



LAKE EOLA PARK

# COMMUNITY REDEVELOPMENT AGENCY FINANCIAL REPORT



City of Orlando, Florida

For Fiscal Year Ended September 30, 2021





# CITY OF ORLANDO

## ELECTED OFFICIALS



**BUDDY DYER**  
Mayor



**JIM GRAY**  
District 1 Commissioner



**TONY ORTIZ**  
District 2 Commissioner



**ROBERT F. STUART**  
District 3 Commissioner



**PATTY SHEEHAN**  
District 4 Commissioner



**REGINA I. HILL**  
District 5 Commissioner



**BAKARI F. BURNS**  
District 6 Commissioner



This page intentionally blank.

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

**TABLE OF CONTENTS**

<b>FINANCIAL SECTION</b>	<b>Page</b>
Independent Auditor's Report	1
<b>A. MANAGEMENT'S DISCUSSION AND ANALYSIS (required supplementary information)</b>	<b>3</b>
<b>B. FINANCIAL STATEMENTS</b>	
<b>Entity-Wide Financial Statements</b>	
Statement of Net Position	11
Statement of Activities	12
<b>Fund Financial Statements</b>	
Balance Sheet	14
Reconciliation of the Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	17
<b>Notes to Financial Statements</b>	
Note 1 - Summary of Significant Accounting Policies	20
Note 2 - Stewardship, Compliance, and Accountability	27
Note 3 - Tax Increment Revenue	27
Note 4 - Deposits and Investments	28
Note 5 - Net Position, Fund Balance, Interfund Transfers, Receivables and Payables, and Restricted Assets	31
Note 6 - Capital Assets	33
Note 7 - Commitments and Contingencies	33
Note 8 - Risk Management	35
Note 9 - Long-Term Obligations	37
Note 10 - Pension Plans	40
Note 11 - Other Employee Benefits	40
Note 12 - Other Post Employment Benefits	41
Note 13 - Tax Abatements	41
Note 14 - CRA Trust Funds	42
<b>C. REQUIRED SUPPLEMENTARY INFORMATION (other than MD&amp;A)</b>	
<b>Budget to Actual Comparison</b>	
Community Redevelopment Agency	46
<b>D. COMBINING FINANCIAL STATEMENTS AND SCHEDULES</b>	
Balance Sheet	48
Schedule of Revenues, Expenditures, and Changes in Fund Balance	50
Compliance Section	52
Independent Auditor's Report on Internal Control Over Financial Reporting	53
Independent Accountant's Report	55
Independent Auditor's Management Letter	56



This page intentionally blank.







## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the City Council  
City of Orlando Community Redevelopment Agency

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the CRA as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Mayor and  
Members of the City Council  
City of Orlando Community Redevelopment Agency

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

The combining financial statements and schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2022, 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 other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
May 10, 2022





**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Management's Discussion and Analysis**  
**September 30, 2021**

The City of Orlando, Florida Community Redevelopment Agency (CRA) discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, and (c) identify changes in the CRA's financial position. Information in this Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions and conditions. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements and the accompanying notes to financial statements, which are included in this report.

**Financial Highlights**

- For FY 2021, the CRA's total deficit position decreased by \$20.5 million or 28%.
- The CRA's total revenues increased by \$2.1 million or 3.0% while the tax increment revenue increased by \$5.7 million or 9%.
- The CRA's total expenses increased by \$2.3 million or 4.7%.

**OVERVIEW OF FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the CRA's financial statements. The CRA's financial statements consist of three components: 1) entity-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required supplementary information in addition to the financial statements.

**Entity-Wide Financial Statements**

The entity-wide financial statements are designed to provide a broad overview of the CRA in a corporate-like manner similar to private sector financial statements. The Statement of Net Position presents information on all the CRA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This statement format combines and consolidates the governmental funds' current financial resources with capital assets (including infrastructure) and long-term obligations.

The Statement of Activities is focused on both the gross and net cost of the CRA, which are supported by the CRA's tax increment and other revenues. This statement is intended to summarize and simplify the user's analysis of the costs of the CRA services.

**Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All CRA funds are considered governmental funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the entity-wide financial statements. However, unlike the entity-wide financial statements, 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.

Because the focus of governmental funds is narrower than that of the entity-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the entity-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the Governmental Fund

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Management's Discussion and Analysis  
September 30, 2021**

Balance Sheet and the Government Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements immediately follow the government-wide financial statements.

The required supplementary information (other than MD&A) includes the budgetary comparison schedule for the CRA to demonstrate compliance with the annual budget as adopted and amended.

**Notes to Financial Statements**

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the entity-wide and fund financial statements.

**Other Information**

The combining statements of the CRA are presented following the required supplementary information.

**ENTITY-WIDE FINANCIAL STATEMENT ANALYSIS**

The entity-wide financial statements provide long-term and short-term information about the CRA's overall financial condition. This analysis addresses the financial statements of the CRA as a whole.

The following table reflects a summary of the Statement of Net Position compared to the prior year.

**Table 1  
Statement of Net Position  
(in millions)**

	<u>Community Redevelopment Agency</u>	
	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 81.9	\$ 73.7
Capital assets (Table 3)	12.8	9.7
<b>Total assets</b>	<u>94.7</u>	<u>83.4</u>
Deferred Outflows of Resources	-	-
Current and other liabilities	2.7	1.9
Long-term debt outstanding (Table 5)	145.1	155.2
<b>Total liabilities</b>	<u>147.8</u>	<u>157.1</u>
<b>Net position:</b>		
Net investment in capital assets	12.8	9.7
Restricted	19.6	22.2
Unrestricted	(85.5)	(105.5)
<b>Total net position</b>	<u>\$ (53.1)</u>	<u>\$ (73.6)</u>

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Management's Discussion and Analysis**  
**September 30, 2021**

**Current Year Impacts - Entity-Wide Statement of Net Position**

Current and other assets increased by \$8.2 million, primarily from an increase in cash and cash equivalents due to an increase in Tax Increment Revenue (the main revenue source for the CRA).

Current and other liabilities decreased by \$.8 million primarily from a reduction in liabilities at the end of FY 2021 for money owed back to the City of Orlando and Orange County for tax increment revenue. The reduction in tax increment revenue came from appeals to the Value Adjustment Board.

Long-term debt outstanding decreased \$10.1 million primarily from the normal payment of principal.

**Net Position:**

Increases or decreases in net position may serve over time as a useful indicator of whether a government's financial position is improving or deteriorating. For the CRA, total assets and deferred outflows of resources were less than total liabilities, which caused an overall deficit net position of \$53.1 million at the close of September 30, 2021. This is a reduction in the net position deficit of \$20.5 million from FY 2020.

Approximately 24.1% of the CRA's net position reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure). These capital assets are used to provide services to citizens and are not available for future spending. Although the CRA's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from future revenues, since the capital assets themselves cannot be used to liquidate these liabilities. The total restricted net position of the City (approximately 36.9%) represents resources that are subject to external restrictions on how the resources may be used. The remaining balance represents a deficit unrestricted net position of approximately 161%.

Net investment in capital assets increased \$3.1 million or 32% primarily from the addition of Creative Village Central Park and Roadway Improvement Projects as well as the reduction of related long term debt from scheduled principal payments.

Restricted net position decreased \$2.6 million or 12%, primarily from an increase in the accumulation of revenue for debt service on the CRA's outstanding bonds.

Unrestricted deficit net position decreased \$20.0 million or 19%, due primarily to an increase in the accumulation of Tax Increment Revenue that has not yet been expended.

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Management's Discussion and Analysis  
September 30, 2021**

The table below summarizes the statement of activities and the changes in net position for the current and previous year.

**Table 2  
Changes in Net Position  
(in millions)**

	<b>Community Redevelopment Agency</b>	
	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
General revenues:		
Tax Increment Revenue	\$ 71.6	\$ 65.9
Investment Income	(0.1)	3.0
Other revenues	0.6	1.1
<b>Total revenues</b>	<b>72.1</b>	<b>70.0</b>
<b>EXPENSES</b>		
Community Redevelopment	45.6	40.7
Interest Costs	6.0	8.6
<b>Total expenses</b>	<b>51.6</b>	<b>49.3</b>
<b>Change in Net Position before Transfers</b>	20.5	20.7
Gain on Sale of Capital Assets	-	1.0
Change in Net Position	<b>20.5</b>	<b>21.7</b>
Net Position - Beginning	(73.6)	(95.3)
<b>Net Position - Ending</b>	<b>\$ (53.1)</b>	<b>\$ (73.6)</b>

**Current Year Impacts - Entity-Wide Statement of Activities and Changes in Net Position**

For FY 2021, the net position of the CRA increased by \$20.5 million, compared to an increase of \$21.7 million in FY 2020.

Tax Increment revenue increased by \$5.7 million or 8.6% as a result of an increase in the assessed property values from \$3.8 billion to \$4.2 billion or 7.9% in the Downtown District; from \$707.8 million to \$838.4 million or 18.5% in the Conroy Road District; and from \$2.29 billion to \$2.3 billion or .2% in the Republic Drive (Universal Blvd.) District. Investment income decreased \$3.1 million or 103%, primarily as a result of lower investment returns for the City's investment portfolio. The portfolio recognized an annual return of .1% in FY 2021 as compared to 4.01% in FY 2020.

CRA expenses increased \$2.3 million or 4.7% primarily related to the Creative Village Central Park and Roadway Improvement Project as well as the Amelia Roadway Improvements.

**FUND FINANCIAL STATEMENT ANALYSIS**

The fund financial statements for the CRA provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements.

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Management’s Discussion and Analysis  
September 30, 2021**

CRA revenues totaled \$72.1 million, an increase of \$2.1 million or 3% over FY 2020. Tax Increment Revenue increased by \$5.7 million or 9%. An average increase of 6.4% in assessed property values (from FY 2020 to FY 2021) in all three CRA Districts accounted for the increase in tax increment revenues. This was offset by a decrease in investment income of \$3.1 million.

CRA expenditures totaled \$64.7 million, a increase of \$7.5 million or 13% over FY 2020. Primarily related to the Creative Village Central Park and Roadway Improvement Project as well as the Amelia Roadway Improvements.

The fund balances for the CRA increased \$7.3 million in FY 2021. This is primarily from an increase in the tax increment revenue contribution to the Community Redevelopment Agency (Downtown District, Republic Drive (Universal Blvd.) District, and Conroy Road District) due to an increase in the assessed property values as previously mentioned.

**CRA Budgetary Highlights**

The following is a brief review of the budgeting changes from the original to final budget (refer to budgetary comparison schedule on page 46).

There was an decrease of \$68 million in budgeted revenues due primarily to the issuance of refunding debt (\$70.5 million) in FY2020.

There was an decrease in budgeted expenditures of \$52 million. This was due in part to the issuance of refunding debt as previously mentioned. There was also an increase in budgeted general operating expenditures as a result of the budgeting of existing fund balance for additional CRA projects.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At September 30, 2021, the CRA had \$12.8 million invested in a variety of capital assets, which represents a net increase (additions less retirements and depreciation) of \$3.1 million or 32% from the end of last year.

**Table 3  
Capital Assests at Year-end, in millions  
(Net of Depreciation)**

	<b>Community Redevelopment Agency</b>	
	<b>2021</b>	<b>2020</b>
Land and land rights	\$ 8.1	\$ 7.1
Buildings	1.5	-
Improvements other than buildings	1.4	0.7
Infrastructure	1.8	1.9
<b>Total</b>	<b>\$ 12.8</b>	<b>\$ 9.7</b>

The table below summarizes the change in Capital Assets, which is presented in Note 6 in the Notes to Financial Statements.

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Management's Discussion and Analysis  
September 30, 2021**

**Table 4  
Change in Capital Assets  
(in millions)**

	<u>Community Redevelopment Agency</u>
<b>Beginning Balance</b>	\$ 9.7
Additions	3.4
Retirements:	
Other	-
Depreciation	(0.3)
Transfers/Retirements	-
<b>Ending Balance</b>	<u>\$ 12.8</u>

**Debt Outstanding**

As of year-end, the CRA had \$145.1 million in debt (bonds, loans, etc.) outstanding compared to the \$155.2 million last year. The component which had an impact on the CRA's overall debt was the normal debt service principal payments of approximately \$10.1 million.

See the Notes to Financial Statements (Note 9) for more detail on the CRA's outstanding debt.

**Table 5  
Outstanding Debt at Year-end  
(in millions)**

	<u>2021</u>	<u>2020</u>
<b>Community Redevelopment Agency:</b>		
Internal (Banking Fund) Loans	\$ 0.2	\$ 1.6
Tax Increment Bonds	144.9	153.6
<b>Total</b>	<u>\$ 145.1</u>	<u>\$ 155.2</u>

Principal payments of \$8.5 million (on external bonds) were made in the CRA funds. Internal loan principal payments of \$1.4 million were also made in the CRA funds.

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Management's Discussion and Analysis  
September 30, 2021**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely on property and a limited array of other permitted taxes (sales, gasoline, utilities services, etc.) and fees (franchise, local business taxes, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. For the business-type and certain governmental activities (permitting, recreational programs, etc.) the user pays a related fee or charge associated with the service.

The level of taxes, fees and charges for services (including development related impact fees) will have a bearing on the City's specific competitive ability to (a) annex additional land into its corporate limits, and (b) encourage development (office, retail, residential, and industrial) to locate in our jurisdiction.

The City places significant emphasis on encouraging both annexation and economic development. There are 13 cities in Orange County (of which Orlando is significantly the largest), and even so, approximately 63% of the County's population lives outside of any city limits. The City competes for new regional development with unincorporated Orange County and the surrounding cities and counties.

The CRA adopted operating budget for FY 2021 is \$ 72.9 million or 6.4% more than the FY 2020 adopted budget of \$68.5 million.

**FINANCIAL CONTACT**

The CRA's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the CRA's finances and to demonstrate the CRA's accountability. If you have questions about the report or need additional financial information, contact the City's Chief Financial Officer on the 4<sup>th</sup> floor of City Hall, 400 South Orange Avenue, PO Box 4990, Orlando, Florida 32802-4990.



This page intentionally blank.





**CITY OF ORLANDO, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

	<b>Community Redevelopment Agency</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 62,270,913
Restricted Assets:	
Cash and Cash Equivalents	4,320,995
Investments	15,277,690
Capital Assets:	
Non-depreciable	8,091,277
Depreciable (Net)	4,674,585
<b>Total Assets</b>	<b>94,635,460</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows - Refunding Bonds	72,743
<b>Total Deferred Outflows</b>	<b>72,743</b>
 <b>LIABILITIES</b>	
Accounts Payable	1,651,495
Accrued Liabilities	107,052
Accrued Interest Payable	497,450
Due to Other Governments	308
Advance Payments	21
Non-Current Liabilities	
Due Within One Year:	
Compensated Absences	78,720
Loans/Leases Payable	233,334
Bonds Payable	9,436,813
Due In More Than One Year:	
Compensated Absences	413,285
Bonds Payable	135,421,413
<b>Total Liabilities</b>	<b>147,839,891</b>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	12,765,862
Restricted for:	
Debt Service	19,598,685
Unrestricted (Deficit)	(85,496,235)
<b>Total Net Position</b>	<b>\$ (53,131,688)</b>

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

**CITY OF ORLANDO, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
<b>Functions/Program Activities</b>			
<b>Primary Government:</b>			
Community Redevelopment	\$ 40,742,212	\$ 32,177	\$ (40,710,035)
Interest on Long-Term Debt	10,898,483	-	(10,898,483)
Total Community Redevelopment Agency	<u>\$ 51,640,695</u>	<u>\$ 32,177</u>	<u>\$ (51,608,518)</u>
General revenues:			
Taxes:			
Tax Increment Revenue			71,552,044
Investment Earnings			(71,368)
Miscellaneous			629,487
Total general revenues			<u>72,110,163</u>
Change in Net Position			20,501,645
Net Position - Beginning			<u>(73,633,333)</u>
Net Position - Ending			<u>\$ (53,131,688)</u>

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

## **COMMUNITY REDEVELOPMENT AGENCY FUNDS**

The measurement focus of the Governmental Funds (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

**The Community Redevelopment Agency (CRA) Fund includes the Downtown CRA, Republic Drive (Universal Boulevard) District CRA, and Conroy Road District CRA.** These are incremental tax districts established pursuant to Florida Statutes and accounted for in a special revenue fund. The fund accounts for the incremental increase in ad valorem tax revenue collected within the designated community redevelopment areas. Revenues must be utilized and expended in accordance with the respective community redevelopment plans.

**CITY OF ORLANDO, FLORIDA  
BALANCE SHEET  
SEPTEMBER 30, 2021**

	<u>Community Redevelopment Agency Funds</u>
<b>ASSETS</b>	
Current Cash and Cash Equivalents	\$ 62,270,913
Restricted Cash and Cash Equivalents	4,320,995
Restricted Investments	15,277,690
Receivables (Net)	
<b>Total Assets</b>	<u>\$ 81,869,598</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts Payable	\$ 1,651,495
Accrued Liabilities	107,052
Advance Payments	21
Due to Other Governments	308
Accrued Interest Payable	497,450
<b>Total Liabilities</b>	<u>2,256,326</u>
Fund Balances:	
Restricted	79,673,734
Unassigned	(60,462)
<b>Total Fund Balances</b>	<u>79,613,272</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 81,869,598</u>

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

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

Total fund balances of the community redevelopment agency funds \$ 79,613,272

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.

Governmental capital assets	35,082,738	
Less accumulated depreciation	<u>(22,316,876)</u>	12,765,862

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.

Governmental bonds payable	(144,506,111)	
Premium	(726,542)	
Current year premium amortization	215,534	
Discount	172,068	
Current year discount amortization	(13,175)	
Deferred outflow of resources	101,917	
Current year amortization	(29,174)	
Compensated Absences	(492,005)	
Governmental internal loans payable	<u>(233,334)</u>	(145,510,822)

Total net position of governmental activities. \$ (53,131,688)

The accompanying notes are an integral part of the financial statements

**CITY OF ORLANDO, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<u>Community Redevelopment Agency Funds</u>
<b>REVENUES</b>	
Intergovernmental:	
Other Intergovernmental	\$ 71,552,044
Charges for Services	32,177
Income on Investments	(71,368)
Other Revenues	629,487
<b>Total Revenues</b>	<u>72,142,340</u>
<b>EXPENDITURES</b>	
Current Operating:	
Community Redevelopment	37,279,707
Capital Improvements	5,765,959
Debt Service:	
Principal Payments	10,633,192
Interest and Other	11,071,668
<b>Total Expenditures</b>	<u>64,750,526</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>7,391,814</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>	
Transfers In	19,917,257
Transfers Out	<u>(19,917,257)</u>
<b>Total Other Financing Sources and (Uses)</b>	<u>-</u>
<b>Net Change in Fund Balances</b>	7,391,814
<b>Fund Balances - Beginning</b>	<u>72,221,458</u>
<b>Fund Balances - Ending</b>	<u><u>\$ 79,613,272</u></u>

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

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Net change in fund balances - total community redevelopment agency funds \$ 7,391,814

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	3,382,280	
Less current year depreciation	<u>(271,162)</u>	3,111,118

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.

Principal and other debt service payments	<u>9,883,192</u>	9,883,192
---	------------------	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of current year deferred expense	(29,174)	
Amortization of current year bond premium	215,535	
Amortization of current year bond discount	(13,175)	
Change in long-term compensated absences	<u>(57,665)</u>	<u>115,521</u>

Change in net position \$ 20,501,645

The accompanying notes are an integral part of the financial statements



This page intentionally blank.

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Notes to Financial Statements  
September 30, 2021**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>Note 1. Summary of Significant Accounting Policies</b>	20
A. Financial Reporting Entity	20
B. Government-Wide and Fund Financial Statements	21
C. Basis of Presentation	21
D. Basis of Accounting	22
E. Encumbrances	22
F. Use of Restricted and Unrestricted Resources	22
G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	22
H. Revenues, Expenditures, and Expenses	26
<b>Note 2. Stewardship, Compliance, and Accountability</b>	27
A. Budgeting Policy	27
<b>Note 3. Tax Increment Revenue</b>	27
<b>Note 4. Deposits and Investments</b>	28
A. Pooling of Cash and Investments	28
B. Trustee Portfolio	30
<b>Note 5. Net Position, Fund Balance, Interfund Transfers, Receivables and Payables,     and Restricted Assets</b>	31
A. Net Position	31
B. Fund Balance	31
C. Interfund Transfers	32
D. Restricted Assets	32
<b>Note 6. Capital Assets</b>	33
<b>Note 7. Commitments and Contingencies</b>	33
<b>Note 8. Risk Management</b>	35
<b>Note 9. Long-Term Obligations</b>	37
<b>Note 10. Pension Plans</b>	40
<b>Note 11. Other Employee Benefits</b>	40
<b>Note 12. Other Post Employment Benefits</b>	41
<b>Note 13. Tax Abatements</b>	41
<b>Note 14. CRA Trust Funds</b>	42

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Orlando, Florida Community Redevelopment Agency (CRA) have been prepared in accordance with accounting standards generally accepted in the United States (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

**A. Financial Reporting Entity**

The Orlando City Council serves as the CRA board. The CRA has responsibility for three separate tax increment districts (which have district specific debt obligations and related revenues). The CRA is a component unit of the City of Orlando. While legally separate, because of its structure it is reported as a blended component unit in the City's Annual Report. The operations of the CRA are reported as a Major Governmental Fund in the City of Orlando Annual Comprehensive Financial Report.

**1. Implementation of New GASB Pronouncements:**

During the fiscal year ended September 30, 2021, the CRA adopted the following new GASB pronouncements:

GASB Statement 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. Issued August 2018, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization; and to improve the relevance of financial statement information for certain component units. This had no impact on the City. The City reports three component units in its Annual Comprehensive Financial Report: two blended component units (Community Redevelopment Agency and Neighborhood Improvement District Downtown South), and one discretely presented component unit (Downtown Development Board). These component units do not meet the GASB Statement 90 requirements for reporting as investments, therefore, they will continue to be reported as component units.

**2. Future Adoption of GASB Pronouncements:**

Due to the ongoing COVID-19 pandemic, the GASB issued Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, in May 2020. The effective dates of the following GASB pronouncements, which were issued prior to May 2020, are based on the revised dates in Statement 95:

GASB Statement 91, *Conduit Debt Obligations*. This statement was issued May 2019 to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement 91 will be effective for the fiscal year ending September 30, 2023.

GASB Statement 92, *Omnibus 2020*. This statement was issued January 2020 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement 93, *Replacement of Interbank Offered Rates*. This statement was issued March 2020 to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR) in agreements in which variable payments made or received depend on an IBOR. Statement 93 will be effective for the fiscal year ending September 30, 2022.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement was issued March 2020 to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and to provide guidance for accounting and financial reporting for availability payment arrangements. Statement 94 will be effective for the fiscal year ending September 30, 2023.

GASB Statement 96, *Subscription-Based Information Technology Arrangements*. This statement was issued May 2020 to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). Statement 96 will be effective for the fiscal year ending September 30, 2023.

GASB Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements 14 and 84, and a supersession of GASB Statement 32*. This statement was issued June 2020 to provide for more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The statement will also enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The requirements in (1) paragraph 4 of Statement 97 as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of Statement 97 are effective immediately. The other requirements of Statement 97 will be effective for the fiscal year ending September 30, 2022.

**B. Entity-Wide and Fund Financial Statements**

The basic financial statements include both the entity-wide (based on the CRA as a whole) and fund financial statements. The entity-wide Statement of Net Position is presented on a consolidated basis, and is reflected on a full accrual, economic resource basis, which incorporates long-term assets as well as long-term debt and obligations.

The entity-wide Statement of Activities reflects both the gross and net costs per functional category which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. The program revenues must be directly associated with the function. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the CRA's actual experience conforms to the budgeted fiscal plan. Since the fund financial statements are presented on a different measurement focus and basis of accounting than the entity-wide statements, a reconciliation is presented on the page following each statement, which explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the entity-wide presentation.

**C. Basis of Presentation**

The financial transactions of the CRA are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, expenditures/expenses, deferred inflows of resources, and deferred outflows of resources.

The CRA Fund includes the Downtown CRA District, Republic Drive (Universal Boulevard) CRA District, and Conroy Road CRA District. These are incremental tax districts established pursuant to Florida Statutes and accounted for in a special revenue fund. The fund accounts for incremental increase in ad valorem tax revenue collected within the designated community redevelopment areas. Revenues must be utilized and expended in accordance with the respective community redevelopment plans.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**D. Basis of Accounting**

Basis of accounting refers to the point at which revenues, expenditures, expenses, and transfers (and assets, deferred outflows of resources, liabilities, and deferred inflows of resources) are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The Entity-wide financial statements are presented on an accrual basis of accounting. The Governmental Funds in the fund financial statements are presented on a modified accrual basis.

**1. Accrual:**

Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means (except for property taxes) collectible within the following nine (9) months. Because of the statutorily defined property tax calendar, most property taxes are collected during the fiscal year in which they are levied, or within 60 days of the end of the fiscal year.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt and compensated absences, if any, are recognized when due.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions* (GASB Statement 33) (the City may act as either provider or recipient), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and unearned revenue by the recipient.

**E. Encumbrances**

Encumbrance accounting is utilized by the governmental funds of the City. Monies are set aside when a purchase order is issued in order to reserve a portion of the applicable budget appropriation. Encumbrances lapse at year-end.

**F. Use of Restricted and Unrestricted Resources**

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

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents:**

The CRA defines Cash and Cash Equivalents as cash on hand, demand deposits, cash with fiscal agents, and the City's cash management pool. The cash management pool is used by all City funds, including the CRA, and consists of a variety of short-term investments such as Treasury Securities, U.S. Government agencies and instrumentalities, various corporate debt, mortgages, commercial paper, and overnight investments.

The City's cash management pool is treated as a cash equivalent for financial reporting purposes because each individual fund can deposit additional cash or make withdrawals (at any time) without prior notice or penalty.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**2. Investments:**

All investments are stated at fair value, generally based on quoted market prices. The fair values of investments without quoted market prices, including certain commingled funds, alternative investments and fixed income securities, are estimated by a third party utilizing various pricing sources or based on fund net asset value (NAV). However, because of the inherent uncertainty of valuation, the estimated fair values for investments without quoted market prices may differ significantly from the values that would have been used had a ready market for the investments existed.

**3. Accounts Receivable:**

Accounts receivable are recorded net of appropriate allowance for doubtful accounts. As of September 30, 2021, the allowance for doubtful accounts was \$201,372.

**4. Prepaid Items:**

Certain payments to vendors for services that will benefit periods beyond September 30, 2021 are recorded as prepaid items in both the entity-wide and fund financial statements. Prepaid items are reported as expenditures during the period benefited by the prepayment (consumption method).

**5. Restricted Assets:**

Certain proceeds of the City's revenue bonds (both governmental and enterprise funds), as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or other legal agreements. The revenue bond debt service funds are used to segregate resources accumulated for debt service payments over the next twelve months. The revenue bond reserve funds are used to report resources set aside to pay debt service if the sources of the pledged revenues do not generate sufficient funds to satisfy the debt service requirements. The renewal and replacement funds are used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

**6. Capital Assets:**

Capital assets, include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the entity-wide financial statements. Property and equipment is carried at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value as of the date received. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction.

The thresholds for capitalization of assets range from \$5,000 to \$250,000, depending on the asset class. Other costs incurred for repairs and maintenance are expensed as incurred. Amortization of intangible assets including software costs is included with depreciation expense in the financial statements.

Infrastructure, buildings, improvements other than buildings, vehicles and equipment are depreciated using the straight-line method.

The CRA has a collection of artwork displayed both in buildings and public outdoor spaces. The true value of the art is expected to either be maintained or enhanced over time and thus, the art is not depreciated. If individual pieces are lost or destroyed, the loss is recorded.

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Notes to Financial Statements  
September 30, 2021**

When capital assets are disposed of, the cost and accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is recognized in the entity-wide financial statements. Infrastructure, buildings, improvements other than buildings, vehicles and equipment are depreciated using the straight-line method over the following useful lives:

	<b>YEARS</b>
Buildings	4 - 50
Improvements Other Than Buildings	7 - 25
Equipment	3 - 20
Software	3 - 10
Vehicles	3 - 15
Stormwater and Water Reclamation Lines and Pump Stations	10 - 50
Other Infrastructure	10 - 50

**7. Bond Discounts, Bond Premiums, and Issuance Costs:**

In the CRA funds, bond discounts and bond premiums are treated as period costs in the year of issue. Bond premiums and discounts are shown as an “Other Financing Source/Use”. In the entity-wide statements bond discounts and bond premiums are amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest rate method. Bond discounts and premiums are presented as a reduction and increase, respectively, of the face amount of the bonds payable. Issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

**8. Compensated Absences:**

The CRA accrues accumulated unpaid vacation and sick leave along with unpaid compensatory time and associated employee-related costs when earned (or estimated to be earned) by the employee. For the entity-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the CRA funds in the fund financial statements, all the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and entity-wide presentations.

**9. Interfund Activity:**

During the course of normal operations, the CRA has numerous transactions between funds. Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

The CRA uses the City's cost allocation plan to identify costs associated with providing certain services. These indirect charges reimburse the administration and overhead services provided by certain City divisions (e.g., finance, personnel, procurement, legal, information technology, etc.).

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**10. Fund Balance:**

In the fund financial statements, CRA funds report the fund balance into classifications that comprise a hierarchy based on the extent to which the CRA is bound to honor constraints on specific purposes for which those funds can be spent. Fund balance is divided into five classifications. The classifications are as follows:

**a. Nonspendable.** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

**b. Restricted.** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the CRA to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the CRA can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**c. Committed.** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Commission. Those committed amounts cannot be used for any other purpose unless City Commission removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Commission, and anything separate from these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**d. Assigned.** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed. In CRA funds, assigned fund balance represents the remaining amount that is not restricted or committed. The City, for planning purposes, may assign fund balances for a specific purpose, such as setting aside funds for capital equipment replacement, emergency preparedness, and accrued benefit payouts to retired/terminated employees. Unlike commitments, assignments generally exist temporarily.

**e. Unassigned.** Fund balance is the residual classification for the CRA fund and includes all spendable amounts not contained in the other classifications.

The CRA applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then by unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balance are available, the CRA uses the City's policy to apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**11. Net Position:**

In the governmental-wide financial statement and proprietary fund financial statements, net positions are classified as follows:

- a. Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction or improvement of the assets.
- b. Restricted net position** is restricted by external creditors, grantors, contributors, or laws and regulations of other governments.
- c. Unrestricted net position** is all resources that do not meet the definition of "net investment in capital assets" or "restricted net position".

**12. Use of Estimates:**

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

**H. Revenues, Expenditures, and Expenses**

Substantially all CRA fund revenues are accrued. Tax increment revenues are generally billed and collected within the same period in which the taxes are levied.

In addition, revenue from Federal and State reimbursement type grants for which eligibility requirements have been met have been accrued and recognized as revenues of the period. All other revenue items are considered to be measurable and available only when cash is received by the CRA.

Expenditures are recognized when the related fund liability is incurred except for the following:

- General obligation long-term debt principal and interest and compensated absences are reported, if any, only when due.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgeting Policy**

The City Council acting as the CRA Board annually adopts the Budget Resolution for the CRA funds. Budgetary control is legally maintained at the fund level. The budget is prepared using the modified accrual basis of accounting with encumbrances included as budgetary basis expenditures. The CRA's Budget Resolution provides transfer authority (1) to the Chief Financial Officer, within and between departments and funds, as long as the total budget of the City (net of interfund transfers) is not increased, (2) to the Chief Financial Officer to implement grant budgets as the grant applications are accepted by the City, and (3) to the Chief Financial Officer to amend (re-appropriate) each new year's budget, to the extent of outstanding encumbrances, and/or unexpended project/grant appropriations at year end. City Council action is required for (1) use of the budgeted Council contingency, and (2) the approval of a supplemental appropriation(s). During the year, several supplemental appropriations were necessary.

All budget amounts presented in the accompanying supplementary information reflect the original budget (including the prior year carry forward) and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects funds present, for some individual projects, the remaining project appropriations compared to current year expenditures.

**B. Deficit Fund Balance**

The deficit fund balance of the Republic Drive Trust fund of (\$48,162) and the Conroy Road Revenue Fund of (\$12,300) is attributable to the accrual of the 2020 tax year VAB adjustment calculated for the calendar year 2021 tax increment billing. The deficit will be eliminated in FY 2022.

**NOTE 3: TAX INCREMENT REVENUE**

The primary revenue source for the CRA is tax increment revenue. The aggregate assessed valuation of taxable real property in each of the three CRA Districts as of a particular date is referred to as the Frozen Tax Base. The amount of Tax Increment Revenues to be received in any future year is dependent on the assessed valuation of taxable real property in the related district as of each January 1, the incremental increase in such valuation above the Frozen Tax Base, and the total millage rate levied by the relevant taxing authorities.

The amount of tax increment revenue to be deposited in the CRA Trust Funds is dependent upon, among other things, (a) the millage rates, if any, established by the City, Orange County, and the Downtown Development Board (for the Downtown CRA District), and (b) growth in the assessed valuation of taxable real property in the related district, which increases will be affected by the annual appraisal of taxable real property, including new construction completed within the related district.

Under Florida law, the assessment of all properties and the collection of all county, municipal, special district, and school board property taxes are provided by the County's Property Appraiser and Tax Collector, respectively, who are elected County officials.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 4: DEPOSITS AND INVESTMENTS**

**A. Pooling of Cash and Investments**

The City of Orlando maintains an internal cash management pool in which the CRA participates on a dollar equivalent and daily transaction basis. Investment earnings (which include realized and unrealized gains and losses as well as interest income) are distributed monthly to the individual funds based on the funds' average cash balance.

The use of daily sweeps of zero balance accounts allows the City's portfolio to be fully invested at all times. Florida Statutes provide for a deposit collateral pool by banks and savings and loans (that are qualified public depositories) which insure local government deposits.

**(1) Investments and Investment Practices**

The CRA utilizes the City's investment guidelines for the cash management pool, which are defined by City ordinance and a written investment policy that is approved by the City Council. The investment policy specifies limits by instrument and issuer (within instrument) and establishes a diversified investment strategy, minimum credit quality, and authorized institutions available as counterparties. Implementation and direction of investment strategies, within policy limits, are established by an internal Investment Committee and managed by either internal or external money managers.

The fair values of the City's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in the fair values of those instruments.

Fair values of interest rate-sensitive instruments may also be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, duration of the instrument, and other general market conditions.

The City's Investment Policy (a) authorizes the use of options, puts, forwards, and futures, (b) establishes a maximum duration of 1¼ years for the in-house Liquidity Portfolio, (c) establishes duration limitations of +30% of the stated benchmark for active managers, and (d) allows limited use of high-yield corporate securities (no more than 10% of the Aggregate Investment Portfolio), investment grade securities denominated in non-U.S. currency (no more than 10% of the Aggregate Investment Portfolio), and emerging market securities (no more than 10% of the Aggregate Investment Portfolio). Mortgage-related fixed income securities are limited to 35% of the portfolio and must be rated by two nationally recognized credit rating agencies and have a minimum credit rating of Aa3 (Moody's), AA- (S&P), or AA- (Fitch). If the security is not rated by two of these agencies, an equivalent minimum rating by a nationally recognized rating agency is required. The Policy allows for exceptions to be granted by the Investment Committee provided the total value of all exceptions does not exceed 2% of the Aggregate Investment Portfolio.

The Investment Policy is reviewed annually for any adjustments due to changes or developments within the investment spectrum that would provide opportunities to the City.

The City's Investment Policy requires transactions to be settled on a "delivery versus payment" basis, with securities being held by the City's third-party custodian on behalf of and in the name of the City. The exceptions to this policy are overnight repurchase agreements with the City's primary banking institution, mutual funds, investments held by a broker/dealer under a reverse repurchase agreement, and investments in money market funds.

Investments reported in the CRA funds consist primarily of bond reserves that are maintained by trustees in accordance with the bond covenants.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**(2) Custodial Credit Risk**

Monies on deposit with financial institutions in the form of demand deposit accounts and time deposit accounts are defined as public deposits. The entire City's public deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act", and covered by federal depository insurance. This act requires that the City maintain deposits only in "qualified public depositories". All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer would implement procedures for payment of losses according to the validated claims of the City.

**(3) Interest Rate Risk**

Interest rate risk is the risk that as market rates change, the fair value of the investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The City's formal investment policy ensures that securities mature to meet operating cash requirements to avoid the need to sell on the open market prior to maturity. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**(4) Credit Risk**

The City's policies are designed to maximize investment earnings, while protecting the security of principal and providing adequate liquidity, in accordance with all applicable state laws.

**(5) Fair Value Measurements**

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumption about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Notes to Financial Statements  
September 30, 2021**

The asset's or liability's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable inputs requires judgment by City's management. City management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment or liability within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment or liability.

The following is a description of the recurring valuation methods and assumptions used by the City to estimate the fair value of its investments. The methods described may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. When quoted prices in active markets are not available, fair values are based on evaluated prices received by the City's asset manager from third party service providers.

The City applies fair market value updates to its securities on a daily basis. Security pricing is provided by a third party and is reported daily to the City by its custodian bank. Assets are categorized by asset type, which is a key component of determining hierarchy levels.

Asset types allowable per the City's investment policy generally fall within hierarchy level 1 and 2. The City recorded its investments at fair value, and primarily uses the Market Approach to valuing each security.

**B. Trustee Portfolio**

Investments are reported at fair value and are held by third party trustees. The investment policy maximums do not apply to trustee accounts since each account is specifically limited as to types of investments and maturities based on the intended uses and covenant restrictions contained in the applicable bond documents. The schedule below reflects the investments held in the trustee accounts.

**Trustee Account Investments  
Portfolio Characteristics**

<u>Investment Vehicle</u>	<u>Fair Value</u>	<u>Percent of Portfolio at Year End</u>	<u>Effective Duration (in years) at Year End</u>	<u>Credit Quality (1)</u>
<b>Other Investments:</b>				
Money Market Funds (2)	\$ 15,277,690	100.00%	0.08	AAA / Aaa
	(1) Rated by Standard & Poor's and Moody's, respectively, as of September 30, 2021.			
	(2) Includes investments in interest-bearing liquid funds held in the various accounts.			

**(1) Fair Value**

Investments in money market funds and non-negotiable certificates of deposit are exempt from fair value hierarchy disclosures per paragraph 69.c. of GASB Statement 72, *Fair Value Measurement and Application*, and are valued at the City's cost and any accrued interest on these investments.

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Notes to Financial Statements  
September 30, 2021**

**NOTE 5: NET POSITION, FUND BALANCE, INTERFUND TRANSFERS, AND RESTRICTED ASSETS**

**A. Net Position**

The entity-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

**Net Investment in Capital Assets** – is intended to reflect the portion of net position which is associated with non-liquid capital assets less outstanding capital asset related debt. The related debt is the debt less the outstanding liquid assets.

**Restricted Net Position** – are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory, bond covenant or granting agency) limitations on their use.

**Unrestricted Net Position** – typically represent unrestricted liquid assets. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions.

**B. Fund Balance**

The CRA utilizes the City's formal minimum fund balance policy. This policy addresses various targeted reserve positions and the Office of Business and Financial Services calculates targets and actual balances to report the results annually to City Council.

The fund balance policy includes reserve ranges as follows:

- General Fund: 15% to 25% of the Budgeted Expenditures
- Other Funds: 0% to 20% of Budgeted Expenditures

A schedule of CRA fund balances is shown below:

	<b>Community Redevelopment Agency</b>
<b>Fund Balances:</b>	
<b>Restricted for:</b>	
Debt Service Reserve	15,277,690
Debt Service Principal and Interest	3,823,545
Community Redevelopment	59,187,094
Capital Projects	1,385,405
<b>Unassigned:</b>	(60,462)
<b>Total Fund Balances</b>	79,613,272

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**C. Interfund Transfers**

Transfers are indicative of funding for debt service, subsidies, and re-allocation of special revenues. The following schedule briefly summarizes significant CRA transfer activity:

Transfer To	Transfer From						Total
	Downtown Trust Fund	Downtown Debt Service	Republic Drive Trust Fund	Republic Drive Debt Service	Conroy Road Revenue Funds	Conroy Road Debt Service	
Downtown Debt Service	\$ 12,300,214	-	-	-	-	-	12,300,214
Downtown Trust Fund	-	\$ 1,736,873	-	-	-	-	1,736,873
Republic Drive Trust Fund	-	-	-	\$ 109,925	-	-	109,925
Republic Drive Debt Service	-	-	\$ 3,808,686	-	-	-	3,808,686
Conroy Road Revenue Fund	-	-	-	-	-	\$ 57,684	57,684
Conroy Road Debt Service	-	-	-	-	\$ 1,903,875	-	1,903,875
<b>Total</b>	<b>\$ 12,300,214</b>	<b>\$ 1,736,873</b>	<b>\$ 3,808,686</b>	<b>\$ 109,925</b>	<b>\$ 1,903,875</b>	<b>\$ 57,684</b>	<b>\$ 19,917,257</b>

**D. Restricted Assets**

The balances of the restricted asset accounts in the entity wide statements are shown below:

	<b>Community Redevelopment Agency</b>
Debt Service Funds	\$ 4,320,995
Reserve Funds	15,277,690
<b>Total Restricted Assets</b>	<b>\$ 19,598,685</b>

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 6: CAPITAL ASSETS**

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

	Community Redevelopment Agency			
	Beginning Balance	Additions	Transfers, Retirements and Other Adjustments	Ending Balance
Non-Depreciable Assets:				
Land	\$ 7,092,479	\$ 996,498	\$ -	\$ 8,088,977
Artwork	2,300	-	-	2,300
Depreciable Assets:				
Buildings	427,602	1,503,502	-	1,931,104
Improvements	22,183,291	885,935	-	23,069,226
Infrastructure	1,933,086	-	-	1,933,086
Equipment	62,682	-	(4,637)	58,045
<b>Totals at historical cost</b>	<u>31,701,440</u>	<u>3,385,935</u>	<u>(4,637)</u>	<u>35,082,738</u>
Less accumulated depreciation for:				
Buildings	(427,602)	(17,541)	-	(445,143)
Improvements	(21,490,870)	(205,294)	-	(21,696,164)
Equipment	(55,734)	-	983	(54,751)
Infrastructure	(72,491)	(48,327)	-	(120,818)
<b>Total accumulated depreciation</b>	<u>(22,046,697)</u>	<u>(271,162)</u>	<u>983</u>	<u>(22,316,876)</u>
<b>Capital assets assets, net</b>	<u>\$ 9,654,743</u>	<u>\$ 3,114,773</u>	<u>\$ (3,654)</u>	<u>\$ 12,765,862</u>

Depreciation expense was charged to governmental functions as follows:

Community Redevelopment Agency	271,162
<b>Total depreciation expense</b>	<u>\$ 271,162</u>

**NOTE 7: COMMITMENTS AND CONTINGENCIES:**

**a. Parking System Commitment** – Per an agreement with the Federal Transit Administration (FTA), the net revenues from the operations of City space facilities (two parking garages located near the Bob Carr Performing Arts Center) must be used to offset transit-oriented costs (in this instance the downtown Lymmo system). The residual support for the Lymmo system is provided by a junior lien commitment of the Parking System, the Orlando Venues, and the Downtown CRA District. For the fiscal year ended September 30, 2021, the related operating subsidy to the Lymmo system was \$1,584,392 from the Downtown CRA District.

**b. Downtown CRA District Development Incentives**

**55 West** – This project involved the redevelopment of Church Street Market, which was located between Orange Avenue and the CSX railroad. The original agreement included (but was not limited to) the repayment of a Special Assessment obligation used to finance 75% of the plaza area improvements, which is available to the public. During the 2016 fiscal year, the special assessment obligation was paid in full.

The CRA is also providing a partial tax increment recapture (\$298,553 in FY 2021) to be used to offset a portion of the public plaza-related special assessment. The tax increment recapture began in FY 2011 and will last for 12 years (through 2022).

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**The Plaza** – This project was completed in 2007. The developer built 394,000 sq. ft. of office condominium, 100,000 sq. ft. of retail and restaurant space, 304 residential condominium units, and a related 1,650-space parking structure.

In December 2008, the City and Community Redevelopment Agency approved an agreement to provide funding for the completion of the movie theatre located in The Plaza. The agreement restructured the original movie theatre incentive previously approved by the City and Community Redevelopment Agency.

The 2008 agreement provided for the funding of the movie theatre project, up to \$6,000,000, on a periodic basis as construction progressed. The project construction funds are being repaid by the developer, with interest, through the levy, imposition, and collection of special assessments on both the retail condominium and parking condominium, which will be specially benefited from the project. On July 2, 2014, the City received the balance of \$1,750,000 on the parking condominium portion of the assessment. The outstanding balance of the retail condominium portion of the assessment as of September 30, 2021 is \$499,998.

**Electronic Arts (EA)** – EA completed construction for its new regional headquarters in Creative Village. EA is the second largest video gaming company in the Americas and Europe. The move will bring over 700 high-wage jobs to Creative Village. The CRA approved an incentive agreement in October 2019 to provide an annual tax increment recapture to EA for 15 years equal to 100 percent of the tax increment revenue collected for the property. The maximum tax increment recapture shall not exceed \$9,000,000. The first of the fifteen-annual tax increment recapture payments is anticipated to be provided to EA in 2023.

**Parramore Oaks** – On October 29, 2019 phase 1 of Parramore Oaks, a new mixed-income housing community, was completed in the Parramore area. The first 120 units in this two-phase project includes 96 affordable and work-force housing units and 24 units without income restrictions. Phase 2, which will feature another 91 income-restricted units, was awarded Low Income Housing Tax Credits in December 2019 and is scheduled to start construction during the first quarter of 2021. In August 2019, the Community Redevelopment Agency agreed to provide an affordable housing incentive in an amount up to \$2,152,000 for Phase 2 if awarded Low Income Housing Tax Credits and after the construction is completed.

**c. Parramore Area Initiatives:**

**Creative Village** – On July 26, 2010, the Orlando City Council adopted an ordinance amending the City’s Growth Management Plan (GMP) by changing the future land use designation for the former Amway Arena property from Public-Recreational-Institutional to Urban Activity Center. The plan is to redevelop the former 68-acre Amway Arena site into the Creative Village property. The Amway Arena was demolished in 2012. It is envisioned that the Creative Village will create an industry cluster for creative and tech businesses integrate with residential, retail and academia in a neighborhood that is connected to, and complements, the Parramore neighborhood and Downtown community.

In February 2011, the City entered into a 20-year Master Development Agreement (MDA) that established the rights and responsibilities between the City and Creative Village LLC (CVD) regarding management and redevelopment of the Creative Village site. CVD has the right to purchase a portion of the development rights and parcels within the site, and the City retains the right to sell the remaining commercial and residential parcels. During the year ended September 30, 2021, the City received \$11.3 million in proceeds from the sale of Creative Village sites.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**e. Encumbrance Commitments:**

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. All governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year-end.

At September 30, 2021, the CRA had encumbrance commitments as follows:

<b>Governmental Funds</b>	<b>Encumbrances</b>
Community Redevelopment Agency	\$ 2,792,343

**NOTE 8: RISK MANAGEMENT**

The CRA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The CRA utilizes the City's Risk Management Division to identify, define and evaluate the areas of potential loss to the CRA so as to reduce their occurrences. Acknowledging that some loss is inevitable, routine or predictable losses are self-insured, while other more unpredictable or catastrophic losses are transferred to insurance companies.

Effective January 1, 2012, the City became self-insured with respect to employee health insurance coverage. This covers all eligible active and retired employees and their dependents. The City's Human Resources Division manages the health self-insured plan.

The City self-insures the great majority of its General Liability, Auto Liability, Workers' Compensation and Property losses via self-insured retentions (deductibles). For its General Liability and Auto Liability exposures, the City is afforded protection against losses consistent with the State of Florida Sovereign Immunity statute. These losses are capped at \$200,000 per person and \$300,000 per event. The schedule below describes the different deductibles, insurance coverages, and insurance limits the City currently has in place. Any losses above commercial insurance limits would also be self-insured. The coverage limit was increased for the Cyber liability coverage from last year's amount, but there were no other significant changes in coverages from the prior year.

<u>Deductibles</u>	<u>Coverage</u>	<u>Limits of Coverage</u>
N/A	General Liability & Auto Liability	\$200,000 per person, \$300,000 per occurrence (Consistent with Section 768.28, Florida Statutes)
\$ 250,000 (base)	All-Risk City Wide Property/Boiler and Machinery	\$350 million
\$ 250,000 (base)	All-Risk Amway Center Property/Boiler and Machinery	\$450 million
N/A	Workers' Compensation	Statutory
\$ 50,000	Crime/Employee Dishonesty	Various, up to \$10 million
\$ 75,000	Cyber liability	\$3 million

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

The City's Risk Management Division handles the claims management and loss prevention activities for the City. The only exception is third-party administration of workers' compensation claims. Annually, as of September 30, the Division has a third-party actuary review the claim history for all claim years for which open claims are outstanding. The actuary projects the ultimate claim payment obligation (including the incurred but not reported claims) for each year's claim experience and projects the New Year's probable loss fund cost.

These projections are provided at the expected confidence level before and after discounting the loss reserves for Workers' Compensation, General Liability and Automobile Liability. The City elected to establish the liability at the undiscounted projection.

The probable loss fund estimate is used to budget the Risk Management Fund's billing as an Internal Service Fund to the various funds and component units of the City, including the CRA. Historically, if an adjustment is necessary to increase the reported fund liability to reflect the actuary's estimated ultimate claim payment, then the Risk Management Fund will either draw upon its accumulated net position or initiate a year end billing to the City's participant funds. The City's practice of cash funding the projected ultimate claims payment experience as of the end of each fiscal year, even though some payments may not be made for 8 to 12 years thereafter, is intended to temporarily accumulate net position (through interest earnings) which can be used to meet changes in estimates over time. Settlements have not exceeded coverages for each of the past three fiscal years.

The City maintains individual claim year experience (revenues, expenses, accumulated earnings on the excess) to allow, once a claims year is closed out, an elective decision with regard to any excess available to either (a) retain the excess in the Risk Management Fund or (b) declare a dividend and redistribute the excess to the participants under the original shared billing formula.

**Self-Insurance for Employee Medical Benefits**

The City's self-insurance plan covers claims up to \$700,000 for employees, with an aggregating specific deductible endorsement of \$390,000.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 9: LONG-TERM OBLIGATIONS**

Long-term indebtedness of the CRA is accounted for in the governmental activities column of the entity-wide statement of net position.

The schedule of long-term liability activity is shown below.

**a. Description of Individual Bond Issues** - Summarized below are the CRA's bond issues which are outstanding at September 30, 2021:

	<b>Purpose of Issue</b>	<b>Amount Issued</b>	<b>Amount Outstanding</b>	<b>Coupon Interest Rate</b>	<b>Maximum Annual Debt Service</b>
<b>Community Redevelopment Agency</b>					
Republic Dr. (Universal Blvd) Series 2012	Refunding	\$ 29,430,000	\$ 10,795,000	3.75-5.00%	\$ 3,008,750
Republic Dr. (Universal Blvd) Series 2013 (1)	Capital Improvements	9,000,000	3,280,111	2.17%	864,993
Conroy Road Series 2012	Refunding	19,225,000	8,415,000	5.00%	1,947,750
Downtown CRA Series 2019A (1)	Refunding	57,351,000	53,274,000	3.40-3.56%	4,458,213
Downtown CRA Series 2020A (1)	Refunding	70,545,000	68,742,000	3.50%	8,917,560
<b>Total</b>		<u>\$ 185,551,000</u>	<u>\$ 144,506,111</u>		

(1) Bonds from direct borrowings and direct placements.

**b. Long-term liability activity for the year ended September 30, 2021 was as follows:**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Community Redevelopment Agency</b>					
<b>Bonds payable:</b>					
Community Redevelopment Agency bonds					
Downtown District	\$ -	\$ -	\$ -	\$ -	\$ -
Republic Drive (Universal Blvd.) District	13,180,000	-	(2,385,000)	10,795,000	2,505,000
Conroy Road District	9,860,000	-	(1,445,000)	8,415,000	1,520,000
Direct Borrowing and Direct Placement Bonds (CRA)	129,954,064	-	(4,657,953)	125,296,111	5,411,813
	<u>152,994,064</u>	<u>-</u>	<u>(8,487,953)</u>	<u>144,506,111</u>	<u>9,436,813</u>
Plus (Less) bond discounts and premiums	554,474	-	(202,359)	352,115	-
<b>Total bonds payable</b>	<u>153,548,538</u>	<u>-</u>	<u>(8,690,312)</u>	<u>144,858,226</u>	<u>9,436,813</u>
<b>Other liabilities:</b>					
Internal loans	1,628,573	-	(1,395,239)	233,334	233,334
Compensated absences	434,340	57,665	-	492,005	78,720
<b>Total other liabilities</b>	<u>2,062,913</u>	<u>57,665</u>	<u>(1,395,239)</u>	<u>725,339</u>	<u>312,054</u>
<b>Community Redevelopment Agency long-term liabilities</b>	<u>\$ 155,611,451</u>	<u>\$ 57,665</u>	<u>\$ (10,085,551)</u>	<u>\$ 145,583,565</u>	<u>\$ 9,748,867</u>

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Notes to Financial Statements  
September 30, 2021**

**c. Summary of Debt Service Requirements to Maturity - Annual Principal Requirements**

<b>Fiscal Year</b>	<b>Community Redevelopment Agency</b>		<b>Totals</b>
	<b>CRA Tax Increment Bonds (1)</b>	<b>Direct Placement and Direct Borrowings (2)</b>	
2022	4,025,000	5,411,813	9,436,813
2023	4,225,000	5,589,039	9,814,039
2024	4,440,000	5,775,639	10,215,639
2025	4,665,000	5,967,620	10,632,620
2026-2030	1,855,000	28,452,000	30,307,000
2031-2035	-	33,846,000	33,846,000
2036-2040	-	40,254,000	40,254,000
<b>Total</b>	<u>19,210,000</u>	<u>125,296,111</u>	<u>144,506,111</u>
Less:			
Payable Within One Year	<u>(4,025,000)</u>	<u>(5,411,813)</u>	<u>(9,436,813)</u>
<b>Total</b>	15,185,000	119,884,298	135,069,298
Less:			
Bond (Discount) Premium	<u>511,007</u>	<u>(158,892)</u>	<u>352,115</u>
Long-Term Principal <b>Due After One Year</b>	<u>\$ 15,696,007</u>	<u>\$ 119,725,406</u>	<u>\$ 135,421,413</u>

**d. Summary of Debt Service Requirements to Maturity - Annual Interest Requirements**

2022	924,250	4,370,266	5,294,516
2023	723,000	4,193,558	4,916,558
2024	511,750	4,007,146	4,518,896
2025	289,750	3,814,381	4,104,131
2026-2030	92,750	16,134,614	16,227,364
2031-2035	-	10,740,354	10,740,354
2036-2040	-	4,331,699	4,331,699
<b>Total</b>	<u>\$ 2,541,500</u>	<u>\$ 47,592,018</u>	<u>\$ 50,133,518</u>

**e. Summary of Debt Service Requirements to Maturity - Annual Principal and Interest Requirements**

2022	4,949,250	9,782,079	14,731,329
2023	4,948,000	9,782,597	14,730,597
2024	4,951,750	9,782,785	14,734,535
2025	4,954,750	9,782,001	14,736,751
2026-2030	1,947,750	44,586,614	46,534,364
2031-2035	-	44,586,354	44,586,354
2036-2040	-	44,585,699	44,585,699
<b>Total</b>	<u>\$ 21,751,500</u>	<u>\$ 172,888,129</u>	<u>\$ 194,639,629</u>

**Notes:**

- (1) Includes Republic Drive (Universal Boulevard) Series 2012 and Conroy Road Series 2012.
- (2) Includes Downtown Series 2019A and 2020A and Republic Drive (Universal Boulevard) Series 2013.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**f. New Indebtedness and Refunding Debt Issued by the CRA** - For the fiscal year ended September 30, 2021, the CRA had no new indebtedness or refunding.

**g. Disclosure of Legal Debt Margin** - The City has no legal debt margin requirements set forth by either State Statute or City Ordinance.

**h. Synopsis of Revenue Bond Covenants, Revenue Bonds Debt Service and Transfer Requirements** - Provisions of revenue bonds require either (1) monthly sinking fund contributions for current debt service of one-twelfth and one-sixth of the next maturing principal and interest payment, respectively, or (2) an annual bucket approach where all receipts are deposited into a sinking fund until the funds therein are sufficient to meet the maturing principal and interest payments. In addition, certain reserves for future debt service requirements (generally the largest principal and interest payment due in any succeeding year) must be maintained.

At September 30, 2021 the City did not have any unused lines of credit or had not pledged assets as collateral for debt. Pursuant to the City's Senior Bond Ordinance, upon the occurrence and continuance of a default, not less than 25% of the bondholders of the outstanding bond obligation may appoint a trustee. The trustee, to protect the bondholders and seek remedy, may sue to enforce payment when due of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the issuer for principal, interest, or otherwise under any provision of the Senior Bond Ordinance. During FY 2021, the City did not experience an event of default.

***Downtown CRA District:***

**Downtown CRA Tax Increment Revenue Bonds:**

On June 3, 2020 the City issued \$70,545,000 in Community Redevelopment Agency Tax Increment Revenue Refunding Bonds (Downtown District), Series 2020A. The Series 2020A bonds mature on September 1, 2040. As of September 30, 2021, the outstanding balance on the bonds is \$68,742,000.

On September 3, 2019 the City issued \$57,351,000 in Community Redevelopment Agency Tax Increment Revenue Refunding Bonds (Downtown District), Series 2019A. The Series 2019A bonds mature on September 1, 2037. As of September 30, 2020, the outstanding balance on the bonds is \$53,274,000.

The tax increment revenue received by the CRA on property within the downtown Community Redevelopment area is pledged to secure the outstanding bonds of these issues. The operating costs of the CRA and other capital projects may be financed out of the excess, after the debt service is provided. Additional bonds may be issued only after a parity test of 125% has been met, given retrospective consideration to the assessed value and related millage rates (and thus the revised increment) for the New Year. Additionally, the CRA has incurred subordinate lien level obligations and any additional debt incurred would have to be addressed in addition to these obligations.

***Republic Drive (Universal Boulevard) CRA District:***

**Republic Drive (Universal Boulevard) Tax Increment Revenue Refunding Bonds (Series 2012):**

On February 23, 2012 the City issued \$29,430,000 in Republic Drive (Universal Boulevard) Tax Increment Revenue Refunding Bonds, Series 2012. The original Republic Drive (Universal Boulevard) bonds financed an I-4 interchange. The Series 2012 bonds mature on April 1, 2025. As of September 30, 2021, the outstanding balance on the bonds is \$10,795,000.

**Republic Drive (Universal Boulevard) Tax Increment Revenue Bonds (Series 2013):**

On April 30, 2013 the City issued \$9,000,000 in Republic Drive (Universal Boulevard) Tax Increment Revenue Bonds, Series 2013. Proceeds of the bonds were used to fund capital improvements. The Series 2013 bonds mature on April 1, 2025. As of September 30, 2021, the outstanding balance on the bonds is \$3,280,111.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

***Conroy Road CRA District:***

**Conroy Road Tax Increment Revenue Refunding Bonds (Series 2012):**

On May 16, 2012 the City issued \$19,225,000 in Conroy Road Tax Increment Revenue Refunding bonds, Series 2012. The original Conroy Road bonds financed an I-4 interchange. The Series 2012 bonds mature on April 1, 2026. As of September 30, 2021, the outstanding balance on the bonds is \$8,415,000.

**i. Internal Loan Fund Loans** – The City created the Internal Loan Fund (as an Internal Service Fund) to provide interim or longer-term financing to other funds. The financing for the Fund’s loan activities was provided through non-revenue specific and non-project specific loans from the Sunshine State Governmental Financing Commission, the Capital Improvement Revenue Bonds and the Covenant Commercial Paper Program.

**NOTE 10: PENSION PLANS**

The functions of the CRA are performed by the City of Orlando, (the “City”) employees. The CRA does not contribute to the City’s pension plan to help fund it, nor does it have a legal requirement to directly contribute to the City’s pension plan. Therefore, the CRA is not reporting pension liabilities and expenses or pension related deferred outflows and inflows on its stand-alone financial statements. All pension liabilities and expenses and pension related deferred outflows and inflows are reported only in the City’s annual report.

**NOTE 11: OTHER EMPLOYEE BENEFITS**

**a. Deferred Compensation** - The City offers its employees (including the component unit employees) two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The City’s main plan is offered to all employees. Effective May 1, 2005, a new International Association of Firefighters (IAFF) plan was opened as an additional plan that is only offered to Firefighters. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen non-reimbursed emergency.

It is the opinion of the City's legal counsel that the City has no liability for losses under the plans, but does have the duty of due care that would be required of an ordinary prudent investor in overall program oversight.

Since the City has no control over these assets, other than periodically testing the market to retain or replace the 457 third-party administrator, the deferred compensation plan assets are not reflected in the City’s financial statements.

**b. Vacation and Sick Leave (Compensated Absences)** - The City has a personal leave program for permanent non-bargaining employees, the police union, and contract employees. Under this program, in lieu of sick leave accrual (which was discontinued January 1, 1996) each employee's annual vacation/personal leave accrual increased by 56 hours (63 for the sworn police officers), while all accumulated sick leave balances were frozen. The sick leave balance can be accessed starting on the fourth consecutive workday (or a fifth aggregate day for same illness) for specified health-related absences. Upon retirement, employees with 20 years of service will be paid one-third of the sick leave balance, while employees with 25 years will be paid one-half, neither of which can exceed 700 hours. All accumulated personal leave will be payable at either termination or retirement.

Employees in the firefighter and Laborers' International Union of North America (L.I.U.) bargaining units are covered under negotiated contracts, which provide for both vacation and sick leave accruals. All vacation hours are available upon termination or retirement, but sick leave balances are available only upon retirement at rates dependent upon length of service and workday (shift or regular).

The City estimates the sick, vacation, personal leave, and compensatory time liability, which includes the City's obligation to pay associated employer payroll taxes.

Those funds presented under the full economic resources basis of accounting (the proprietary and government-wide statements) show a current portion (amount expected to be expended in the subsequent year) and non-current portion of the compensated absences liability.

**CITY OF ORLANDO, FLORIDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**September 30, 2021**

**c. Long-Term Disability (LTD)** - On January 1, 2014, the City became fully insured for the LTD Plan. Annually, employees may elect to purchase LTD coverage with benefits ranging from 40% to 66<sup>2</sup>/<sub>3</sub>% of monthly compensation using the City's cafeteria plan credits and through payroll deductions. The annual rates (established by City Council) for the LTD Plan vary based on age and coverage that is elected by the employee. Benefits are reduced by any other disability income such as Social Security or workers' compensation. Employees receiving disability benefits will be granted pensionable credited service at ½ of the normal rate for those periods covered by long-term disability payments. Premiums are remitted to a third party and claims incurred on or after January 1, 2014 are paid by the third-party insurer.

**NOTE 12: OTHER POST EMPLOYMENT BENEFITS (OPEB)**

The functions of the CRA are performed by the City of Orlando, (the "City") employees. The CRA does not contribute to the City's OPEB plan to help fund it, nor does it have a legal requirement to directly contribute to the City's OPEB plan. Therefore, the CRA is not reporting OPEB liabilities and expenses or OPEB related deferred outflows and inflows on its stand-alone financial statements. All OPEB liabilities and expenses and OPEB related deferred outflows and inflows are reported only in the City's annual report.

**NOTE 13: TAX ABATEMENTS**

The CRA provides tax abatement programs subject to the requirements of GASB Statement No. 77, *Tax Abatement Disclosures*. The CRA negotiates the terms of the tax abatement agreements on an individual basis. See Note 7 for the other economic incentive commitments made by the CRA.

***Economic Development Incentive Programs***

The CRA provides economic incentives in the form of Tax Increment Rebates under Florida Statute 163 Part III. These incentives help support its commitment to continual redevelopment and revitalization of downtown Orlando, and help improve the local economy by attracting businesses, creating jobs, thus generating additional tax increment revenue in the Downtown Redevelopment Area. Individual agreements normally include obligatory performance benchmarks on behalf of the recipients. Tax increment rebates are paid directly to the developer in the amount ranging from 25% to 35% of taxable assessed value less the base year value transcribed in the individual agreements, and if applicable are subject to an annual and/or overall maximum. There are currently no provisions to recapture abated taxes under this program. For the fiscal year-ended September 30, 2021, taxes abated through this program totaled \$298,553.

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Notes to Financial Statements  
September 30, 2021**

**NOTE 14. CRA TRUST FUNDS**

The CRA has responsibility for three separate tax increment districts. Pursuant to Section 163.387, Florida Statutes, a Redevelopment Trust Fund was established for each of the three tax increment districts. The following schedules show the amount and source of deposits into, and the amount and purpose of withdrawals from, the trust funds during the fiscal year ended September 30, 2021, as well as principal and interest paid during the year on the debt which is pledged with tax increment revenues. The deposits and withdrawals do not include any accounting accruals or other accounting adjustments and may not reconcile to the financial statements, which are presented on a modified accrual basis of accounting. The balance of the debt remaining for each district is shown in Note 9.

**Downtown District Trust Fund**

<b>Source of Deposits</b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
City of Orlando	12/31/2020	\$ 22,924,176
Orange County	12/31/2020	15,287,495
Downtown Development Board	12/31/2020	3,025,125
Build America Bond Subsidy	12/18/2020	461,905
Income (Loss) on Investments	Monthly	(28,695)
<b>Total Deposits</b>		<b><u>\$ 41,670,006</u></b>

<b>Purpose of Withdrawals</b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
Transfer to Debt Service Account - Series 2019 Bonds	12/31/2020	\$ 4,875,627
Transfer to Debt Service Account - Series 2010 Bonds	12/31/2020	4,041,770
Transfer to Debt Service Account - Internal Loans	12/31/2020	2,632,816
Transfer to Debt Service Account - SIB Loan (Sun Rail)	12/31/2020	750,000
Transfer to Debt Service Account - Events Center	Monthly	810,651
Transfer to Debt Service Account - Performing Arts Center	Monthly	164,667
Transfer to Debt Service Account - Citrus Bowl	Monthly	91,467
Transfer to Downtown CRA Operating Fund	12/31/2020	26,223,562
Transfer to Downtown CRA Operating Fund	5/01/2021	1,736,873
Transfer to Downtown CRA Operating Fund	9/30/2021	4,000,000
Other Debt Service	Various	2,000
<b>Total Withdrawals</b>		<b><u>\$ 45,329,433</u></b>

<b>Principal and Interest on Indebtedness</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Other</u></b>	<b><u>Total</u></b>
Series 2010B Bonds	\$ -	\$ -	\$ -	-
Series 2019A Bonds	2,078,000	1,963,770	-	4,041,770
Series 2020A Bonds	1,803,000	3,072,627	644	4,876,271
Loans	2,145,239	21,105	-	2,166,344
<b>Totals</b>	<b><u>\$ 6,026,239</u></b>	<b><u>\$ 5,057,502</u></b>	<b><u>\$ 644</u></b>	<b><u>\$ 11,084,385</u></b>

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
Notes to Financial Statements  
September 30, 2021**

**Republic Drive (Universal Blvd.) Trust Fund**

<b>Source of Deposits</b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
City of Orlando	12/31/2020	\$ 12,505,762
Orange County	12/31/2020	8,339,746
Transfer from Debt Service Account	1/15/2021	109,925
Income on Investments	Monthly	1,253
<b>Total Deposits</b>		<b><u><u>\$ 20,956,686</u></u></b>

<b>Purpose of Withdrawals</b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
Transfer to Debt Service Account - Series 2012 Bonds	12/31/2020	\$ 2,952,125
Transfer to Debt Service Account - Series 2013 Bonds	12/31/2020	856,561
Surplus Increment Revenue to Orange County	1/21/2021	6,896,757
Surplus Increment Revenue to City of Orlando	1/31/2021	10,341,946
<b>Total Withdrawals</b>		<b><u><u>\$ 21,047,389</u></u></b>

<b>Principal and Interest on Indebtedness</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Other</u></b>	<b><u>Total</u></b>
Series 2012 Bonds	\$ 2,385,000	\$ 562,973	\$ 2,000	\$ 2,949,973
Series 2013 Bonds	776,953	79,608	2,000	858,561
<b>Total Debt Service</b>	<b><u><u>\$ 3,161,953</u></u></b>	<b><u><u>\$ 642,581</u></u></b>	<b><u><u>\$ 4,000</u></u></b>	<b><u><u>\$ 3,808,534</u></u></b>

**Conroy Road Trust Fund**

<b>Source of Deposits</b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
City of Orlando	12/31/2020	\$ 5,255,710
Orange County	12/29/2020	3,504,887
Transfer in from Debt Service Account	1/15/2021	57,684
Income on Investments	Monthly	492
<b>Total Deposits</b>		<b><u><u>\$ 8,818,773</u></u></b>

<b>Purpose of Withdrawals</b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
Transfer to Debt Service Account - Series 2012 Bonds	12/31/2020	\$ 1,903,875
Surplus Increment Revenue to Orange County	1/21/2021	2,779,178
Surplus Increment Revenue to City of Orlando	1/31/2021	4,167,482
<b>Total Withdrawals</b>		<b><u><u>\$ 8,850,535</u></u></b>

<b>Principal and Interest on Indebtedness</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Other</u></b>	<b><u>Total</u></b>
Series 2012 Bonds	\$ 1,445,000	\$ 456,763	\$ 2,000	\$ 1,903,763



This page intentionally blank.



OTHER REQUIRED  
SUPPLEMENTARY INFORMATION



**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**September 30, 2021**

**BUDGETARY COMPLIANCE**

The original budget includes the carry forward appropriation (for unexpended projects and grants) as authorized in the annual budget resolution.

Carry forward appropriations are used in grant accounting to enable revenue and expenditure budgets to be established prior to revenue recognition criteria being realized. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior periods' excess of revenues over expenditures.

**Budgetary Basis Expenditures**

To compare the actual expenditures to the final budget, encumbrances are added to the actual expenditures to reflect budgetary basis expenditures.

**CITY OF ORLANDO, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY REDEVELOPMENT AGENCY  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Resources (inflows):</b>				
Other Intergovernmental	\$ 72,596,342	\$ 72,596,342	\$ 71,552,044	\$ (1,044,298)
Charges for Services	20,000	20,000	32,177	12,177
Income on Investments	252,717	252,717	(71,368)	(324,085)
Other	80,000	80,000	629,487	549,487
<b>Amounts available for appropriation</b>	<u>72,949,059</u>	<u>72,949,059</u>	<u>72,142,340</u>	<u>(806,719)</u>
<b>Charges to Appropriations (outflows):</b>				
Community Redevelopment Agency	54,859,285	89,929,454	42,766,387	47,163,067
Capital Improvements	83,000	20,636,968	7,979,801	12,657,167
Debt Service	18,006,774	18,006,774	16,796,681	1,210,093
<b>Total</b>	<u>72,949,059</u>	<u>128,573,196</u>	<u>67,542,869</u>	<u>61,030,327</u>
<b>Excess (Deficiency) of Resources Over Charges to Appropriations</b>	-	(55,624,137)	4,599,471	60,223,608
<b>Fund Balance Allocation</b>	-	55,624,137	-	(55,624,137)
<b>Excess (Deficiency) of Resources Over Charges to Appropriations</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,599,471</u>	<u>\$ 4,599,471</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 72,142,340
Differences - budget to GAAP:	
Sale of Land are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Bond and loan proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.</b>	<u>\$ 72,142,340</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 67,542,869
Differences - budget to GAAP:	
Payments to refunded bond escrow agent and discount on issuance of debt are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	(2,792,343)
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.</b>	<u>\$ 64,750,526</u>





## **COMMUNITY REDEVELOPMENT AGENCY (CRA) FUNDS**

The City Council serves as the CRA board. The CRA has responsibility for three separate tax increment districts (which have district specific debt obligations and related revenues).

### **CRA DOWNTOWN DISTRICT**

**Trust Fund** Accounts for the Tax Increment Revenue received from the City of Orlando, Orange County, and the Downtown Development Board. Also accounts for the operational expenditures of the Downtown CRA (including salaries, contractual services, and economic development incentives).

**Debt Service** Accounts for the debt service (principal and interest payments) for the District's outstanding bonds and internal loans.

### **CRA REPUBLIC DRIVE (UNIVERSAL BOULEVARD) DISTRICT**

**Trust Fund** Accounts for the Tax Increment Revenue received from the City of Orlando and Orange County.

**Debt Service** Accounts for the debt service (principal and interest payments) for the District's outstanding bond.

**Construction** Accounts for the bond proceeds, which are being used for capital improvements.

### **CRA CONROY ROAD DISTRICT**

**Revenue Funds** Accounts for the Tax Increment Revenue received from the City of Orlando and Orange County, as well as the Transportation Impact Fees received from construction activity in the Conroy Road District.

**Debt Service** Accounts for the debt service (principal and interest payments) for the District's outstanding bond.

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2021**

	<u>Downtown Trust Fund</u>	<u>Downtown Debt Service</u>	<u>Republic Drive Trust Fund</u>	<u>Republic Drive Debt Service</u>	<u>Republic Drive Construction</u>
<b>ASSETS</b>					
Current Cash and Cash Equivalents	\$ 60,884,009	\$ -	\$ 1,071	\$ -	\$ 1,385,405
Restricted Cash and Cash Equivalents	-	3,850,146	-	269,279	-
Restricted Investments	-	10,365,262	-	3,009,176	-
<b>Total Assets</b>	<u>\$ 60,884,009</u>	<u>\$ 14,215,408</u>	<u>\$ 1,071</u>	<u>\$ 3,278,455</u>	<u>\$ 1,385,405</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,589,534	\$ -	\$ 49,233	\$ -	\$ -
Accrued Liabilities	107,052	-	-	-	-
Advance Payments	21	-	-	-	-
Due to Other Governments	308	-	-	-	-
Accrued Interest Payable	-	-	-	287,187	-
<b>Total Liabilities</b>	<u>1,696,915</u>	<u>-</u>	<u>49,233</u>	<u>287,187</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	59,187,094	14,215,408	-	2,991,268	1,385,405
Unassigned	-	-	(48,162)	-	-
<b>Total Fund Balances</b>	<u>59,187,094</u>	<u>14,215,408</u>	<u>(48,162)</u>	<u>2,991,268</u>	<u>1,385,405</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 60,884,009</u>	<u>\$ 14,215,408</u>	<u>\$ 1,071</u>	<u>\$ 3,278,455</u>	<u>\$ 1,385,405</u>

<b>Conroy Road Revenue Funds</b>	<b>Conroy Road Debt Service</b>	<b>Total CRA Funds</b>
\$ 428	\$ -	\$ 62,270,913
-	201,570	4,320,995
-	1,903,252	15,277,690
<u>\$ 428</u>	<u>\$ 2,104,822</u>	<u>\$ 81,869,598</u>
\$ 12,728	\$ -	\$ 1,651,495
-	-	107,052
-	-	21
-	-	308
-	210,263	497,450
<u>12,728</u>	<u>210,263</u>	<u>2,256,326</u>
-	1,894,559	79,673,734
<u>(12,300)</u>	<u>-</u>	<u>(60,462)</u>
<u>(12,300)</u>	<u>1,894,559</u>	<u>79,613,272</u>
<u>\$ 428</u>	<u>\$ 2,104,822</u>	<u>\$ 81,869,598</u>

**CITY OF ORLANDO, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<b>Downtown Trust Fund</b>	<b>Downtown Debt Service</b>	<b>Republic Drive Trust Fund</b>	<b>Republic Drive Debt Service</b>	<b>Republic Drive Construction</b>
<b>REVENUES</b>					
Other Intergovernmental	\$ 42,006,510	\$ -	\$ 20,797,665	\$ -	\$ -
Charges for Services	32,177	-	-	-	-
Income on Investments	(43,971)	1,152	1,253	(21,967)	923
Other Revenues	629,487	-	-	-	-
<b>Total Revenues</b>	<u>42,624,203</u>	<u>1,152</u>	<u>20,798,918</u>	<u>(21,967)</u>	<u>923</u>
<b>EXPENDITURES</b>					
Community Redevelopment	13,094,344	-	17,238,704	-	-
Capital Improvements	5,765,959	-	-	-	-
Principal Payments	-	6,026,239	-	3,161,953	-
Interest and Other	3,901,176	6,065,148	-	646,581	-
<b>Total Expenditures</b>	<u>22,761,479</u>	<u>12,091,387</u>	<u>17,238,704</u>	<u>3,808,534</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>19,862,724</u>	<u>(12,090,235)</u>	<u>3,560,214</u>	<u>(3,830,501)</u>	<u>923</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,736,873	12,300,214	109,925	3,808,686	-
Transfers Out	(12,300,214)	(1,736,873)	(3,808,686)	(109,925)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(10,563,341)</u>	<u>10,563,341</u>	<u>(3,698,761)</u>	<u>3,698,761</u>	<u>-</u>
Net change in fund balances	9,299,383	(1,526,894)	(138,547)	(131,740)	923
<b>Fund balances - beginning</b>	<u>49,887,711</u>	<u>15,742,302</u>	<u>90,385</u>	<u>3,123,008</u>	<u>1,384,482</u>
<b>Fund balances - ending</b>	<u>\$ 59,187,094</u>	<u>\$ 14,215,408</u>	<u>\$ (48,162)</u>	<u>\$ 2,991,268</u>	<u>\$ 1,385,405</u>

<b>Conroy Road Revenue Funds</b>	<b>Conroy Road Debt Service</b>	<b>Total CRA Funds</b>
\$ 8,747,869	\$ -	\$ 71,552,044
-	-	32,177
492	(9,250)	(71,368)
-	-	629,487
<u>8,748,361</u>	<u>(9,250)</u>	<u>72,142,340</u>
6,946,659	-	37,279,707
-	-	5,765,959
-	1,445,000	10,633,192
-	458,763	11,071,668
<u>6,946,659</u>	<u>1,903,763</u>	<u>64,750,526</u>
1,801,702	(1,913,013)	7,391,814
57,684	1,903,875	19,917,257
<u>(1,903,875)</u>	<u>(57,684)</u>	<u>(19,917,257)</u>
(1,846,191)	1,846,191	-
(44,489)	(66,822)	7,391,814
<u>32,189</u>	<u>1,961,381</u>	<u>72,221,458</u>
<u>\$ (12,300)</u>	<u>\$ 1,894,559</u>	<u>\$ 79,613,272</u>



This page intentionally blank.



Certified Public Accountants

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

The Honorable Mayor and  
Members of the City Council  
City of Orlando 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, the financial statements of the City of Orlando, Florida Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's financial statements and have issued our report thereon May 10, 2022.

**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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable Mayor and  
Members of the City Council  
City of Orlando Community Redevelopment Agency

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CRA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, 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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the CRA in a separate management letter and Independent Accountant's Report dated May 10, 2022.

### **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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
May 10, 2022



## INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and  
Members of the City Council  
City of Orlando Community Redevelopment Agency

We have examined the City of Orlando, Florida Community Redevelopment Agency's (the "CRA") compliance with the requirements of Sections 163.387(6) and (7) and 218.415, Florida Statutes, during the fiscal year ended September 30, 2021. Management is responsible for the CRA's compliance with those 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 is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the CRA's compliance with specified requirements.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

***MSL, P.A.***

Certified Public Accountants

Orlando, Florida  
May 10, 2022



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and  
Members of the City Council  
City of Orlando Community Redevelopment Agency

### **Report on the Financial Statements**

We have audited the basic financial statements of the City of Orlando, Florida Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 10, 2022.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 10, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

The Honorable Mayor and  
Members of the City Council  
City of Orlando Community Redevelopment Agency

### **Financial Condition**

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

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

### **Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.38(3)(b), Florida 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 of the CRA, a dependent special district of the City of Orlando, that is required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, is reported in the City of Orlando's management letter for the fiscal year ended September 30, 2021.

### **Additional Matters**

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

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor, City Council, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
May 10, 2022

