



DOWNTOWN BOCA

**BOCA RATON COMMUNITY
REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)**

Financial Statements

For the Fiscal Year Ended September 30, 2024

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

For the fiscal year ended September 30, 2024

TABLE OF CONTENTS	<u>Page #</u>
Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information)	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Operating Fund	13
Reconciliation of the Balance Sheet of the Operating Fund to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balance - Operating Fund	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Operating Fund to the Statement of Activities	16
Notes to the Basic Financial Statements	17
Required Supplementary Information:	
Budgetary Comparison Schedule:	
Operating Fund	31
Notes to the Budgetary Comparison Schedule	32
Other Information:	
Data Elements as Required by Section 218.39(3)(c), Florida Statutes and Sections 10.554(1)(i)(7), Rules of the Auditor General	33
Reporting Section:	
Independent Auditors' Report on Internal Control Over the Financial Reporting and On Compliance and Other Matters Based On an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	34
Management Letter In Accordance with the Rules of the Auditor General of the State of Florida	36
Independent Accountants' Report on Compliance with Section 218.415, Section 163.387(6), and Section 163.387(7) of the Florida Statutes	39

Independent Auditors' Report

Independent Auditor' Report

To the Chair, Vice Chair, Commissioners and Executive Director
Boca Raton Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Boca Raton Community Redevelopment Agency (the "CRA"), a component unit of the City of Boca Raton, Florida, as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the CRA, as of September 30, 2024, and the respective changes in financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the budgetary comparison schedule and related notes on pages 31 through 32 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Data Elements as Required by Section 218.39(3)(c), Florida Statutes and Sections 10.554(1)(i)(7), Rules of the Auditor General but does not include the basic financial statements and our auditors' 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 March 28, 2025, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

West Palm Beach, FL
March 28, 2025

Management's Discussion and Analysis

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2024
(Unaudited)

The Management's Discussion and Analysis ("MD&A") of the Boca Raton Community Redevelopment Agency (the "CRA") is designed to provide an objective and easy to read analysis of the financial activities for the fiscal year ended September 30, 2024 based on currently known facts, decisions, and conditions. The MD&A provides a broad overview, short-term and long-term analysis of the CRA's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the CRA's financial activity and identify changes in the CRA's financial position and its ability to address the next year's challenges. Finally, the MD&A will identify any material deviations from the approved budget.

The CRA was created in 1980 by the City of Boca Raton City Council under Chapter 163, Part III, of the Florida Statutes. The CRA is a dependent special district and a blended component unit of the City of Boca Raton, Florida (the "City"). The CRA is responsible for promoting economic redevelopment in the designated 344-acre Community Redevelopment Area in downtown Boca Raton. The City Manager of Boca Raton serves as the Executive Director to the CRA, and the CRA has entered into an Interlocal Agreement for the City to provide services to the CRA.

The CRA has presented its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

The information contained in this MD&A is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report; including the footnotes, required supplementary information, and other information.

Financial Highlights

- The assets of the CRA exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$83.939 million (net position).
- The CRA's total net position increased by \$16.751 million, which was attributable to an increase in general revenues of approximately \$3.063 million due to increases in tax increment and lease revenues in combination with a decrease of approximately \$1.234 million in expenses due to a reduction in the CRA to City reimbursements.
- The CRA's tax increment revenues increased by \$1.265 million or approximately 6%. This resulted from increased property values of 8.4% within the CRA district from new construction and increased year over year values in residential, multi-family, condominiums, and commercial properties.

Overview of the Basic Financial Statements

The CRA's basic financial statements are comprised of the 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other information in addition to the financial statements themselves.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2024
(Unaudited)

Government-Wide Financial Statements

The CRA's government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. In addition, the government-wide statements are prepared using the accrual basis of accounting. The *Statement of Net Position* presents information on the CRA's assets and liabilities and deferred inflows, with the difference between them reported as net position.

The *Statement of Activities* (operating statement) presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in revenues are reported as soon as underlying events giving rise to the change occur regardless of the timing of related cash flows. The expenses are reported as incurred. Therefore, revenue and expenses for some items will only result in cash inflows/outflows in future fiscal periods.

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

The CRA's government-wide financial statements are found beginning on page 11 of this report.

Fund Financial Statements

The governmental fund financial statements provide readers with an overview of the operating fund and its related function in a traditional format. A fund is a grouping of related accounts that maintain control over resources that are segregated for specific activities or objectives. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The CRA utilized one fund for the fiscal year ended September 30, 2024; the *Operating Fund* from which all tax increment revenues and Mizner Park lease revenues are placed in this fund as they are received by the CRA.

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

The focus of the governmental fund is narrower than government-wide financial statements, and it is therefore useful to compare the information presented for the governmental fund with similar information presented for governmental activities in the government-wide financial statements. By comparing and contrasting readers may better understand the long-term impact of the CRA's near-term financing decisions. The "Balance Sheet - Operating Fund" and "Statement of Revenues, Expenditures, and Changes in Fund Balance - Operating Fund" are reconciled as shown on the "Reconciliation of the Balance Sheet - Operating Fund to the Statement of Net Position" and the "Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Operating Fund to the Statement of Activities" to facilitate the comparison between the *governmental fund* and *governmental activities*.

The CRA adopts an annual appropriated budget for its *Operating Fund*. A Budgetary comparison schedule is provided for the *Operating Fund* to demonstrate compliance with the budget and provides an analysis of significant budgetary variances (both original budget versus the final amended budget).

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2024
(Unaudited)

The CRA's governmental fund financial statements can be found beginning on page 13 of this report. The reconciliations between the operating fund and governmental activities are found on pages 14 and 16.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and the fund financial statements. These notes to the basic financial statements begin on page 17 of this report.

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the CRA's budget to actual results for *the Operating Fund* for the current year. The required supplementary information and other information can be found on pages 31 through 33 of this report.

Government-Wide Financial Analysis

The following schedule is a summary of the fiscal year 2024 Statement of Net Position found on page 11 with comparative information for fiscal year 2023:

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
Statement of Net Position
(in thousands)
September 30,

	Governmental Activities	
	2024	2023
Current and other assets	\$ 95,729	\$ 80,796
Capital assets, net	47,316	46,390
Total assets	143,045	127,186
Current liabilities	575	414
Total liabilities	575	414
Deferred inflows for leases	58,532	59,446
Unavailable revenue	-	138
Total deferred inflows	58,532	59,584
Net position:		
Net investment in capital assets	47,233	46,302
Restricted	36,706	20,886
Total net position	\$ 83,939	\$ 67,188

The CRA's total net position increased by \$16.751 million. The result was driven by an increase in taxes and a decrease in the CRA reimbursement to the City for services provided. In FY 2024, the CRA repaid \$6.5 million for services provided by the City, compared to \$8.3 million in FY 2023. Please see page 30 for a summary of services and repayments.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2024
(Unaudited)

The following schedule is a summary of the fiscal year ended September 30, 2024 Statement of Activities found on page 12 with comparative information for the fiscal year ended September 30, 2023 (in thousands):

	Governmental Activities	
	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$ 4,663	\$ 4,372
General revenues:		
Taxes	21,466	20,201
Investment earnings	1,776	269
Total revenues	27,905	24,842
Expenses:		
Community development	11,154	12,388
Total expenses	11,154	12,388
Increase in net position	16,751	12,454
Change in net position	16,751	12,454
Net position beginning of year	67,188	54,734
Net position end of year	\$ 83,939	\$ 67,188

Tax increment revenue increased by \$1.265 million primarily due to an increase in the property values within the CRA. Tax increment revenue is a function of the increase in the assessed values of properties within the CRA District above the base year valuation amounts, as well as the operating millage rate of each taxing district that contributes to the tax increment. This was the 12th consecutive year over year growth in taxable value for the redevelopment area. Expenses decreased by \$1.234 million largely due to a reduction in the CRA reimbursement to the City for services provided and a slight decrease in program costs year over year.

The following is a table of the fiscal years 2024 and 2023 of revenues by source for governmental activities.

**Governmental Activities
Revenues by Source
FY 2024 and 2023
(in thousands)**

	2024	2024 %	2023	2023 %
Governmental Activities - Revenues				
Charges for services	\$ 4,663	16.7%	\$ 4,372	17.6%
Taxes	21,466	76.9%	20,201	81.3%
Investment earnings	1,776	6.4%	269	1.1%
	\$ 27,905	100%	\$ 24,842	100%

Program revenue increased year over year due to an increase in lease revenue in related to Mizner Park.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2024
(Unaudited)

The following is a table of the fiscal years 2024 and 2023 of expenses by source for governmental activities.

**Governmental Activities
Expenses by Source
FY 2024 and 2023
(in thousands)**

	2024	2024 %	2023	2023 %
Governmental Activities - Expenses				
Community development	\$ 11,154	100%	\$ 12,388	100%
	\$ 11,154	100%	\$ 12,388	100%

Expenses decreased by \$1.234 million mostly due to a reduction in the CRA reimbursement to the City for services provided and a slight decrease in program costs.

Financial Analysis of the CRA's Funds

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund

The fund financial statements for the governmental fund are provided on pages 13-16. The focus of the CRA's *governmental fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements.

**Major Fund Information
Summary Analysis
(in thousands)**

	<u>Operating Fund</u>
Fiscal Year 2024	
Revenues	\$ 27,914
Expenditures	(12,079)
Increase (decrease) in fund balance	<u>\$ 15,835</u>
Fiscal Year 2023	
Revenues	\$ 24,851
Expenditures	(14,906)
Increase (decrease) in fund balance	<u>\$ 9,945</u>

At the end of the current fiscal year, the fund balance of the Operating fund was \$35.213 million. The fund balance increased by \$15.835 million.

Budgetary Highlights

The CRA generated a positive variance of approximately \$17.567 million between the final adopted budget and the actual results of operations. Actual revenues were greater than final budgeted revenues by \$2.594 million due to an increase of revenue in Tax Increment and charges for services above budget. Actual expenditures during the year were less than the final budgeted expenditures by \$14.973 million. This

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
Management’s Discussion and Analysis
For the Fiscal Year Ended September 30, 2024
(Unaudited)

positive variance is due to the elimination a budgeted refund of tax increment to the taxing authorities and to actual operating costs less than anticipated for Capital outlay of \$3.322 million.

The original budget estimated that fund balance would decrease by \$1.732 million. The final budget anticipated that \$1.732 million would be drawn down from the available fund balance. During the year however, expenditures in most areas were below budgetary estimates while revenues exceeded budgetary estimates, producing a positive budget variance of \$17.567 million.

The following table depicts the fiscal year 2024 original and amended budgets, actual balance as well as the budget variance (in thousands).

Budgetary Comparison	Original Budget	Amended Budget	Actual Balance	Budget Variance Positive/(Negative)
Revenues	\$ 25,320	\$ 25,320	\$ 27,914	\$ 2,594
Expenditures	27,052	27,052	12,079	14,973
Change in Fund Balance	(1,732)	(1,732)	15,835	17,567

Capital Assets

The CRA’s capital assets for its governmental activities as of September 30, 2024 are \$47.316 million as compared to \$46.390 million for 2023. This amount is made up of land associated with the Mizner Park project, construction in progress and downtown roadway infrastructure investments.

Long-Term Debt

As of fiscal year-end 2024, the CRA had no debt (bonds, notes, etc.) outstanding.

Other Factors

The CRA's guiding document for annual budgeting, programs and projects is the Downtown Development of Regional Impact (“DDRI”) for the entire Redevelopment Area. The DDRI focused on developing Mizner Park, resolving infrastructure problems and eliminating impediments to redevelopment through the approval process. While the DDRI has been revised, it remains the planning document used by the CRA over its lifetime.

The Development Order, as amended, and the Rules of the CRA, are the controlling land use regulations and procedures in Downtown Boca Raton. The CRA’s approach to redevelopment based on the Development Order, Mizner Park and Visions 90 Downtown Capital Improvements Program has been highly successful in creating redevelopment activity in the Downtown.

In the six years prior to the Development Order, 75,000 square feet of new development was approved and built in the Redevelopment Area. Since approval of the Development Order in March 1988, the CRA has approved development applications providing for approximately 4.2 million square feet of office equivalent development, including Mizner Park. Of these 4.2 million square feet of approved office equivalent development, construction of approximately 3.4 million square feet of office equivalent development has been completed.

The CRA has not undertaken a major project involving tax increment revenues and financing since the Mizner Park Project. The main source of revenue for the CRA is Tax Increment. Palm Beach County, the

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2024
(Unaudited)

City and the Greater Boca Raton Beach and Park District currently make tax increment payments into the CRA's Redevelopment Trust Fund. The tax increment is determined annually and is the amount equal to 95 percent of the difference between: (a) the amount of ad valorem taxes levied each year by each taxing authority contributing to the tax increment, exclusive of any debt service millage, on taxable real property contained within the Redevelopment Area; and (b) the amount of ad valorem taxes which would have been produced by the rate at which the tax is levied each year by the taxing authority, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the community redevelopment area as shown on the assessment roll used by each taxing authority prior to August 10, 1982, the effective date of the Ordinance creating the Redevelopment Trust Fund.

For the Year:

In 2024, the CRA received \$21.466 million from the increase in ad valorem revenues over the "base year" in the redevelopment area (tax increment). The taxable value of real property in the redevelopment area has risen dramatically from 1984 of \$115.4 million to \$2.324 billion.

The contributors of tax increment to the CRA are Palm Beach County with an operating millage rate of \$4.500 per \$1,000, the City of Boca Raton with an operating millage rate of \$3.6580 per \$1,000 and the Greater Boca Raton Beach and Park District with an operating millage rate of \$1.0800 per \$1,000.

For the Future:

To be successful, downtown Boca Raton must develop a sense of place, the public and private sector must work together with a common goal, public funds need to be wisely invested and new development should provide pedestrian connections to the overall downtown. For FY2025, in accordance with the downtown plan, the CRA's budget includes over \$22 million in capital improvements including decorative streetlights and walkability and pedestrian improvements.

Challenges Facing the CRA

While the CRA's approach to redevelopment based on the Development Order, Mizner Park and the Visions 90 Downtown Capital Improvements Program have been highly successful in creating an environment in Downtown which has led to substantial redevelopment and dramatic increases in taxable values and tax increment, the CRA area continues to be challenged with:

- Traffic and pedestrian safety throughout the Downtown; and
- Ensuring availability of parking spaces during peak hours; and
- Introducing mass transit and alternative transportation modes in the Downtown

Achieving these goals will require the continued cooperation and support of all interested parties and jurisdictions and will benefit not only the Downtown and the City but the entire Palm Beach County.

Requests for Information

This financial report is designed to provide a general overview of the CRA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Boca Raton Community Redevelopment Agency at Boca Raton City Hall, Room 200, 201 W. Palmetto Park Road, Boca Raton, Florida 33432, phone (561) 393-7940.

Financial Statements

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 5,061,573
Investments	30,309,711
Interest receivable on investments	255,420
Lease receivable	58,693,279
Interest receivable on leases	1,409,814
Capital assets:	
Non-depreciable	43,171,327
Depreciable (net)	<u>4,144,848</u>
Total assets	<u>143,045,972</u>
Liabilities	
Accounts payable and accrued liabilities	\$ 255,058
Performance bonds and escrow funds	123,367
Unearned revenue	192,482
Current accounts payable	<u>3,636</u>
Total liabilities	<u>574,543</u>
Deferred inflows of resources	
Deferred inflows for leases	<u>58,532,025</u>
Total deferred inflows of resources	<u>58,532,025</u>
Net Position	
Net investment in capital assets	47,232,938
Restricted for:	
Community development	<u>36,706,466</u>
Total net position	<u>\$ 83,939,404</u>

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

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Primary Government:			
Governmental Activities:			
General government		\$ 122,277	\$ 122,277
Community development	\$ 11,153,704	4,540,781	(6,612,923)
Total Governmental Activities	<u>11,153,704</u>	<u>4,663,058</u>	<u>(6,490,646)</u>
General revenues:			
Incremental property tax			21,466,018
Investment earnings			<u>1,775,728</u>
Total general revenues			<u>23,241,746</u>
Change in net position			16,751,100
Net position, beginning			<u>67,188,304</u>
Net position, ending			<u>\$ 83,939,404</u>

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
BALANCE SHEET
OPERATING FUND
SEPTEMBER 30, 2024

	<u>Operating Fund</u>
ASSETS	
Cash and cash equivalents	\$ 5,061,573
Investments	30,309,711
Receivables, net:	
Lease receivable	58,693,279
Interest	<u>255,420</u>
Total assets	<u>\$ 94,319,983</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 258,694
Performance bonds and escrow funds	123,367
Unearned revenue	<u>192,482</u>
Total liabilities	<u>574,543</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows for leases	<u>58,532,025</u>
Total deferred inflows of resources	<u>58,532,025</u>
FUND BALANCES	
Restricted for:	
Downtown	35,210,348
Committed to:	
Parking	<u>3,067</u>
Total fund balance	<u>35,213,415</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 94,319,983</u>

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
RECONCILIATION OF THE BALANCE SHEET OF THE OPERATING FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Ending fund balance - operating fund	\$	35,213,415
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		47,316,175
Interest receivable for leases		1,409,814
Net position of governmental activities	<u>\$</u>	<u>83,939,404</u>

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

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OPERATING FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Operating Fund</u>
REVENUES	
Taxes	\$ 21,466,018
Charges for services	4,672,446
Investment earnings	<u>1,775,726</u>
Total revenues	<u>27,914,190</u>
EXPENDITURES	
Current:	
Community development	11,075,815
Capital outlay	<u>1,003,213</u>
Total expenditures	<u>12,079,028</u>
Net change in fund balances	15,835,162
Fund balance - beginning	<u>19,378,253</u>
Fund balance - ending	<u><u>\$ 35,213,415</u></u>

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

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE OPERATING FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Net change in fund balance - operating fund	\$ 15,835,162
<p>A Governmental fund reports capital outlay as expenditures, however, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.</p>	
Expenditures for capital assets	1,003,213
Less current year depreciation	(77,889)
Revenues and receivable - related items:	
Interest receivable for leases	<u>(9,386)</u>
Change in net position of governmental activities	<u>\$ 16,751,100</u>

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

Notes to the Financial Statements

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

1. The Boca Raton Community Redevelopment Agency

The Boca Raton Community Redevelopment Agency (the "CRA") was created in 1980 by the City of Boca Raton City Council under Chapter 163, Part III, of the Florida Statutes. The CRA is responsible for promoting economic redevelopment in the designated 344-acre Community Redevelopment Area in downtown Boca Raton.

The City of Boca Raton (the "City") and the CRA are separate legal entities who share the mutual goal of redeveloping the Community Redevelopment Agency areas. The City provides administrative support services in the same manner as provided by the City in the conduct of its own affairs or as otherwise provided by the CRA Plans or By-Laws. The CRA is charged by the City for the provision of these administrative support services in accordance with the Interlocal Agreement between the City and CRA. The City Council serves at the members of the CRA Board of Commissioners (the "Board"). The chairman of the Board is elected by the members of the Board.

2. Summary of Significant Accounting Policies

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

A. Reporting Entity.

The CRA has adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- an amendment of GASB Statements No. 14 and No. 34*, for the purpose of evaluating whether it has any component units. Based on the criteria therein, the CRA has determined that there are no component units that meet criteria for inclusion in the CRA's financial statements. The Board is governed by the five members of the City Council. Management of the City has operational responsibility for the CRA. The City is considered to be financially accountable for the CRA; the CRA is considered to be a blended component unit in the City's annual comprehensive financial report.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole and provide a consolidated financial picture of the government. As part of the consolidation process, interfund activities are eliminated to avoid distorted financial results when applicable.

The Statement of Net Position reports all financial and capital resources of the CRA's governmental activities. Governmental activities are those supported by charges for services, taxes and intergovernmental revenues. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges for goods or services that are recovered directly from customers for services rendered and 2) grants and contributions that are restricted to meeting the operational or capital requirements for a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is provided which briefly explains the adjustments necessary to reconcile the results of governmental fund accounting to the government-wide presentations.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

D. Major Fund and Basis of Presentation

The accounts of the CRA are organized into one fund, which is considered a separate accounting entity. The operations of the fund are accounted for using a separate set of self-balancing accounts, which comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund equities, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

GAAP set forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined), for the determination of major funds.

Fund Types:

The CRA reports the following major governmental fund:

Operating Fund

The CRA Operating Fund provides for the CRA's day-to-day operations through the use of City staff from the Development Services and Financial Services Departments. This includes the CRA office, all general administration, plan review and the CRA's day-to-day dealings with the public, developers, the City and other governmental agencies.

E. Assets, Liabilities, Deferred Inflows of Resources and Net Position

1. Deposits and Investments

The CRA's cash and cash equivalents are considered to be cash on hand, demand and time deposits and short-term

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

investments with original maturities of three months or less from the date of acquisition by the CRA. State statutes authorize the CRA to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, corporate bonds, repurchase agreements, State Treasurer's Investment Pool, investment pools governed by interlocal agreements and the Florida League of Cities Municipal Investment Trust.

Investments in participating interest-earning contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. All other investments are reported at fair value or amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The CRA 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 fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

2. Receivables and Payables

All trade and other receivables are shown net of an allowance for uncollectibles. Long-term receivables are analyzed for their collectability based on their terms and conditions of the agreements.

3. Capital Assets

Capital assets, which include land and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. The CRA's capitalization threshold for tangible capital assets is \$10,000. In addition, these assets must have an estimated useful life of greater than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Equipment is depreciated using the straight-line method over 3 to 40 years of estimated useful life.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The CRA records impairment losses on long lived assets used in operations when events or circumstances indicate the assets might be impaired. No impairment losses have been recorded.

4. Liabilities – Performance Bonds, Escrow for Performance bonds and Escrow funds

Liabilities include amounts paid to the CRA by contractors as guarantees of performance. These amounts may be due back to the contractors.

5. Deferred Inflows of Resources

The governmental fund financial statements include a separate section for deferred inflows of resources. Deferred Inflows of resources represent the acquisition of net assets that is applicable to a future accounting period and will not be recognized as revenue until the future period to which it applies. The CRA reports unavailable revenue and leases in this category.

The CRA's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Lease-related amounts are recognized at the inception of leases in which the CRA is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. Under the lease agreement, the CRA may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

6. Net Position

Net position is the result of assets and deferred outflows less liabilities and deferred inflows. The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation and retainage payable, when applicable.

Restricted Net Position – amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. These amounts are reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – consists of the net position not meeting the definition of either of the other two components.

7. Fund Balance

The CRA classifies fund balance in accordance with GASB Statement No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions.*” This Statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

In the governmental fund financial statements, the CRA reports the following classifications:

Restricted fund balance. Restricted fund balances are amounts that are constrained by the imposition of external creditors, grantors, contributors, or laws or regulations of other governmental agencies or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. Those amounts that can only be used for specific purposes pursuant to constraints imposed by the CRA through a resolution (which is equally binding as the highest decision-making authority) are classified as committed fund balances.

8. Risk Management

The CRA obtains insurance coverage for the CRA through the Florida League of Cities Municipal Insurance Trust that provides coverage for general liability, cyber liability and auto liability up to \$2,000,000.

9. Accounting Estimates

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

10. Encumbrances

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse at the end of the fiscal year, the succeeding year’s budget ordinance specifically provides for the re-appropriation of year-end encumbrances.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

F. Other Policies

1. Incremental Property Tax Revenue

The CRA's primary source of revenue is tax-increment funds. This revenue is computed by applying the respective operating tax rates for the City, the County, and the Greater Boca Raton Beach and Park District, multiplied by the increased value of property located within the boundaries of the redevelopment areas of the CRA in excess of the base property value, minus 5%. Tax Increment millage rates excluded the PBC Health Care District beginning in FY 1991 and the Children's Service Council beginning in FY 1992. The City, the County, and the Greater Boca Raton Beach and Park District are required to fund this amount annually without regard to tax collections or other obligations.

The taxable value of real property in the redevelopment area has risen dramatically from 1984 through 2024. In 1984 the taxable value of the redevelopment area was \$115.4 million. Comparatively, in 2024 the taxable value of the redevelopment area was \$2.52 billion. Based upon the millage rates and the dramatic increase in taxable values the tax increment revenue has grown significantly during the same period. In 1984, the tax increment revenue was approximately \$328,000. In 2024, the tax increment revenue was \$21.47 million. The percentage of the total tax increment revenue paid by the 10 largest taxpayers has decreased from 58.5% in 1998 to 52.7% in 2024 taxable property.

2. Deposits and Investments

General Authorization:

Cash and cash equivalents include cash on hand, amounts in demand and time deposits, and short-term investments with original maturity dates within three months of the date acquired by the CRA. All of the CRA's deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, Florida Security for Public Deposits Act. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 200% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. Therefore, all deposits are insured or collateralized.

The CRA's investment practices are governed by Chapter 280 and 218, Florida Statutes, City Code of Ordinances, Section 20, the adopted investment policy, and various legal covenants related to outstanding bond issues. The CRA adopted the City's investment policy. The CRA's investment policy as well as the investments are administrated by the City as part of an interlocal agreement. For all investments authorized by statute and policy, the CRA applies the "Prudent Man Rule" when developing investment strategies.

Types of Investments:

The CRA is authorized to invest in a wide range of securities that include certificates of deposit, money market funds, U.S. Treasury obligations, State and U.S. Government Agencies and Enterprises, State and Local Government Series, corporate bonds, the State Board of Administration investment pool, interlocal investment pools, the Florida Municipal Investment Trust, mutual funds, foreign obligations of the government of Israel (State of Israel), and repurchase agreements.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

The CRA participates in seven pooled investment funds, three of which behave as SEC-regulated money market funds under SEC Rule 2a7. Therefore, in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which established criteria for an external investment pool for making the selection to qualify to measure its investments at amortized cost, these pools are exempt from the GASB 72, *Fair Value Measurement and Application* hierarchy disclosures and are reported at amortized cost. Detailed information for these pooled investment funds are as follows:

Florida PRIME

The State Board of Administration (SBA) administers the Florida PRIME pool which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME pool. Florida PRIME invests in a pool of investments whereby the CRA owns a share of the respective pool, not the underlying securities. The fair value of the position in the Florida PRIME pool is equal to the value of the pool shares.

The investments in the Florida PRIME are not insured by FDIC or any other governmental agency.

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

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

FLCLASS

The Florida Cooperative Liquid Assets Securities System Trust (FLCLASS) is a common law trust established, created, and authorized by an Interlocal Agreement by and among participating Florida public agencies. FLCLASS is an authorized investment pool under Section 218.415(16)(a), Florida Statutes, and was established for participating Florida agencies on April 1, 2015 under the Interlocal Agreement and commenced operations on July 15, 2015 (inception). FLCLASS is available for investment by any unit of local government within the State of Florida. The purpose of FLCLASS is to enable such units to cooperate in the investment of their available funds.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

FLCLASS offers two pools: The Cash Pool and the Enhanced Cash Pool. The City participates in both pools. The Cash Pool operates like a money market mutual fund with each share valued at \$1.00. The Enhanced Cash Pool is designed to complement the FLCLASS daily liquidity fund for Florida government entities and does not seek to maintain a stable Net Asset Value (NAV). The Enhanced Cash Pool instead establishes a \$10.00 transactional share price and publishes a fair value NAV. As of September 30, 2024 the CRA had no funds invested in the Enhanced Cash Pool.

FL PALM

Florida Public Assets for Liquidity Management Fund (FL PALM) is a common law trust organized under the authority of the Florida Interlocal Cooperation Act of 1969, as amended (Section 163.01 of the Florida Statutes) and Section 218.415 of the Florida Statutes. FL PALM was created on October 22, 2010 by contract among its participating governmental units and is governed by its trustees.

The Trust Agreement for FL PALM permits and provides for the creation of several specialized asset portfolios. The CRA participates in two of these portfolios known as the FL PALM Portfolio and the FL PALM Term Portfolio. The FL PALM Portfolio seeks to maintain a stable \$1.00 net asset value and reports at amortized cost. The FL PALM Term Portfolio seeks to assure the return of principal on the planned maturity date and there is a penalty for early withdrawal. The Term Portfolio is reported at NAV.

FL-FIT

The Florida Fixed Income Trust (FL-FIT) was created on April 28, 2010, under the laws of the State of Florida, to provide eligible units of local governments with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Trust began operations on July 1, 2010. The CRA participates in the FL FIT Cash Pool and the FL-FIT Choice Pool, two of the five portfolios offered by the Trust. Neither pool meets the criteria required to be exempted from fair value leveling and is measured and reported at NAV.

FMIvT

The CRA additionally participates in two pooled investment funds administered by the Florida League of Cities which do not meet the criteria required to be exempted from fair value leveling. These funds are referred to collectively as follows:

The Florida League of Cities Municipal Investment Trust (FMIvT) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

At September 30, 2024, the CRA had the following cash, cash equivalents and investments:

Portfolio/Investments	Fair Value	Average Maturity	Credit Rating	Rating Agency	Percent Distribution
<u>Cash and cash equivalents:</u>					
Cash Deposits	\$ 2,281,361				6.45%
Florida PRIME	1,958,261	39 days	AAAm	S&P	5.54%
FLCLASS Cash Pool	320,649	30 days	AAAm	S&P	0.91%
FL PALM Cash Pool	501,302	35 days	AAAm	S&P	1.42%
Total Cash and Cash Equivalents	5,061,573				14.31%
<u>Investments:</u>					
FMIvT 0-2 Year High Quality Bond Fund	2,110,358	0.90 years	AAAf/S1	Fitch, S&P	5.97%
FMIvT Intermediate High Quality Bond Fund	1,924,208	4.90 years	AAf/S3	Fitch	5.44%
FL-FIT Cash Pool	13,779	50 days	AAAf/S1	Fitch	0.04%
FL-FIT Choice Pool	991,673	112 days	AAAf	Fitch	2.80%
FL PALM Term Portfolio	521,933	143 days	AAAf	Fitch	1.48%
<u>U.S. Government Securities:</u>					
Treasury Notes	529,028	3.42 years	AA+	S&P	1.50%
<u>U.S. Government Sponsored Enterprises:</u>					
Federal National Mortgage Association	980,290	1.00 years	AA+	S&P	2.77%
Federal Home Loan Bank	7,087,460	2.70 years	AA+	S&P	20.04%
Federal Farm Credit Bank	2,356,930	2.22 years	AA+	S&P	6.66%
Federal Agricultural Mortgage Corporation	7,871,124	2.54 years	AA+	S&P	22.25%
<u>Corporate Obligations</u>					
Bonds	255,069	2.42 years	A-	S&P	0.72%
Bonds	1,295,245	1.94 years	A	S&P	3.66%
Bonds	2,148,984	1.65 years	A+	S&P	6.08%
Bonds	1,425,857	1.55 years	AA-	S&P	4.03%
Bonds	484,617	1.06 years	AA+	S&P	1.37%
<u>International Investments:</u>					
Foreign Bond	313,156	0.84 years	AA-	S&P	0.89%
Total Investments	30,309,711				85.69%
Total Cash, Cash Equivalents and Investments	\$ 35,371,284				100.00%

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The CRA categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market. The investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

Level 3 – Investments reflect prices based upon unobservable inputs.

The investment pricing transparency determines the category within the hierarchy and should not be observed as the investment risk. The custodian bank’s (primary external pricing vendors) quoted prices were used to determine level classification based on the fair value hierarchy.

At September 30, 2024, the investments by fair value level are:

Investment Type	As of 9/30/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FMIvT 0-2 Year High Quality Bond Fund	\$ 2,110,358	\$ -	\$ 2,110,358	\$ -
FMIvT Intermediate High Quality Bond Fund	1,924,208	-	1,924,208	-
U.S. Government Securities:				
Treasury Notes	529,028	-	529,028	-
U.S. Government-Sponsored Enterprises:				
Federal National Mortgage Association	980,290	-	980,290	-
Federal Home Loan Bank	7,087,460	-	7,087,460	-
Federal Farm Credit Bank	2,356,930	-	2,356,930	-
Federal Agricultural Mortgage Corp.	7,871,124	-	7,871,124	-
Corporate Bonds	5,609,772	-	5,609,772	-
International Investments:				
Foreign Bond	313,156	-	313,156	-
Total Investments at Fair Value	\$ 28,782,326	\$ -	\$ 28,782,326	\$ -

Investment at the net asset value (NAV)	As of 9/30/2024	Redemption Frequency	Days Notice Before Redemption	Penalty if Redeemed Early
FL-FIT Cash Pool	13,779	Daily	Same Day	No
FL-FIT Choice Pool	991,673	Daily	Same Day	Yes
FL PALM Term Portfolio	521,933	Daily	Same Day	Yes
Total Investments measured at NAV	1,527,385			
Total Investments	\$ 30,309,711			

Cash Equivalents				
Florida PRIME	\$ 1,958,261	Daily	Same Day	No
FLCLASS Cash Pool	\$ 320,649	Daily	Same Day	No
FL PALM Cash Pool	\$ 501,302	Daily	Same Day	No

There are no unfunded commitments.

FMIvT 0-2 Year High Quality Government Fund

This fund invests mainly in US government and agency securities and asset-backed securities. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. (Level 2 inputs).

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

FMIvT Intermediate High Quality Bond Fund

This fund invests mainly in US government and agency securities, asset-backed securities and corporate bonds and notes. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. (Level 2 inputs).

U.S. Government Securities

Security prices were obtained from a pricing service, Interactive Data Corporation (IDC). The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs.

U.S. Government Agencies

Security prices were obtained from a pricing service, Interactive Data Corporation (IDC). The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs.

Corporate Obligations

Security prices were obtained from a pricing service, Interactive Data Corporation (IDC). The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs.

Municipal Obligations

The CRA's investment policy allows investments in Municipal Obligations, but there were no Municipal Bonds in the CRA's investment portfolio at September 30, 2024.

International Investments

The CRA's investment policy allows investments in obligations of the government of Israel (State of Israel) and the single foreign obligation that is in the CRA's investment portfolio at September 30, 2024 is an Israel Jubilee Bond. The security prices were valued using a matrix pricing technique. Matrix pricing is used to value securities based on broker/dealer quotes (Level 2 inputs).

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The CRA's investment policy limits investments to those having a maturity, at the time of purchase, of less than five years. There were no investments in the CRA's portfolio that exceeded this maximum maturity at September 30, 2024.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counter-party to an investment may be unable to fulfill its obligations. The CRA's investment policy allows investments in U.S. Government sponsored agencies and enterprises, corporate notes, municipal notes, the Florida PRIME investment pool, interlocal investment pools, and the Florida Municipal Investment Trust. The ratings of the investments held at year end are shown above. All are rated within the policy guidelines.

Concentration of Credit Risk

In addition to describing the credit risk of investments in the portfolio, governmental entities need to disclose the concentration of any single investment type or holding per single issuer. The percentage allocation of each cash investment type in the portfolio is shown in the preceding table. The CRA's investment policy allows investment concentrations in various percentages for different types of investments. GASB Statement No. 40 requires disclosures when the percent is 5% or more of total investments position in any one issuer. As of September 30,

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

2024, the CRA had more than 5% invested with Florida PRIME, FMIvT, Federal Home Loan Bank, Federal Farm Credit Bank, and Federal Agricultural Mortgage Corporation. The percentage concentrations of investments from each issuer are shown above.

Custodial Risk

The CRA’s investment policy requires that all securities, with the exception of certificates of deposit, be held with a third-party custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of September 30, 2024, the CRA’s investment portfolio was held with a third-party custodian.

3. Receivables

Receivables as of the fiscal year-end for the CRA’s Operating fund include interest receivable.

Collectible as follows:

Receivables:	
Lease Receivable	\$ 58,693,279
Interest Receivable on Leases	1,409,814
Interest on investments	<u>255,420</u>
Net governmental receivables	<u><u>\$ 60,358,513</u></u>

4. Lease Receivable

The CRA is a lessor for several noncancellable leases including but not limited to ground leases associated with Mizner Park. The CRA recognizes a lease receivable and a deferred inflow of resources in the governmental fund financial statements.

At the commencement of a lease, the CRA initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

In March of 1990, the CRA entered into several 99-year ground leases with Crocker/BRM Associates, LTD. Over the years Crocker/BRM has been acquired by various entities and its assets are currently owned by General Growth Properties. Under the terms of the leases base rent increased over the time. During the 2019 fiscal year base rent

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

transitioned to the maximum monthly amount for the rest of the lease. Under the current terms of leases, the lessees pay the CRA \$150,833 per month for the remaining term of the lease. In addition to the base rent, each lease contains a provision for variable rent based on Net Operating Income ("NOI"), termed NOI Rent in the leases. In a year where the lessee's NOI exceeds the fixed lease payment for the year, the lessee makes an additional variable payment equal to 10% percent of the excess. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.402%, which is the estimated incremental borrowing rate.

The following schedule provides the future minimum lease payments pursuant to several leases between the CRA and the developers.

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Lease Receivable:				
Land	\$ 59,084,080	\$ -	\$ 390,801	\$ 58,693,279
Total Lease Receivable	\$ 59,084,080	\$ -	\$ 390,801	\$ 58,693,279

Fiscal Year	Principal and Interest Expected to Maturity		
	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 400,187	\$ 1,409,813	\$ 1,810,000
2026	409,800	1,400,200	1,810,000
2027	419,643	1,390,357	1,810,000
2028	429,723	1,380,277	1,810,000
2029	440,045	1,369,955	1,810,000
2030 - 2034	2,363,944	6,686,056	9,050,000
2035 - 2039	2,661,824	6,388,176	9,050,000
2040 - 2044	2,997,240	6,052,760	9,050,000
2045 - 2049	3,374,922	5,675,078	9,050,000
2050 - 2054	3,800,196	5,249,804	9,050,000
2055 - 2059	4,279,058	4,770,942	9,050,000
2060 - 2064	4,818,261	4,231,739	9,050,000
2065 - 2069	5,425,410	3,624,590	9,050,000
2070 - 2074	6,109,065	2,940,935	9,050,000
2075 - 2079	6,878,867	2,171,133	9,050,000
2080 - 2084	7,745,672	1,304,328	9,050,000
2085 - 2088	6,139,422	346,411	6,485,833
Total	\$ 58,693,279	\$ 56,392,554	\$ 115,085,833

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

5. Capital Assets

The following is a summary of capital asset activity for the fiscal year ended September 30, 2024:

Governmental activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 41,616,144	\$ -	\$ -	\$ 41,616,144
Construction in progress	4,294,627	1,000,475	3,739,919	1,555,183
Total capital assets not being depreciated	<u>45,910,771</u>	<u>1,000,475</u>	<u>3,739,919</u>	<u>43,171,327</u>
Capital assets being depreciated:				
Infrastructure	249,944	3,739,919	-	3,989,863
Machinery and equipment	305,816	2,738	-	308,554
Total capital assets being depreciated	<u>555,760</u>	<u>3,742,657</u>	<u>-</u>	<u>4,298,417</u>
Less accumulated depreciation for:				
Infrastructure	14,511	35,381		49,892
Machinery and equipment	61,169	42,508	-	103,677
Total accumulated depreciation	<u>75,680</u>	<u>77,889</u>	<u>-</u>	<u>153,569</u>
Total capital assets being depreciated, net	<u>480,080</u>	<u>3,664,768</u>	<u>-</u>	<u>4,144,848</u>
Total governmental activities, capital assets, net	<u>\$ 46,390,851</u>	<u>\$ 4,665,243</u>	<u>\$ 3,739,919</u>	<u>\$ 47,316,175</u>

Depreciation/amortization expense was charged to function/program of the primary government as follows:

	Depreciation Expense
Governmental activities:	
Community Development	\$ 77,889
Total depreciation expense, governmental activities	<u>\$ 77,889</u>

6. Services provided by the City of Boca Raton

The City of Boca Raton has advanced substantial funds to the CRA based upon interlocal agreements in order to cover a number of unforeseen events which have occurred with respect to the redevelopment program. Among these events were:

Florida State Legislative action reducing the tax increment through the exclusion of the Palm Beach County Health Care District in 1991. Florida State Legislative action reducing the tax increment through the exclusion of the Children’s Services Council in 1992. The significant reduction in taxable values in the redevelopment area brought about by the recession of the early 1990’s and the savings and loan crisis; and higher than expected Mizner Park Operating expenses.

As a result of these events in the past, there has not been sufficient revenues from the tax increment and Mizner Park leases to pay all of the Mizner Park debt service, maintain Mizner Park and the CRA operation. To address these issues, CRA and the City have entered into two (2) interlocal agreements. Under the first of these interlocal agreements, the City funds the debt service deficiency from Public Service Taxes. Under the second agreement, the City provides the resources necessary to continue the CRA operations through a combination of operating transfers to the CRA, the provision of services (accounting, legal, engineering, etc.) and maintenance of Mizner Park.

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2024

As of September 30, 2024, the outstanding amount of these transfers, deficiency payments and services were:

Transfers for Operations	\$ 712,200
Services Provided	38,553,440
Recreation Services(Including Mizner Park Maint)	31,506,385
Interest related to the above	7,543,338
Mizner Park Bond Deficiency payments and debt service transfers	<u>7,729,500</u>
Total	86,044,863
Total repayments	<u>(85,750,000)</u>
Total Outstanding	<u><u>\$ 294,863</u></u>

Under the terms of the interlocal agreements the CRA must repay the above amounts when future revenues become available. For FY 2010 through FY 2024 the CRA repaid the City \$85.75 million in total for Mizner Park deficiency payments, debt service transfers and other costs of operations. This includes a payment of \$6.5 million in 2024. The CRA has reimbursed all the outstanding reimbursement expenses from prior years to the City. Going forward the CRA will be reimbursing the City for actual expenses incurred during the year. For the next fiscal year that amount is budgeted to be \$6.5 million.

7. Source of Deposits and Purpose of Withdrawals for the Agency

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the CRA Funds for the fiscal year ended September 30, 2024:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues	\$ 21,466,018	
Lease revenues	3,622,863	
Investment income	1,775,726	
Other charges for services	1,049,583	
Purpose of withdrawals		
Repayment to City		\$ 6,500,000
Salaries and benefits (for City Employees)		3,232,456
Capital Outlay		1,003,213
Bank Fees		325,457
General Maintenance		323,464
IT Technology		275,265
Professional services		191,292
Motor Pool		141,978
Other Operating Charges		40,066
Insurance premiums		20,435
Dues and subscriptions		11,636
Supplies		10,553
Advertising		3,158
Other contractual services		55
	<u>\$ 27,914,190</u>	<u>\$ 12,079,028</u>

Required Supplementary Information

**BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Taxes	\$ 21,250,000	\$ 21,250,000	\$ 21,466,018	\$ 216,018
Charges for services	3,464,400	3,464,400	4,672,446	1,208,046
Investment earnings	606,000	606,000	1,775,726	1,169,726
Total revenues	<u>25,320,400</u>	<u>25,320,400</u>	<u>27,914,190</u>	<u>2,593,790</u>
EXPENDITURES				
Community development	22,726,700	22,726,700	11,075,815	11,650,885
Capital outlay	4,325,000	4,325,000	1,003,213	3,321,787
Total expenditures	<u>27,051,700</u>	<u>27,051,700</u>	<u>12,079,028</u>	<u>14,972,672</u>
Net change in fund balance	<u>\$ (1,731,300)</u>	<u>\$ (1,731,300)</u>	15,835,162	<u>\$ 17,566,462</u>
Fund balance - beginning			<u>19,378,253</u>	
Fund balance - ending			<u>\$ 35,213,415</u>	

See accompanying note to required supplementary information

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Boca Raton, Florida)

Notes to the Budgetary Comparison Schedule

For the Fiscal Year Ended September 30, 2024

Budgetary Information

The CRA is required to establish a budgetary system and an approved annual budget for the CRA Operating Fund. The CRA's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The CRA adopts an annual budget for the Fund. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. A budgetary comparison schedule is presented for the Operating Fund. Expenditures may not exceed the budget and are controlled at the fund level.

Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board. The reported budgetary data represents the final approved budget after amendments adopted by the Board.

Other Information

BOCA RATON COMMUNITY DEVELOPMENT AGENCY
(A Component Unit of the City of Boca Raton, Florida)

Other Information

Data Elements Required As Required By Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General (Unaudited)

Element	Notes/Comments
Number of district employees compensated at 9/30/2024	-
Number of independent contractors compensated in September 2024	-
Employee compensation for FYE 9/30/2024 (paid/accrued)	-
Independent contractor compensation for FYE 9/30/2024	-

Construction projects that began on or after October 1; (>\$65k)	Current Year Actual Amounts	Prior Year Actual Amounts
<u>Construction Projects</u>	<u>FY24 Budget</u>	<u>FY23 Budget</u>
Hardscape Maintenance Program	\$ 100,000	\$ 9,518
Adaptive Traffic Signal Control	46,900	19,314
Metered Parking	170,000	-
Downtown Decorative Street Lights	330,600	30,526
Downtown Walkability Improvements	101,700	-
Downtown Palmetto Park Road Connectivity and Mobility	550,000	408,027
NW 1st Ave & NE 2nd St. Walkability Enhancements	420,500	229,074
Drainage Improvements	1,600,000	-
Roadway and Sidewalk	1,000,000	367,373
Pedestrian Bridge	150,000	-
Sanborn Square Renovation	350,000	136,816

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase/ (Decrease)</u>
REVENUES			
Taxes	\$ 21,250,000	\$ 21,250,000	\$ -
Charges for services	3,464,400	3,464,400	-
Investment earnings (loss)	606,000	606,000	-
Total Revenues	25,320,400	25,320,400	-
EXPENDITURES			
Community development	22,726,700	22,726,700	-
Capital outlay	4,325,000	4,325,000	-
Total Expenditures	27,051,700	27,051,700	-
Net Change in fund balance	\$ (1,731,300)	\$ (1,731,300)	\$ -

Reporting Section

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance with Government Auditing Standards**

To the Chair, Vice Chair, Commissioners and Executive Director
Boca Raton Community Redevelopment Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities and the major fund of the Boca Raton Community Redevelopment Agency (the “CRA”), a component unit of the City of Boca Raton, Florida, as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA’s basic financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

West Palm Beach, FL
March 28, 2025

**Management Letter in Accordance with the Rules of the
Auditor General of the State of Florida**

To the Chair, Vice Chair, Commissioners and Executive Director
Boca Raton Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Boca Raton Community Redevelopment Agency (the “CRA”), a component unit of the City of Boca Raton, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 28, 2025.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2025, 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. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note 2 to the financial statements.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the CRA's geographical boundaries during the fiscal year under audit. There was no PACE Program operating within the CRA's geographical boundaries.

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 Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information for Special Districts

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the CRA reported the required information in the Other Information Section found on page 33.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has 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, and other regulatory agencies, the CRA Board of Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

West Palm Beach, FL
March 28, 2025

**Independent Accountants' Report on Compliance Pursuant to
Section 218.415, 163.387(6) and 163.387(7), Florida Statutes**

To the Chair, Vice Chair, Commissioners and Executive Director
Boca Raton Community Redevelopment Agency

We have examined the Boca Raton Community Redevelopment Agency (the "CRA"), a component unit of the City of Boca Raton, Florida, compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2024. We also examined the CRA's compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2024. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

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

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

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

In our opinion, the CRA complied, in all material respects, with Section 218.415, 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2024.

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

CBIZ CPAs P.C.

West Palm Beach, FL
March 28, 2025