significant assumptions used were as follows:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Normal Inflation | 2.25% |
| Discount Rate | 4.50%, the resulting Single Discount Rate based on the expected rate of return on OPEB Plan investments as of September 30, 2020 at 7.40% and the long term municipal bond rate as of September 28, 2020 at 4.40% |
| Salary Increases | 2.95% to 6.40%, including inflation; varies by plan type and years of service. |
| Retirement Age | Experience based table of rates that are specific to the plan and type of eligibility condition. |
| Mortality | Mortality Tables used for Regular Class members in the July 1, 2020 actuarial valuation of the Florida Retirement System (FRS), with generational projections using scale BB. They are based on the results of a statewide experience study covering the period 2008 through 2013. |
| Healthcare Cost Trend Rates | Based on the Getzen Model, with trend starting at 4.40% for 2022 and 4.10% for 2023 (based on actual premium increases), followed by 5.60% for 2024, and then gradually decreasing to an ultimate trend rate of 3.75%. |
| Aging factors to Death Expenses | Based on the 2013 SOA Study "Health Care Costs From Birth to Death" |
| Other Information Note | There were no benefit changes during the year. Assumption changes reflect the change in the Single Discount Rate from the beginning of the year at 2.19% to the end of the year at 4.40%. Per capita costs and premiums updated based on information provided. The additional trend to model the excise ("Cadillac") tax was removed as a result of the repeal of the excise tax effective December 20, 2019. |

Sensitivity of net OPEB Liability to changes in the Single Discount Rate - The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 4.50%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher (in thousands):

| 1% Decrease 3.50% | Current Single Discount Rate Assumption 4.50% | 1% Increase 5.50% |
|---|---|---|
| $ 782 | $ 696 | $ 623 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher (in thousands):

| 1% Decrease | Current Healthcare Cost Trend Rate Assumption | 1% Increase |
|---|---|---|
| $ 634 | $ 696 | $ 769 |

OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB - In accordance with GASB 75, changes in the net OPEB liability are recognized as OPEB expense in the current measurement period, except as shown below. For each of the following, a portion is recognized in OPEB expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Differences between expected and actual earnings on OPEB plan investments are amortized over five years.

Based on a valuation date and measurement date of September 30, 2022, the Agency recognized OPEB expenses of $32,000 for the year ended September 30, 2023. At September 30, 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources (in thousands):

| OPEB Plan | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows of Resources |
|---|---|---|---|
| Differences between expected and actual experience | $ - | $ 59 | $ (59) |
| Assumption Changes | 86 | 248 | (162) |
| Change in Net OPEB Liability due to change in cost-sharing allocation percentage | 308 | 24 | 284 |
| Net difference between projected and actual earnings on OPEB plan investments | 29 | 17 | 12 |
| Contributions to the plan after the measurement date | 55 | - | 55 |
| Total | $ 478 | $ 348 | $ 130 |

Deferred outflows of resources related to the plan of $55,000, resulting from Agency contributions to the plan paid subsequent to the measurement date and prior to the Agency's fiscal year, will be recognized as a reduction of the net OPEB liability in the fiscal year ended September 30, 2024. Other amounts reported as OPEB related deferred outflows and inflows of resources will be recognized in future OPEB expense, as follows:

| Year ending September 30, | Net Amount (in thousands) |
|---|---|
| 2023 | $ 54 |
| 2024 | 56 |
| 2025 | 19 |
| 2026 | 8 |
| 2027 | (24) |
| Thereafter | (38) |
| Total | $ 75 |

## D. COMMITMENTS AND CONTINGENCIES

### *1. COMMITMENTS*

OUTSTANDING CONTRACTS - The Agency has outstanding commitments on various contracts for design and construction of Agency projects. As of September 30, 2023, these commitments totaled $7,957,404. Twenty percent (20%) of the total outstanding contracts relate to the Capital Cascades Trail Segment 4 project. Fourteen percent (14%) relate to the Lake Lafayette Floodplain project while twelve percent (12%) relate to the Airport Gateway project and seven percent (7%) relate to the Capital Cascades Trail Segment 3 project.

### *2. CONTINGENCIES*

FEDERAL AND STATE GRANTS - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time although the Agency expects such amounts to not be significant.

Blueprint is subject to various claims, arising from the normal course of operations. The outcome of these claims is not presently determinable.

## E. RELATED PARTY TRANSACTIONS

Related party transactions during the year ended September 30, 2023 included the following:

- The Interlocal Agreement provides for annual payments to Leon County and the City of Tallahassee for specific uses including the operating costs of Blueprint funded parks, water quality enhancements, sidewalk enhancements, StarMetro enhancements, and airport growth and development. These payments total $9,130,000 per year from the Agency to Leon County and the City of Tallahassee.
- The City of Tallahassee and Leon County each will contribute $334,511 toward the shared operating costs of OEV’s Minority, Women, and Small Business Enterprise division. This contribution for fiscal year 2023 expenses will be paid in fiscal year 2024.
- The Agency paid Leon County $359,000 for the lease of office space located at the Leon County Annex building.

## F. EVALUATION OF SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through May 8, 2024, the date the financial statements were available to be issued. On April 16, 2024, the Agency sold $136.6 million of sales tax revenue bonds with a term of fifteen years and a true interest cost of 3.47% to fund a number of the Agency’s capital projects.

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# REQUIRED SUPPLEMENTARY INFORMATION

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**Budgetary Comparison Schedule**
**General Fund**
**For the fiscal year ended September 30, 2023**
**(in thousands)**
**(Unaudited)**

| | Budgeted Amounts Original | Budgeted Amounts Final | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| Budgetary Fund Balance - October 1 | $ 12,698 | $ 12,698 | $ 12,698 | $ - |
| Resources | | | | |
| Taxes | 40,991 | 40,991 | 47,407 | 6,416 |
| Intergovernmental Revenues | 2,985 | 2,985 | 669 | (2,316) |
| Interest Earned | - | - | 478 | 478 |
| Miscellaneous | - | - | - | - |
| Issuance of Debt | 6,000 | 25,500 | 9,940 | (15,560) |
| Amounts Available for Appropriations | 62,674 | 82,174 | 71,192 | (10,982) |
| Charges to Appropriations | | | | |
| Transportation | 4,303 | 4,303 | 3,694 | (609) |
| Economic Development | 2,338 | 2,338 | 1,675 | (663) |
| Transfers to Other Funds | 56,033 | 75,533 | 59,573 | (15,960) |
| Total Charges to Appropriations | 62,674 | 82,174 | 64,942 | (17,232) |
| Budgetary Fund Balance, September 30 | $ - | $ - | $ 6,250 | $ 6,250 |

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**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**Note to Required Supplementary Information**
**General Fund**
**For the fiscal year ended September 30, 2023**
**(in thousands)**
**(Unaudited)**

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues/Transfers In and Expenditures/Transfers Out**

| | |
|---|---|
| Inflows of Resources | |
| Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule | $ 71,192 |
| Differences - budget to GAAP | |
| The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes. | (12,698) |
| The decrease in the fair market value of investments is a decrease in revenue for financial reporting purposes but is not considered a negative budgetary inflow. | 302 |
| Miscellaneous items treated as revenues for financial reporting purposes but not as budgetary inflow. | 6 |
| Total Revenues/Transfers In as reported on the statement of revenues, expenditures, and changes in fund balances. | $ 58,802 |
| Outflows of Resources | |
| Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedule. | $ 64,942 |
| Differences - budget to GAAP | |
| The change in compensated absences which is reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds. | (10) |
| Miscellaneous items treated as expenditures for financial reporting purposes but not as budgetary outflows. | 97 |
| Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances. | $ 65,029 |

**See Independent Auditors' Report**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**PROPORTIONATE SHARE OF NET PENSION LIABILITY - CITY PLAN**
**(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30)**
**(in thousands)**
**(Unaudited)**

| **Measurement year ending September 30,** | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|
| Net Pension Liability - Ending (a) - (b) | $ 1,342 | $ (1,230) | $ 2,359 | $ 1,638 | $ 1,061 | $ 582 | $ 130 | $ 174 | $ (37) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 93.69% | 105.90% | 88.62% | 87.65% | 92.12% | 95.03% | 97.48% | 95.85% | 101.66% |
| Employer's proportion of the Net Pension Liability | 1.48% | 1.51% | 1.54% | 1.01% | 1.09% | 1.04% | 0.51% | 0.43% | 0.43% |
| Covered Payroll | $ 1,877 | $ 1,676 | $ 1,728 | $ 1,080 | $ 1,104 | $ 1,148 | $ 571 | $ 470 | $ 634 |
| Net Pension Liability as a Percentage of Covered Payroll | 71.50% | -73.39% | 136.52% | 151.67% | 96.11% | 50.70% | 22.77% | 37.02% | -5.84% |

Note: The Total Pension Liability, the Plan Fiduciary Net Position, the Net Pension Liability, and the Pension Expense are allocated by department based on the covered pensionable payroll for each department, since that was the basis of determining employer contributions

**See Independent Auditors' Report**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**SCHEDULE OF CONTRIBUTIONS - CITY PLAN**
**Last Ten Fiscal Years**
**(in thousands)**
**(Unaudited)**

| Fiscal Year Ending September 30 | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|---|---|---|---|---|---|
| 2014 | $ 70 | $ 70 | $ - | $ 460 | 15.22% |
| 2015 | 71 | 71 | - | 470 | 15.11% |
| 2016 | 75 | 75 | - | 571 | 13.14% |
| 2017 | 150 | 150 | - | 1,148 | 13.07% |
| 2018 | 205 | 205 | - | 1,104 | 18.57% |
| 2019 | 222 | 222 | - | 1,080 | 20.60% |
| 2020 | 411 | 411 | - | 1,728 | 23.76% |
| 2021 | 267 | 267 | - | 1,676 | 15.93% |
| 2022 | 366 | 366 | - | 1,877 | 19.50% |
| 2023 | 366 | 366 | - | 2,176 | 16.82% |

**NOTES TO SCHEDULE OF CONTRIBUTIONS - CITY PLAN**

| | |
|---|---|
| Valuation Date: | October 1, 2020 |
| Measurement Date: | September 30, 2022 |
| Notes: | Actuarially determined contribution rates are calculated as of October 1, 2020 for the fiscal year ended September 30, 2023. The actuarially determined contribution is projected to the contribution year using conventional actuarial projection methods. |

**Methods and assumptions used to determine contribution rates:**

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percent of Pay (with 2.31% payroll growth assumption), Closed |
| Remaining Amortization Period | 28 Years |
| Ass Valuation Method | 20% of the difference between expected actuarial value (based on assumed return) and market value is recognized each year with 20% corridor around market value |
| Inflation | 2.50% |
| Salary Increases | A range of 2.95% to 5.00%, depending on completed years of service, including inflation |
| Investment Rate of Return | 7.40% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition |
| Mortality | The mortality tables used are the same as those used in the July 1, 2019 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Regular (other than K-12 School Instructional Personnel) members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. |

**See Independent Auditors' Report**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**PROPORTIONATE SHARE OF NET PENSION LIABILITY**
**FLORIDA RETIREMENT SYSTEM**
**Last Ten Fiscal Years***
**(in thousands)**
**(Unaudited)**

| Year Ending September 30, | Proportion of the Net Pension Liability | Proportionate Share of the Net Pension Liability | Covered Payroll | Proportionate Share of the Net Pension Liability as a percentage of its Covered Payroll | Plan Fiduciary Net Position as a percentage of the Total Pension Liability |
|---|---|---|---|---|---|
| 2015 | 0.0001829300% | $ 24 | $ 45 | 53.05% | 92.00% |
| 2016 | 0.0009706057% | 245 | 101 | 243.52% | 84.88% |
| 2017 | 0.0012409525% | 367 | 237 | 155.16% | 83.89% |
| 2018 | 0.0012273080% | 370 | 393 | 94.12% | 84.26% |
| 2019 | 0.0012394670% | 427 | 397 | 107.65% | 82.61% |
| 2020 | 0.0012063200% | 523 | 303 | 172.72% | 78.85% |
| 2021 | 0.0011418200% | 86 | 330 | 26.13% | 96.40% |
| 2022 | 0.0011049941% | 411 | 445 | 92.39% | 82.89% |
| 2023 | 0.0013697741% | 546 | 464 | 117.54% | 82.38% |

*The amounts for each fiscal year were determined as of June 30, 2023 except for the covered payroll determined as of September 30, 2023. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**See Independent Auditors' Report**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**PROPORTIONATE SHARE OF NET PENSION LIABILITY**
**HEALTH INSURANCE SUBSIDY PROGRAM**
**Last Ten Fiscal Years***
**(in thousands)**
**(Unaudited)**

| Year Ending September 30, | Proportion of the Net Pension Liability | Proportionate Share of the Net Pension Liability | Covered Payroll | Proportionate Share of the Net Pension Liability as a percentage of its Covered Payroll | Plan Fiduciary Net Position as a percentage of the Total Pension Liability |
|---|---|---|---|---|---|
| 2015 | 0.0001315800% | $ 13 | $ 45 | 30.13% | 0.50% |
| 2016 | 0.0006517394% | 76 | 101 | 75.47% | 0.97% |
| 2017 | 0.0084513800% | 90 | 237 | 38.20% | 1.64% |
| 2018 | 0.0085452500% | 90 | 393 | 23.03% | 2.15% |
| 2019 | 0.0008605210% | 96 | 397 | 24.28% | 2.63% |
| 2020 | 0.0008382280% | 102 | 303 | 33.81% | 3.00% |
| 2021 | 0.0008379340% | 103 | 330 | 31.14% | 3.56% |
| 2022 | 0.0008098861% | 86 | 445 | 19.28% | 4.81% |
| 2023 | 0.0009909943% | 157 | 464 | 33.89% | 4.12% |

*The amounts for each fiscal year were determined as of June 30, 2023 except for the covered payroll determined as of September 30, 2023. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**See Independent Auditors' Report**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**SCHEDULE OF CONTRIBUTIONS**
**FLORIDA RETIREMENT SYSTEM**
**Last Ten Fiscal Years***
**(in thousands)**
**(Unaudited)**

| Year Ending September 30, | Contractually Required Contribution | Contribution in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 2015 | $ 4 | $ 4 | $ - | $ 45 | 10.02% |
| 2016 | 24 | 24 | - | 101 | 23.47% |
| 2017 | 32 | 32 | - | 237 | 13.66% |
| 2018 | 35 | 35 | - | 393 | 8.91% |
| 2019 | 38 | 38 | - | 397 | 9.69% |
| 2020 | 40 | 40 | - | 303 | 13.24% |
| 2021 | 43 | 43 | - | 330 | 13.18% |
| 2022 | 47 | 47 | - | 445 | 10.60% |
| 2023 | 20 | 20 | - | 464 | 4.31% |

*The amounts for each fiscal year were determined as of June 30, 2023 except for the covered payroll determined as of September 30, 2023. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**See Independent Auditors' Report**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**SCHEDULE OF CONTRIBUTIONS**
**HEALTH INSURANCE SUBSIDY PROGRAM**
**Last Ten Fiscal Years***
**(in thousands)**
**(Unaudited)**

| Year Ending September 30, | Contractually Required Contribution | Contribution in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 2015 | $ 1 | $ 1 | $ - | $ 45 | 1.13% |
| 2016 | 3 | 3 | - | 101 | 3.31% |
| 2017 | 4 | 4 | - | 237 | 1.89% |
| 2018 | 5 | 5 | - | 393 | 1.18% |
| 2019 | 5 | 5 | - | 397 | 1.21% |
| 2020 | 5 | 5 | - | 303 | 1.60% |
| 2021 | 5 | 5 | - | 330 | 1.49% |
| 2022 | 5 | 5 | - | 445 | 1.10% |
| 2023 | 2 | 2 | - | 464 | 0.43% |

*The amounts for each fiscal year were determined as of June 30, 2023 except for the covered payroll determined as of September 30, 2023. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**See Independent Auditors' Report**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**
**(BASED ON MEASUREMENT PERIODS ENDING SEPTEMBER 30)**
**(in thousands)**
**(Unaudited)**

| **Measurement year ending September 30,** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** |
|---|---|---|---|---|---|---|
| Total OPEB Liability | | | | | | |
| Service Cost | $ 24 | $ 23 | $ 26 | $ 13 | $ 17 | $ 9 |
| Interest on the total OPEB Liability | 24 | 25 | 33 | 27 | 24 | 12 |
| Changes in assumptions | (214) | 40 | (109) | 89 | (22) | (19) |
| Difference in experience | - | (30) | - | - | - | - |
| Changes in allocation percentages | - | - | 370 | 25 | 291 | - |
| Benefit payments | (49) | (46) | (72) | (41) | (9) | (17) |
| Net Change in total OPEB liability | (215) | 12 | 248 | 113 | 301 | (15) |
| Total OPEB Liability - beginning | 1,034 | 1,022 | 774 | 661 | 360 | 375 |
| Total OPEB Liability - ending (a) | $ 819 | $ 1,034 | $ 1,022 | $ 774 | $ 661 | $ 360 |
| | | | | | | |
| Plan Fiduciary Net Position | | | | | | |
| Contribution - employer | $ 51 | $ 45 | $ 23 | $ 15 | $ 15 | $ 8 |
| Net investment income | (26) | 31 | 16 | 1 | 8 | 5 |
| Benefit Payments | (49) | (46) | 11 | (13) | 12 | (9) |
| Net change in plan fiduciary net position | (24) | 30 | 50 | 3 | 35 | 4 |
| Plan fiduciary net position - beginning | 147 | 117 | 67 | 64 | 29 | 25 |
| Plan fiduciary net position - ending (b) | $ 123 | $ 147 | $ 117 | $ 67 | $ 64 | $ 29 |
| | | | | | | |
| Net OPEB Liability (a)-(b) | $ 696 | $ 887 | $ 905 | $ 707 | $ 597 | $ 331 |
| | | | | | | |
| Plan fiduciary net position as a percentage of the total OPEB liability | 15.04% | 14.26% | 11.52% | 8.77% | 9.62% | 8.04% |
| Covered employee payroll | $1,877 | $ 1,676 | $ 1,728 | $ 1,080 | $ 1,104 | $ 571 |
| Net OPEB liability as a percentage of covered employee payroll | 37.07% | 37.51% | 37.12% | 37.12% | 54.13% | 58.06% |

**Notes to Schedule:**

Changes in assumptions:

Assumption changes reflect the change in the Single Discount Rate from the beginning of the year at 2.36% to the end of the year at 4.50% (the resulting Single Discount Rate based on the expected rate of return on OPEB plan investments as of September 30, 2022 at 7.40% and the long-term municipal bond rate as of September 30, 2022 at 4.40%.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**See Independent Auditors' Report**

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**SCHEDULE OF CONTRIBUTIONS - OPEB**
**Last Ten Fiscal Years***
**(in thousands)**
**(Unaudited)**

| Fiscal Year Ended September 30, | Actuarially Determined Contribution (ADC) | Actual Contribution | Contribution Deficiency (Excess) | Covered Employee Payroll | Actual Contribution as a percentage of covered employee payroll |
|---|---|---|---|---|---|
| 2017 | $ 20 | $ 8 | $ 12 | $ 571 | 1.35% |
| 2018 | 40 | 14 | 26 | 1,104 | 1.31% |
| 2019 | 40 | 15 | 25 | 1,080 | 1.41% |
| 2020 | 69 | 23 | 46 | 1,728 | 1.34% |
| 2021 | 60 | 25 | 35 | 1,676 | 1.50% |
| 2022 | 62 | 25 | 37 | 1,877 | 1.35% |
| 2022 | 64 | TBD | TBD | TBD | TBD |

Notes to Schedule:
Actuarially determined contribution rates are calculated as of October 1, which is 12 months prior to the end of the fiscal year in which contributions are made and reported.

Methods and assumptions used to determine contributions:

| | |
|---|---|
| Actuarial Cost Method: | Entry Age Normal |
| Amortization Method: | Level Percentage of Payroll, Closed |
| Remaining Amortization Period: | 23 Years |
| Asset Valuation Method: | Market Value |
| Inflation: | 2.25% |
| Salary Increases: | 2.95% to 6.40%, including inflation; varies by plan and years of service |
| Investment Rate of Return: | 2.36%, net of OPEB plan expense, including inflation |
| Retirement Age: | Experience-based table of rates that are specific to the type of eligibility condition. |
| Mortality: | Mortality tables used in the July 1, 2020 actuarial valuation of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period 2013 through 2018. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using Scale MP-2018. |
| Healthcare Cost Trend Rates: | Based on the Getzen Model, with trend starting at 4.40% for 2022 and 4.10% for 2023 (based on actual premium increases), followed by 5.60% for 2024, and then gradually decreasing to an ultimate trend rate of 3.75%. |
| Aging Factors: | Based on the 2013 SOA Study "Health Care Costs - From Birth to Death". |
| Expenses: | Investment returns are net of the investment expenses and administrative expenses are included in premium costs. |
| Notes: | There were no benefit changes during the year. |

**See Independent Auditors' Report**

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BLUEPRINT

INTERGOVERNMENTAL AGENCY

# STATISTICAL SECTION

NET POSITION BY COMPONENT

CHANGES IN NET POSITION

FUND BALANCES

CHANGES IN FUND BALANCES

RETAIL SALES AND TAX COLLECTION HISTORY

RATIOS OF OUTSTANDING DEBT BY TYPE

LEON COUNTY DEMOGRAPHIC STATISTICS

FULL-TIME EQUIVALENT AGENCY EMPLOYEES

PLEDGED REVENUE COVERAGE

CAPITAL ASSETS BY FUNCTION

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**NET POSITION BY COMPONENT**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**
**(in thousands)**

| Governmental activities | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net investment in capital assets | $ 111,351 | $ 108,095 | $ 105,081 | $ 180,500 | $ 173,363 | $ 152,292 | $ 123,192 | $ 243,743 | $ 210,872 | $ 168,789 |
| Restricted | 145,183 | 123,724 | 105,513 | 85,784 | 79,718 | 63,447 | 59,807 | 62,029 | 68,878 | 78,848 |
| Total governmental activities net position | $ 256,534 | $ 231,819 | $ 210,594 | $ 266,284 | $ 253,081 | $ 215,739 | $ 182,999 | $ 305,772 | $ 279,750 | $ 247,637 |

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**CHANGES IN NET POSITION**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**
**(in thousands)**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Expenses | | | | | | | | | | |
| Transportation | $ 22,979 | $ 14,662 | $ 94,563 | $ 22,884 | $ 4,269 | $ 3,284 | $ 156,015 | $ 8,642 | $ 3,464 | $ 5,176 |
| Economic Development | 2,954 | 16,687 | 7,014 | 4,293 | 1,435 | 1,478 | 1,252 | 586 | - | - |
| Depreciation Expense | 382 | 385 | 26 | 26 | 27 | 30 | 29 | 27 | 28 | 16 |
| Interest on Long-Term Debt | 3,613 | 1,969 | 142 | 43 | - | 516 | 1,182 | 1,601 | 2,498 | 3,179 |
| Total Expenses | 29,928 | 33,703 | 101,745 | 27,246 | 5,731 | 5,308 | 158,478 | 10,856 | 5,990 | 8,371 |
| Revenues | | | | | | | | | | |
| Program Revenues | | | | | | | | | | |
| Operating Grants and Contributions | 669 | 527 | 4,667 | 557 | 805 | 727 | 922 | 649 | - | - |
| Capital Grants and Contributions | 62 | 7,399 | 387 | 2,596 | 1,875 | 960 | 75 | 1,345 | 3,751 | 7,807 |
| Total Governmental Activities Program Revenue | 731 | 7,926 | 5,054 | 3,153 | 2,680 | 1,687 | 997 | 1,994 | 3,751 | 7,807 |
| General Revenues | | | | | | | | | | |
| Shared Revenues | 47,407 | 47,033 | 39,813 | 34,256 | 37,444 | 35,643 | 34,227 | 33,570 | 32,491 | 31,044 |
| Investment Income | 4,440 | 824 | 1,417 | 2,285 | 2,547 | 1,167 | 853 | 1,137 | 1,121 | 991 |
| Net Securities Lending Income | - | - | - | 3 | 3 | 1 | - | - | 777 | 3,000 |
| Net Increase (Decrease) in Fair Market Value of Investments | 2,065 | (911) | (238) | 153 | 173 | (484) | (145) | 150 | (44) | 72 |
| Miscellaneous | - | 56 | 9 | 599 | 226 | 34 | 30 | 27 | 113 | 435 |
| Total Revenues | 54,643 | 54,928 | 46,055 | 40,449 | 43,073 | 38,048 | 35,962 | 36,878 | 38,209 | 43,349 |
| Changes in Net Position | $ 24,715 | $ 21,225 | $ (55,690) | $ 13,203 | $ 37,342 | $ 32,740 | $(122,516) | $ 26,022 | $ 32,219 | $ 34,978 |

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**FUND BALANCES**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**
**(in thousands)**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Fund | | | | | | | | | | |
| Restricted for Infrastructure | $ 3,863 | $ 10,091 | $ (2,476) | $ 5,869 | $ 2,933 | $ 651 | $ 4,762 | $ 3,679 | $ 5,239 | $ 75,750 |
| Special Revenue Fund | | | | | | | | | | |
| Infrastructure | 196,997 | 184,468 | 110,531 | 81,387 | 77,926 | 55,458 | 50,845 | 53,504 | 58,398 | - |
| Debt Service Fund | | | | | | | | | | |
| Restricted for Future Debt Service | - | - | - | - | 20 | 8,319 | 8,315 | 8,319 | 786 | 7,600 |
| Unassigned | 77 | (1,989) | (565) | - | - | - | - | - | - | - |
| Total Fund Balances | $ 200,937 | $ 192,570 | $ 107,490 | $ 87,256 | $ 80,879 | $ 64,428 | $ 63,922 | $ 65,502 | $ 64,423 | $ 83,350 |

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**CHANGES IN FUND BALANCES**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**
**(in thousands)**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | | | |
| Intergovernmental Revenues | $ 48,138 | $ 54,959 | $ 44,867 | $ 37,408 | $ 40,124 | $ 37,254 | $ 35,224 | $ 35,564 | $ 36,242 | $ 38,851 |
| Investment Income | 4,439 | 823 | 1,417 | 2,291 | 2,020 | 1,169 | 856 | 1,139 | 1,121 | 997 |
| Advance Repayments | - | - | - | - | - | - | - | - | 777 | 3,000 |
| Net Inc (Dec) in the Fair Value of Investments | 2,065 | (911) | (238) | 153 | - | (484) | (145) | 150 | (44) | 72 |
| Miscellaneous Revenues | - | 56 | 9 | 599 | 226 | 110 | 31 | 29 | 111 | 435 |
| Total Revenues | 54,642 | 54,927 | 46,055 | 40,451 | 42,370 | 38,049 | 35,966 | 36,882 | 38,207 | 43,355 |
| Expenditures: | | | | | | | | | | |
| Transportation | 44,611 | 40,861 | 28,250 | 27,035 | 6,010 | 17,417 | 17,701 | 23,460 | 30,933 | 35,180 |
| Economic Development | 2,965 | 16,704 | 7,009 | 4,278 | 1,441 | 1,491 | 1,209 | 527 | - | - |
| Securities Lending Expense: | | | | | | | | | | |
| Interest | - | - | - | 3 | 6 | 1 | 2 | 1 | - | 4 |
| Agent Fees | - | - | - | - | - | - | - | - | - | 2 |
| Debt Service: | | | | | | | | | | |
| Principal Retired | 4,839 | 610 | 475 | 2,141 | 17,797 | 17,037 | 16,314 | 16,129 | 15,666 | 15,034 |
| Interest and Fiscal Charges | 3,800 | 1,955 | 142 | 43 | 838 | 1,597 | 2,320 | 2,686 | 3,534 | 4,658 |
| Debt Issuance Costs | - | 763 | - | - | - | - | - | - | - | - |
| Total Expenditures | 56,215 | 60,893 | 35,876 | 33,500 | 26,092 | 37,543 | 37,546 | 42,803 | 50,133 | 54,878 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Issuance of Debt | 9,940 | 91,045 | 10,055 | - | - | - | - | - | - | - |
| Net Change in Fund Balances | $ 8,367 | $ 85,079 | $ 20,234 | $ 6,951 | $ 16,278 | $ 506 | $ (1,580) | $ (5,921) | $ (11,926) | $ (11,523) |
| Debt Service as a Percentage of Noncapital Expenditures | 158% | 45% | 12% | 46% | 482% | 432% | 448% | 236% | 449% | 361% |

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**RETAIL SALES AND TAX COLLECTION HISTORY**
**Last Ten Fiscal Years**
**(in thousands)**

| Fiscal Year | Retail Sales(1) | Infrastructure Sales Tax Revenue Collected (1) | Agency's Share of Sales Tax Revenue Collected (2) |
|---|---|---|---|
| 2014 | $ 7,686,000 | $ 38,805 | $ 31,044 |
| 2015 | 7,511,000 | 40,614 | 32,491 |
| 2016 | 7,751,000 | 41,963 | 33,570 |
| 2017 | 8,027,000 | 42,784 | 34,227 |
| 2018 | 8,290,000 | 44,554 | 35,643 |
| 2019 | 8,652,367 | 46,805 | 37,444 |
| 2020 | 8,354,156 | 42,820 | 34,256 |
| 2021 | 9,230,547 | 51,042 | 39,813 |
| 2022 | 10,549,961 | 60,299 | 47,033 |
| 2023 | 10,879,284 | 60,778 | 47,407 |

(1) Florida Department of Revenue - Leon County Gross and Taxable Sales

(2) The Agency received 80% of the sales tax collected in Leon County under the 15 year 1% Infrastructure Sales Surtax which began on December 1, 2004. Beginning on January 1, 2020, the Agency received 78% of the sales tax collected in Leon County under the Blueprint 2020 extended 1% Infrastructure Sales Surtax. The Infrastructure Sales Surtax extension is set to expire on December 31, 2039. The sales tax is collected on all retail sales of tangible personal property subject to certain exceptions and exemptions and certain dealer allowances.

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**RATIOS OF OUTSTANDING DEBT BY TYPE**
**Last Ten Fiscal Years**
**(in thousands)**

| Fiscal Year Ended Sept. 30, | Sales Tax Revenue Bonds | State Infrastucture Bank Loans | Private Bank Loans | Total Debt Outstanding | Leon County Population (1) | Percentage of Personal Income | Per Capita As Restated |
|---|---|---|---|---|---|---|---|
| 2014 | $ 63,445 | $ 21,640 | $ - | $ 85,085 | 281,000 | 0.9% | $ 302.79 |
| 2015 | 51,930 | 17,489 | - | 69,419 | 284,000 | 0.8% | 244.43 |
| 2016 | 39,905 | 13,385 | - | 53,290 | 288,000 | 0.6% | 185.03 |
| 2017 | 27,265 | 9,711 | - | 36,976 | 288,000 | 0.0% | 128.39 |
| 2018 | 13,975 | 5,963 | - | 19,938 | 292,332 | 0.0% | 68.20 |
| 2019 | - | 2,141 | - | 2,141 | 296,499 | 0.0% | 7.22 |
| 2020 | - | - | - | - | 299,484 | 0.0% | - |
| 2021 | - | - | 9,580 | 9,580 | 292,198 | 0.0% | 32.79 |
| 2022 | 91,045 | - | 8,970 | 100,015 | 292,198 | 0.0% | 337.98 |
| 2023 | 87,457 | 9,111 | 8,350 | 104,918 | 301,724 | 0.0% | 347.73 |

(1) Office of Economic and Demographic Research, State of Florida

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**LEON COUNTY, FLORIDA**
**DEMOGRAPHIC STATISTICS**
**Last Ten Fiscal Years**

| Year | Estimated Population(1) | Retail Sales (thousands)(2) | Personal Income (thousands)(1) | Per Capita Income(1) | School Enrollment(3) | Unemployment Rate %(1) Leon County | Florida | United States |
|---|---|---|---|---|---|---|---|---|
| 2014 | 284,054 | $ 7,686,804 | $ 10,942,350 | $ 38,522 | 34,955 | 4.7 | 5.4 | 5.6 |
| 2015 | 286,189 | 7,510,613 | 11,355,730 | 39,679 | 34,797 | 4.6 | 5.0 | 5.1 |
| 2016 | 287,819 | 7,751,449 | 11,730,939 | 40,758 | 33,300 | 4.5 | 4.7 | 4.9 |
| 2017 | 287,899 | 8,026,814 | 12,442,456 | 42,862 | 33,993 | 3.6 | 4.0 | 4.1 |
| 2018 | 292,332 | 8,290,351 | 13,011,019 | 44,482 | 33,873 | 2.8 | 3.5 | 3.7 |
| 2019 | 296,449 | 8,652,367 | 13,620,561 | 46,394 | 34,032 | 2.6 | 2.9 | 3.5 |
| 2020 | 299,484 | 8,354,156 | 14,448,894 | 49,155 | 34,000 | 5.2 | 4.2 | 6.7 |
| 2021 | 292,198 | 9,230,547 | 15,942,096 | 53,844 | 32,000 | 3.4 | 3.5 | 3.9 |
| 2022 | 295,921 | 10,549,961 | 16,130,473 | 54,244 | 33,952 | 2.2 | 2.7 | 3.5 |
| 2023 | 301,724 | 10,879,284 | N/A | N/A | 32,212 | 3.1 | 2.9 | 3.7 |

(1) Office of Economic and Demographic Research, State of Florida
(2) Florida Department of Revenue - Leon County Gross and Taxable Sales
(3) Leon County Public School Board
N/A - Data not available

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**FULL-TIME EQUIVALENT AGENCY EMPLOYEES AS OF SEPTEMBER 30**
**Last Ten Fiscal Years**

| Function | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Transportation | 21 | 21 | 18 | 17 | 13 | 13 | 13 | 10 | 7 | 7 |
| Economic Development | 11 | 10 | 10 | 10 | 8 | 7 | 12 | 7 | - | - |
| Total | 32 | 31 | 28 | 27 | 21 | 20 | 25 | 17 | 7 | 7 |

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**PLEDGED REVENUE COVERAGE**
**Last Ten Fiscal Years**
**(in thousands)**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Sales Tax Revenues (1) | $ 47,407 | $ 47,033 | $ 39,813 | $ 34,256 | $ 33,570 | $ 32,491 | $ 31,044 | $ 29,574 | $ 28,232 | $ 27,554 |
| Annual Debt Service on Sales Tax Revenue Bonds | 3,390 | 1,784 | - | - | 14,694 | 14,693 | 14,693 | 14,696 | 14,696 | 14,696 |
| Actual Coverage on Sales Tax Revenue Bonds | 13.98 | 26.36 | N/A | N/A | 2.55 | 2.43 | 2.33 | 2.28 | 2.21 | 2.11 |
| Annual Debt Service on All Outstanding Debt | 4,839 | 2,565 | 617 | - | 18,562 | 18,564 | 18,564 | 19,072 | 19,072 | 19,279 |
| Actual Coverage on All Outstanding Debt | 9.80 | 18.34 | 64.53 | N/A | 1.81 | 1.75 | 1.67 | 1.55 | 1.48 | 1.43 |

**BLUEPRINT INTERGOVERNMENTAL AGENCY**
**CAPITAL ASSETS BY FUNCTION**
**Last Ten Fiscal Years**
**(in thousands)**

| Function | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Transportation | $ 162,764 | $ 141,999 | $ 114,661 | $ 180,500 | $ 175,504 | $ 173,487 | $ 162,622 | $ 300,624 | $ 285,303 | $ 259,586 |

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# OTHER REPORTS

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*

Independent Accountants' Report

Management Letter

MSL

Certified Public Accountants

**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***

Honorable Members of the Board
Blueprint Intergovernmental Agency
Tallahassee, 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 basic financial statements, as listed in the table of contents, of the Blueprint Intergovernmental Agency (the "Agency") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 8, 2024.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting 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.

Honorable Members of the Board
Blueprint Intergovernmental Agency

**Report on Compliance and Other Matters**

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

We noted certain other matters that we reported to management in a separate letter dated May 8, 2024.

**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 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.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
May 8, 2024

MSL
Certified Public Accountants

# INDEPENDENT ACCOUNTANT'S REPORT

Honorable Members of the Board
Blueprint Intergovernmental Agency
Tallahassee, Florida

We have examined the compliance of the Blueprint Intergovernmental Agency (the "Agency") with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. Management is responsible for the Agency's compliance with those 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 with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Agency's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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 specified requirements.

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

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2023.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
May 8, 2024

Certified Public Accountants

# INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Members of the Board
Blueprint Intergovernmental Agency
Tallahassee, Florida

**Report on the Financial Statements**

We have audited the basic financial statements of the Blueprint Intergovernmental Agency (the "Agency") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 8, 2024.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America 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 Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General.* Disclosures in those reports and schedule, which are dated May 8, 2024, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**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 legal authority is disclosed in the notes to the financial statements.

**Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General,* require that we apply appropriate procedures and report 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 identification of 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. 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 the review of financial information provided by same.

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

**Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.38(3)(b), Florida Statues. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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 32.
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 $2,902,759.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $0.
e. Each construction project with a total cost of at least $65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as listed below:
    i. Airport Gateway - $4,621,000
    ii. Market District Placemaking - $1,471,000
    iii. Monroe-Adams Placemaking - $402,000
    iv. Northeast Corridor: Bannerman Road - $5,986,000
    v. Orange Ave. Placemaking - $1,912,000
    vi. Midtown Placemaking - $14,000
    vii. Fairgrounds Beautification - $267,000
    viii. Northeast Park - $558,000
    ix. Capital Cascades Trail Segment 4 - $734,000
    x. Animal Service Center - $185,000
    xi. Northwest Connector: Tharpe Street - $260,000

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes, as seen on page 63.

**Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General,* requires that we 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 Agency's Board, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
May 8, 2024