

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	June 10, 2025	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular
		<input type="checkbox"/> Workshop	<input type="checkbox"/> Public Hearing
Department:	Office of Financial Management and Budget		
Submitted By:	Office of Financial Management and Budget		


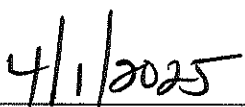

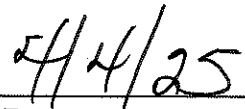
I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: The Annual Report and Financial Statement for the Fiscal Year ending September 30, 2024 from the Boca Raton Community Redevelopment Agency (BR CRA).

Summary: The BR CRA has submitted its Annual Report and Financial Statement for the Fiscal Year ending September 30, 2024 as per section number 163.387(6)(b), Florida Statutes. Countywide (DB).

Background and Justification: N/A

Attachments: Annual Report and Financial Statement

Recommended by:		
	Department Director	Date
Approved by:		
	County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____

ADDITIONAL FTE
POSITIONS (Cumulative)

Is Item Included In Current Budget? Yes _____ No X
Does this item include the use of Federal Funds? Yes _____ No X
Does this item include the use of State Funds? Yes _____ No X

Budget Account No. Fund _____ Department _____ Unit _____ Object _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

Lisa Menta 4/2/25
OFMB PA11 OB 4/2

N/A
Contract Dev. and Control

B. Legal Sufficiency:

[Signature] 4/2/25
Assistant County Attorney

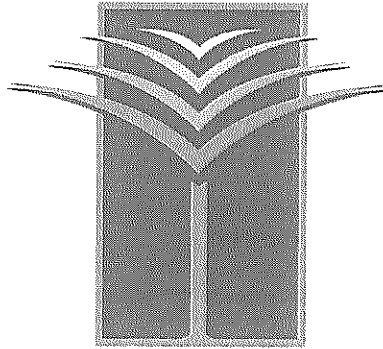
C. Other Department Review:

N/A
Department Director

This summary is not to be used as a basis for payment

BOCA RATON COMMUNITY REDEVELOPMENT AGENCY ANNUAL REPORT

Under Florida Statute Chapter 163.371



DOWNTOWN BOCA

FISCAL YEAR ENDED
September 30, 2024

201 WEST PALMETTO PARK ROAD
BOCA RATON, FLORIDA 33432-3730
(561) 367 – 7070



March 29, 2025

Boca Raton Community Redevelopment Agency
Palm Beach County Board of Commissioners
Greater Boca Raton Beach and Park District Board of Commissioners
Citizens of the City of Boca Raton and Palm Beach County, Florida

Ladies and Gentlemen:

We are pleased to submit the Annual Report of the Boca Raton Community Redevelopment Agency (BRCRA) for the fiscal year ended September 30, 2024. State law requires that every community redevelopment agency annually file a report of activities for the preceding fiscal year. In addition to meeting the legal requirements established in Chapter 163 of the Florida Statutes, the report provides additional information concerning the benefits afforded by the Agency to other jurisdictions and citizenry in general.

It is the philosophy of the BRCRA to keep all interested parties informed with respect to the activities of the BRCRA and to encourage active participation in the formulation and implementation of the redevelopment programs benefiting the entire area. The Annual Report plays an important role in this process by:

- assisting in the economic, social and political decisions affecting the BRCRA and redevelopment programs;
- determining compliance with Chapter 163.371 of the Florida Statutes; and
- assisting in evaluating the efficiency and effectiveness of BRCRA's redevelopment efforts.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the BRCRA. We believe the information, as presented in this is accurate in all material respects, and that all disclosures necessary to enable the reader to gain an understanding of the BRCRA's operations and financial activity have been disclosed.

In addition, state regulations require an independent financial audit and the issuance of standalone financial statements of the BRCRA Pursuant to 163.71(2)(a). The audit report and Annual Financial Report are attached to this report and are available on the BRCRA website.

Respectfully yours,

George S. Brown
Executive Director

C: James L. Zervis, CPA, GPFO, Deputy City Manager/CFO
Ruby Riley, AICP, Downtown Manager
Carlisha Jenkins, Deputy CFO
Stephen Timberlake, Special Projects Manager

Introduction

The Boca Raton Community Redevelopment Agency (BRCRA) was created in 1980 by the City of Boca Raton City Council under Chapter 163, Part III, of the Florida Statutes. The BRCRA is responsible for promoting economic redevelopment in the designated 344-acre Community Redevelopment Area (Exhibit 1 on page 2) in downtown Boca Raton (the “Redevelopment Area” or “Downtown”).

The BRCRA Board of Commissioners was originally comprised of five (5) members appointed by the City Council. This was later increased to seven (7) members in 1984. In February 1991, an initiative referendum replaced the appointed seven (7) members of the BRCRA Board of Commissioners with the five (5) City Council members. The City Council members currently serve as the BRCRA Board of Commissioners and the BRCRA is a dependent special district of the City of Boca Raton.

Under Florida Statutes and City Ordinances, the BRCRA has substantial powers and authority within the Redevelopment Area. These include the power to make and execute contracts, to acquire and dispose of property, to approve development plans, to implement a program of voluntary or compulsory rehabilitation of buildings, to mortgage its property, to borrow and invest money, and to apply for and accept grants and contributions.

The primary funding source available to the BRCRA is Tax Increment Revenue. Tax Increment Revenue is the increase in ad valorem (property) tax attributed to increases in the assessed value over a “base year” for various jurisdictions in the Redevelopment Area. In the case of the BRCRA, the jurisdictions remitting tax increment are the City of Boca Raton, Palm Beach County and the Greater Boca Raton Beach and Park District.

Tax increment revenues provide a unique financial tool for funding redevelopment activities. Redevelopment activities in turn increase the tax increment through the development of new projects in the Redevelopment Area. Without the redevelopment activities of the BRCRA little, if any, of the tax increment would exist.

In 2024, the BRCRA received \$21.466 million from the increase in ad valorem revenues over the “base year” in the redevelopment area (tax increment). The contributors to the BRCRA continue to be Palm Beach County, the City of Boca Raton, and the Greater Boca Raton Beach and Park District.

History of the BRCRA

After establishing the BRCRA in 1980, the City in 1982 established the Redevelopment Trust Fund and the “base year” for tax increment revenues as well as adopted the 1982 Community Redevelopment Plan. The 1982 plan set up land use controls, transportation and parking concepts and sign guidelines to aid in the achievement of specific redevelopment objectives. The 1982 Plan was largely dependent on private initiatives for the redevelopment of the area. The 1982 Plan produced little redevelopment activity with the exception of Sanborn Square Park and a few beautification improvements. The only major redevelopment project proposed during this time period, the Barbar Project, was defeated by the voters at a referendum in 1984.

The BRCRA reexamined its approach to redevelopment and in 1986 undertook a public initiative to stimulate additional redevelopment in the Downtown by seeking approval of a Downtown Development of Regional Impact (“DDRI”) for the entire Redevelopment Area. This process resulted in a new approach to downtown redevelopment based upon:

- developing Mizner Park to give people a reason to go Downtown;
- solving the infrastructure problems in Downtown; and
- eliminating the impediments to redevelopment through the approval process.

The DDRI application was completed in January 1988 and a Development Order (Resolution No. 88-28) was approved by the City Council on March 15, 1988. The Development Order allows the construction of approximately 5,000,000 square feet of additional office equivalent development in the Downtown. The City and the BRCRA approved the Visions 90 Capital Improvements Program, a \$45 million dollar capital facilities plan to provide the infrastructure improvements to support this level of Downtown development and to mitigate impacts on the general public.

The Development Order was particularly significant as a result of the Florida Growth Management Act of 1985 as amended (“Growth Management Act”) which imposed considerable restraints on large-scale growth and development. The Development Order approval received by the BRCRA allows large developments in the Downtown to operate under the BRCRA’s Development Order, thereby allowing developers to bypass the expensive and time-consuming Development of Regional Impact (DRI) process.

Pursuant to the Development Order, the Visions 90 Downtown Capital Improvements Program provides a comprehensive set of water, sewer, roads, drainage, and beautification improvements in the Downtown. These improvements provide the Downtown with efficient access to the regional road networks; upgraded water, sewer and drainage facilities; and transform the Downtown streets into attractive tree-lined ways with distinctive sidewalks, street lights, traffic signals and outdoor furniture. The Visions 90 Downtown Capital Improvements Program was funded and built by the cooperative efforts of the Florida Department of Transportation, Palm Beach County, City of Boca Raton and special assessments on benefited Downtown Properties paid by downtown property owners. Major completed projects include Federal Highway, Palmetto Park Road, Mizner Boulevard and numerous side streets.

In 1989 the BRCRA, with the assistance of the City of Boca Raton, undertook a major redevelopment project, Mizner Park. The Mizner Park Project involved the issuance of \$68 million dollars in Bonds and the acquisition of the Boca Mall site (30 acres), demolition of the mall and construction of a mixed use “urban village” incorporating public park facilities, mixed-use development and cultural facilities. Mizner Park opened in January of 1991, giving people a renewed reason to go Downtown.

- no increase in development on the site beyond that which would be approvable on the site prior to this amendment.

In February 2012, the BRCRA adopted a resolution to convey to the City of Boca Raton the Amphitheater at Mizner Park. The City previously purchased the Amphitheater in 2011. Upon the authorization of the conveyance, the City now owns both the land and facility and is responsible for programming, maintenance and upkeep.

In September 2012, the BRCRA reviewed and accepted a Notice of Proposed Change (NOPC) to modify a transportation condition and improvement. The amendment to the development order authorized the improvement to the intersection of Palmetto Park Road and Mizner Boulevard by the elimination of turn lanes along Palmetto Park Road.

In May 2013, the Development Order was amended by modifying the reporting requirements. Pursuant to Section 380.06, Florida Statute, the Development of Regional Impact report was changed from annual to biennial. The modification to the Development Order was necessary to comply with the current Florida Statute.

In January 2015, the Development Order was amended by reducing the minimum parcel size requirement from 2.0 to 1.20 acres for certain applications for Downtown Quality Projects. This amendment was determined to be non-substantial under Section 380.06 (19) Florida Statute.

In February 2015, the Development Order was amended by modifying a transportation related condition and improvement regarding the removal of the requirements for geometric improvements at the intersection of Camino Real and South Dixie Highway. This amendment was determined to be non-substantial under Section 380.06 (19) Florida Statute.

In February 2018, the Development Order was amended by allowing roof overhangs, gutters, balconies and decorative architectural features to encroach into required setbacks of buildings from right-of-way lines.

In December 2018 the BRCRA made the final debt service payment of \$6,620,000 for the bonds related to the Mizner Park Project. The Mizner Park Tax Increment bonds were funded from tax increment revenue and land lease revenue from Mizner Park. The bonds were retired in December 2018.

In January 2020, the Development Order was amended to authorize the Executive Director to issue Administrative Individual Development Approvals for 5,000 square feet or less of development or office equivalent development as applicable for a new building or addition to an existing building; a change or use; or a transfer of uses between subareas.

In March 2020, the Development Order was amended to regulate retail pharmacies and medical marijuana treatment center dispensing facilities.

In September 2020, the Amended Downtown Plan was updated to include relevant expenses and costs of redevelopment efforts Downtown and updating related policy.

On July 27, 2022, the Development Order was amended by Ordinance No. 5581. This amendment reflected the established planning principles, guidelines, goals and requirements included within the DDRI and the Amended Downtown Plan as specific criteria to be reviewed in connection with applications for individual approval.

addition, during this period, Agency activities were significantly involved in day-to-day operations of existing programs in cooperation with the City. Achievements of the BRCRA in FY 2024 include:

- In coordination with the Public Works and Engineering Department, the CRA continued the evaluation phase of the Palmetto Park Road connectivity and mobility study for analysis of potential multi-modal mobility strategies.
- In coordination with Public Works and Engineering Department, continues paver replacement throughout the Downtown.
- Amended the Amended Downtown Plan, extending the Annual Tax Increment Funding Period of the Redevelopment Trust Fund and created a new expiration date of August 10, 2042. The Plan was further amended to include all planned services and infrastructure improvements of redevelopment projects for which excess TIF funds will be expended.
- Coordinated with the Public Works and Engineering Department on the implementation and analysis of the new BocaCONNECT circulator/transit system for Boca.
- Continued implementation of initiatives from the Strategic Branding and Marketing Plan branding Downtown Boca as a destination.
- Coordination with Brookfield Properties regarding improvements in the Publicly Owned Area (POA) including but not limited to painting of benches, lamp poles, trash bins, gazebos as well as renovations to the fountains and upgrades to the electrical system.
- Commenced the process for the installation of drinking water fountains and security cameras in Mizner Park
- Installation of a lighted artwork in Mizner Park for photo opportunities
- Continued coordination with the Public Works and Engineering Department on decorative street lighting enhancement program for the Downtown.
- Administered the terms of the Mizner Park Leases.
- Completed the Annual Report of the CRA under Chapter 163.371 F.S.
- Completed the Annual Report of the CRA under Chapter 189.0694 F.S
- Completed the Annual Report to Downtown Property Owners.
- Completed the DDRI Biennial Report

Tax Increment

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. Palm Beach County, the City of Boca Raton and the Greater Boca Raton Beach and Park District currently make Tax Increment payments into the BRCRA's Redevelopment Trust Fund.

The City's operating millage rates have increased from \$3.099 per \$1,000 in 1984 to \$3.6580 per \$1,000 in 2023/2024. The millage for Palm Beach County has increased from \$3.827 per \$1,000 in 1984 to \$4.500 per \$1,000 in 2023/2024. The Greater Boca Raton Beach and Park District millage rates have been increased from \$0.865 per \$1,000 in 1984 to \$1.0800 per \$1,000 in 2023/2024. The millage rates from 1984 through 2024 are set forth in Exhibit 2 on Page 9.

Exhibit 2
BOCA RATON COMMUNITY REDEVELOPMENT AGENCY
OPERATING MILLAGE RATES IN REDEVELOPMENT AREA

Year	City of Boca Raton	Palm Beach County	Greater BR Beach & Park District	PBC Health Care District	Children's Services Council	Total	Percentage Change
1984 ¹	3.0990	3.8270	0.8650	0.3800		8.1710	
1985	3.1480	3.8350	0.8650	0.5350		8.3830	2.6%
1986	2.9330	4.1950	0.8650	0.5350		8.5280	1.7%
1987	2.7350	4.3430	0.8650	0.4990		8.4420	-1.0%
1988	2.9460	4.4440	1.0900	0.9900	0.0920	9.5620	13.3%
1989	3.1220	4.7500	1.0710	0.6800	0.1540	9.7770	2.2%
1990	3.5180	4.6520	1.0710	1.2500	0.1930	10.6840	9.3%
1991 ²	3.5420	4.6000	1.0550	1.2500	0.2240	10.6710	-0.1%
1992 ³	3.3580	4.3310	1.0000		0.2220	8.9110	-16.5%
1993	3.3580	4.3180	0.9160			8.5920	-3.6%
1994	3.3390	4.3280	0.9150			8.5820	-0.1%
1995	3.3460	4.2930	0.9100			8.5490	-0.4%
1996	3.2480	4.2180	0.8870			8.3530	-2.3%
1997	3.1850	4.2360	0.8740			8.2950	-0.7%
1998	3.1270	4.6000	0.8590			8.5860	3.5%
1999	3.0280	4.6000	0.8350			8.4630	-1.4%
2000	3.0000	4.6000	0.9000			8.5000	0.4%
2001	3.1500	4.6000	1.2000			8.9500	5.3%
2002	3.1500	4.5500	1.1000			8.8000	-1.7%
2003	3.1500	4.5000	1.0360			8.6860	-1.3%
2004	3.1500	4.5000	1.0360			8.6860	0.0%
2005	3.1500	4.5000	0.9700			8.6200	-0.8%
2006	3.3600	4.4500	0.9310			8.7410	1.4%
2007	3.3000	4.2800	0.8939			8.4739	-3.1%
2008	3.0200	3.7811	0.8527			7.6538	-9.7%
2009	3.0200	3.7811	0.8140			7.6151	-0.5%
2010	3.0200	4.3440	0.9015			8.2655	8.5%
2011	3.0200	4.7500	0.9889			8.7589	6.0%
2012	3.1500	4.7815	1.0086			8.9401	2.1%
2013	3.4100	4.7815	0.9986			9.1901	2.8%
2014	3.4216	4.7815	0.9676			9.1707	-0.2%
2015	3.4216	4.7815	0.9676			9.1707	0.0%
2016	3.4216	4.7815	0.9676			9.1707	0.0%
2017	3.4386	4.7815	0.9147			9.1348	-0.4%
2018	3.4543	4.7815	0.9147			9.1505	0.2%
2019	3.4690	4.7815	0.9147			9.1652	0.2%
2020	3.4793	4.7815	0.9147			9.1755	0.1%
2021	3.5704	4.7815	0.8818			9.2337	0.6%
2022	3.5789	4.7815	1.0500			9.4104	1.9%
2023	3.6556	4.7150	1.0800			9.4506	0.4%
2024	3.6580	4.5000	1.0800			9.2380	-2.2%

(1) First year in which the Tax Increment was collected.

(2) After FY 1991, Tax Increment millage rates do not include any millage from the PBC Health Care District.

(3) After FY 1992, Tax Increment millage rates do not include any millage from the Children's Services.

Source: BRCRA Records.

Exhibit 4
BOCA RATON COMMUNITY REDEVELOPMENT AGENCY

Fiscal Year Ending September 30	Tax Increment	Percent Growth/ (Decrease)
1984	\$327,863	
1985	371,276	13.2%
1986	592,082	59.5%
1987	658,919	11.3%
1988	793,000	20.3%
1989	835,845	5.4%
1990	903,790	8.1%
1991	882,242	(2.4%)
1992	891,255	1.0%
1993	846,645	(5.0%)
1994	836,725	(1.2%)
1995	813,827	(2.7%)
1996	892,261	9.6%
1997	1,069,978	19.9%
1998	1,289,525	20.5%
1999	1,569,117	21.7%
2000	1,963,709	25.1%
2001	2,316,017	17.9%
2002	2,652,262	14.5%
2003	2,767,496	4.3%
2004	3,320,212	20.0%
2005	4,910,071	47.9%
2006	6,146,820	25.2%
2007	7,730,246	25.8%
2008	7,243,489	(6.3%)
2009	7,023,123	(3.0%)
2010	6,658,891	(5.2%)
2011	6,781,844	1.8%
2012	6,484,150	(4.4%)
2013	6,574,895	1.4%
2014	6,729,850	2.4%
2015	7,183,269	6.7%
2016	8,448,676	17.6%
2017	9,719,650	15.0%
2018	12,489,146	28.5%
2019	13,366,285	7.0%
2020	14,150,342	5.9%
2021	14,780,347	4.5%
2022	16,384,722	10.8%
2023	20,201,453	23.3%
2024	21,466,018	6.3%

Source of Deposits & Purpose of Withdrawals for the Agency

Pursuant to Florida Statute 163.387, the summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds for the fiscal year ended September 30, 2024 are available in the audited financials attached to this report.

Financial Statements

Financial Statements are included in the BRCRA's Annual Financial Report (AFR) and are available on the Agency's website. In addition, the BRCRA is considered a blended component unit of the City of Boca Raton (City) and is therefore included in the City's annual financial audit and is reported in the City of Boca Raton's Annual Comprehensive Financial Report.

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

For the fiscal year ended September 30, 2024

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CBIZ CPAs P.C.

525 Okeechobee Boulevard
Suite 750
West Palm Beach, FL 33401

P: 561.653.7300

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.

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

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)

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	<u>143,045</u>	<u>127,186</u>
Current liabilities	575	414
Total liabilities	<u>575</u>	<u>414</u>
Deferred inflows for leases	58,532	59,446
Unavailable revenue	-	138
Total deferred inflows	<u>58,532</u>	<u>59,584</u>
Net position:		
Net investment in capital assets	47,233	46,302
Restricted	36,706	20,886
Total net position	<u>\$ 83,939</u>	<u>\$ 67,188</u>

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
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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)**

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

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
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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.

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)
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><u>\$ 94,319,983</u></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><u>\$ 94,319,983</u></u>

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.

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

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

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

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

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
Cash and cash equivalents:					
Cash Deposits	\$ 2,281,361				6.45%
Florida PRIME	1,958,261	39 days	AAA _{Am}	S&P	5.54%
FLCLASS Cash Pool	320,649	30 days	AAA _{Am}	S&P	0.91%
FL PALM Cash Pool	501,302	35 days	AAA _{Am}	S&P	1.42%
Total Cash and Cash Equivalents	5,061,573				14.31%
Investments:					
FMIvT 0-2 Year High Quality Bond Fund	2,110,358	0.90 years	AAA _f /S1	Fitch, S&P	5.97%
FMIvT Intermediate High Quality Bond Fund	1,924,208	4.90 years	AA _f /S3	Fitch	5.44%
FL-FIT Cash Pool	13,779	50 days	AAA _f /S1	Fitch	0.04%
FL-FIT Choice Pool	991,673	112 days	AAA _f	Fitch	2.80%
FL PALM Term Portfolio	521,933	143 days	AAA _f	Fitch	1.48%
U.S. Government Securities:					
Treasury Notes	529,028	3.42 years	AA+	S&P	1.50%
U.S. Government Sponsored Enterprises:					
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%
Corporate Obligations					
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%
International Investments:					
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

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

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

Principal and Interest Expected to Maturity			
Governmental Activities			
Fiscal Year	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

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	 (85,750,000)
Total Outstanding	<u>\$ 294,863</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>

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
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

Other Information

Reporting Section

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

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.



CBIZ CPAs P.C.

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**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