

**MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND
AUTHORITY
(A Component Unit of Monroe
County, Florida)**

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

As of and for the Year Ended September 30, 2018

And Reports of Independent Auditor

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR	1-2
MANAGEMENT’S DISCUSSION AND ANALYSIS	3-6
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position.....	7
Statement of Activities.....	8
Fund Financial Statements	
Balance Sheet - General Fund.....	9
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund.....	10
Notes to Financial Statements.....	11-30
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in the Authority’s Total OPEB Liability and Related Ratios.....	31
Florida Retirement System Pension Plan – Schedule of the Authority’s Proportionate Share of Net Pension Plan Liability and Contributions to the Florida Retirement System Pension Plan.....	32
Health Insurance Subsidy Plan – Schedule of the Authority’s Proportionate Share of Net Pension Plan Liability and Contributions to the Health Insurance Subsidy Plan.....	33
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund (Budgetary Basis).....	34
SUPPLEMENTARY INDEPENDENT AUDITOR’S REPORTS	
Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35-36
Independent Auditor’s Management Letter.....	37-38
Report of Independent Accountant on Compliance with Local Government Investment Policies.....	39

Report of Independent Auditor

To the Governing Board
Monroe County Comprehensive Plan Land Authority
Monroe County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Monroe County Comprehensive Plan Land Authority (the "Authority"), a component unit of Monroe County, Florida, as of and for the year ended September 30, 2018, and the related notes to the 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 the 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 of 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 Authority'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 Authority'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 above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority as of September 30, 2018, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the Authority adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. As a result, net position as of September 30, 2017 has been restated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2019 on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 Authority’s internal control over financial reporting and compliance.

Cherry Rubert LLP

Orlando, Florida
February 11, 2019

MONROE COUNTY, FLORIDA

COMPREHENSIVE PLAN LAND AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Monroe County Comprehensive Plan Land Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial activities for the fiscal year ended September 30, 2018.

Overview of the Financial Statements

This discussion and analysis serves as an introduction and guide to the Authority's basic financial statements. The Authority's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Following the notes is the required supplementary information. This section contains funding information about the Authority's pension plans.

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

The Statement of Net Position presents information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Activities presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Compensated absences and pension related items do not use current financial resources and therefore are not reported as expenditures in the General fund.

Fund Financial Statements. The General Fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the General 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. This information is useful in evaluating the Authority's ability to fund new acquisitions in the near-term.

Since the focus of the General Fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the General Fund with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the General Fund Balance Sheet and the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between fund level and government-wide activities.

The Authority adopts an annual appropriated budget. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements. The notes contained in this report provide additional information that is essential to a full understanding of the data provided. The notes are an integral part of the basic financial statements.

Other Information. In addition to financial statements and accompanying notes, this report also presents supplementary information required by the Governmental Accounting Standards Board.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

Statement of Net Position. In the Statement of Net Position presented on page 7, the Authority’s assets total \$67,537,483 and include cash and investments, amounts due from other governments for tourist impact tax and park surcharge fees, mortgages receivable, capital assets in the form of acquired land, and intangible assets in the form of affordable housing restrictions. The mortgage receivables consist of nine long-term balloon loans issued for the acquisition of affordable housing sites as described in Note 3, two of which are forgivable.

Cash and investments are the assets typically of most importance to the Authority’s Board of Directors and to the public, as these assets are the resources most readily available to meet current and future needs for property acquisition. The Authority’s cash and investments total \$12,947,342. This amount compares with \$10,785,489 at the end of the previous fiscal year, an increase of \$2,161,853. Approximately 67% of the Authority’s assets consist of land and intangible assets acquired for specific public purposes, approximately 13% consist of mortgages, and approximately 19% are categorized as cash and investments.

The Authority’s current liabilities consist of accounts payable, accrued wages and compensated absences (annual leave and sick leave) forecasted to be used during the upcoming year. The Authority’s non-current liabilities consist of compensated absences that are forecasted not to be used during the upcoming year as well as net pension and net other postemployment benefits liabilities. Total liabilities are \$443,221.

The Authority’s resulting net position is categorized as invested in capital assets, restricted specifically for the acquisition of land or the activities described in Section 380.0666, Florida Statutes, (listed as “restricted”), and amounts which may be used for all purposes authorized by the Authority’s enabling legislation (listed as “unrestricted”). The Authority’s total net position is \$67,195,607, an increase of \$4,211,532 offset by a restatement of beginning net position of \$161,245 related to the implementation of a new accounting standard. See Note 13 for further details. Of this total, \$45,116,241 is invested in capital assets, \$6,130,049 is restricted, and \$15,949,317 is unrestricted.

The following table provides a condensed comparison of the Authority’s Statement of Net Position at year end for 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cash and investments	\$ 12,947,342	\$ 10,785,489
Capital and other assets	54,590,141	52,591,398
Total assets	<u>67,537,483</u>	<u>63,376,887</u>
Deferred outflows of resources	131,690	136,420
Total liabilities	<u>443,221</u>	<u>350,647</u>
Deferred inflows of resources	30,345	17,340
Net position*		
Investment in capital assets	45,116,241	42,963,723
Restricted	6,130,049	3,867,402
Unrestricted	<u>15,949,317</u>	<u>16,314,195</u>
Total net position	<u>\$ 67,195,607</u>	<u>\$ 63,145,320</u>

*See Note 13 to the financial statements.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities. In the Statement of Activities presented on page 8, the Authority's revenues total \$4,789,362 and include intergovernmental revenue consisting of tourist impact tax and park surcharge fees and investment income consisting of interest on cash and investment accounts. The Authority's overall revenues decreased by \$492,339 compared to the prior year. This decrease was due to a significant decline in tourist impact tax and park surcharge fees attributable to Hurricane Irma.

The program expenses in the Statement of Activities total \$577,830 and consist of amounts paid on behalf of the State of Florida to assist in purchasing land, as well as general government expenses. The \$422,730 in general government expenses includes the Authority's personnel and operating expenses plus the amount by which compensated absences increased during the current year. Total program expenses for fiscal year 2018 decreased by \$23,674 compared to the prior year, largely due to a decrease in the amount of land the Authority donated.

The following table provides a condensed comparison of the Authority's governmental activities at year end for 2018 and 2017:

	<u>2018</u>	<u>2017</u>
General revenues:		
Intergovernmental	\$ 4,576,630	\$ 5,184,819
Investment income	212,732	96,882
Total general revenues	<u>4,789,362</u>	<u>5,281,701</u>
Program expenses:		
Assistance with State land purchases	155,100	-
Land contribution conveyances	-	132,296
General government	422,730	469,208
Total program expenses	<u>577,830</u>	<u>601,504</u>
Increase in net position	4,211,532	4,680,197
Net position, beginning of year	63,145,320	58,465,123
Cumulative effect of change in accounting principle	(161,245)	-
Net position, end of year	<u>\$ 67,195,607</u>	<u>\$ 63,145,320</u>

Financial Analysis of the General Fund

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

The Authority's General Fund financial statements provide information on near-term inflows, outflows, and balances of spendable resources. This information can be useful in assessing the Authority's ability to fund new acquisitions in the near-term.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Balance Sheet. The General Fund Balance Sheet presented on page 9 lists the Authority's assets and liabilities in a manner similar to the government-wide Statement of Net Position. However, since the General Fund Balance Sheet is a fund-level presentation providing a near-term perspective, the assets section excludes the Authority's capital assets, the liability section excludes compensated absences and net pension and other postemployment benefits ("OPEB") liabilities, and deferred outflows and inflows related to pensions and OPEB are excluded. Presented in this manner, the Authority's assets are \$22,421,242 and its liabilities are \$12,332.

This statement identifies \$22,408,910 of total fund balance. Of this total, \$8,769,025 is attributable to funds the Authority may receive in the future from the repayment of mortgage loans and is therefore classified as nonspendable; \$6,130,049 is attributable to funds restricted for land acquisition and is therefore classified as restricted; \$4,293,248 is attributable to funds assigned for reserves; and \$3,216,588 is attributable to funds which may be used for all purposes authorized by the Authority's enabling legislation and is therefore classified as unassigned.

Statement of Revenues, Expenditures and Changes in Fund Balance. The General Fund Statement of Revenues, Expenditures and Changes in Fund Balance presented on page 10 lists the Authority's revenues and expenditures in a manner similar to the government-wide Statement of Activities. However, in this format the expenditures include land purchases (as capital outlay), pension related items and compensated absences. Presented in this manner, the Authority's revenues are \$4,789,362 and its expenditures are \$2,782,286.

General Fund Budgetary Highlights. The Authority budgets its revenues and expenditures on the same basis of accounting as presented in the basic financial statements of the General Fund, except that mortgage assistance cash outlays and receipts are budgeted as operating activities and compensated absences are not budgeted in personnel expenditures. There were no supplemental appropriations to amounts originally budgeted for fiscal year 2018.

As shown in the Budget and Actual schedule on page 34, the Authority operated within the limits established by its adopted budget. Actual revenues exceed the budgeted amount by \$621,916, while actual expenditures are \$10,432,383 less than budget. Most of the revenue surplus consists of an increase in investment income. The investment income of \$212,732 consists of interest. The schedule's positive expenditure variance includes budgeted reserves held for specific acquisition projects.

Capital Asset Administration

As shown in Note 4 on page 15, the Authority's investment in capital assets amounts to \$45,116,241, an increase of \$2,152,518 compared to the prior year. The increase was the net result of \$1,027,848 of land acquired, \$1,125,000 of intangible assets acquired, less \$330 of equipment depreciation.

Long-Term Debt. During the year the Authority's long-term debt increased by \$91,572, which includes OPEB liability of \$83,326 due to the implementation of GASB 75.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Authority's Executive Director, at 1200 Truman Avenue, Suite 207, Key West, FL 33040.

BASIC FINANCIAL STATEMENTS

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
STATEMENT OF NET POSITION

SEPTEMBER 30, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Cash and investments	\$ 12,947,342
Due from BOCC	647,752
Due from State of Florida	57,123
Mortgages receivable	8,769,025
Equipment, net of accumulated depreciation	826
Capital assets-land	31,101,288
Intangible assets	14,014,127
Total assets	<u>67,537,483</u>

Deferred Outflows of Resources	131,690
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Current liabilities:

Accounts payable	659
Accrued wages	11,673
Compensated absences	22,219
Total current liabilities	<u>34,551</u>

Noncurrent liabilities:

Compensated absences	46,482
Net pension liability	278,862
Net other postemployment benefits liability	83,326
Total noncurrent liabilities	<u>408,670</u>
Total liabilities	<u>443,221</u>

Deferred Inflows of Resources	30,345
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Net position:

Investment in capital assets	45,116,241
Restricted	6,130,049
Unrestricted	15,949,317
Total net position	<u>\$ 67,195,607</u>

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

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2018

General revenues:	
Intergovernmental	\$ 4,576,630
Investment income	212,732
Total general revenues	<u>4,789,362</u>
Program expenses:	
Assistance with State land purchases	155,100
General government	422,730
Total program expenses	<u>577,830</u>
Increase in net position	4,211,532
Net position, beginning of year	63,145,320
Restatement of beginning net position (see Note 13)	<u>(161,245)</u>
Net position, beginning of year, restated	<u>62,984,075</u>
Net position, end of year	<u><u>\$ 67,195,607</u></u>

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

**MONROE COUNTY, FLORIDA
 COMPREHENSIVE PLAN LAND AUTHORITY
 BALANCE SHEET
 GENERAL FUND**

SEPTEMBER 30, 2018

ASSETS

Cash and investments	\$ 12,947,342
Due from BOCC	647,752
Due from State of Florida	57,123
Mortgages receivable	8,769,025
	<u>\$ 22,421,242</u>

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	\$ 659
Accrued wages	11,673
Total liabilities	<u>12,332</u>

Fund balance:

Nonspendable: mortgage loans	8,769,025
Restricted: land acquisition	6,130,049
Assigned: reserves	4,293,248
Unassigned: fund balance	3,216,588
Total fund balance	<u>22,408,910</u>
Total liabilities and fund balance	<u>\$ 22,421,242</u>

**Amounts reported in the statement of net position differ
 from amounts reported above as follows:**

Fund balance - total governmental funds	\$ 22,408,910
Capital assets used in governmental activities are not financial resources and therefore are not reported above	45,116,241
Deferred outflows of resources related to pensions	131,690
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds	(68,701)
Net pension liability	(278,862)
Deferred inflows of resources related to pensions	(27,117)
Other postemployment benefits liability	(83,326)
Deferred inflows of resources related to other postemployment benefits	(3,228)
Net position of governmental activities	<u>\$ 67,195,607</u>

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

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2018

Revenues:	
Intergovernmental	\$ 4,576,630
Investment income	212,732
Total revenues	<u>4,789,362</u>
Expenditures:	
Current:	
Personnel	372,377
Operating	101,961
Capital outlay	2,307,948
Total expenditures	<u>2,782,286</u>
Excess of revenues over expenditures	2,007,076
Fund balance, beginning of year	<u>20,401,834</u>
Fund balance, end of year	<u>\$ 22,408,910</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balance-total governmental fund	\$ 2,007,076
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized net of accumulated depreciation of \$330	2,152,518
Some expenses do not use current financial resources and, therefore, are not reported as expenditures in government funds	
Pension expense	(21,655)
Compensated absences	(1,098)
Other postemployment benefit expense	74,691
Change in net position of governmental activities	<u>\$ 4,211,532</u>

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

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 1—Nature of operations and summary of significant accounting policies

Reporting Entity – The Monroe County, Florida Comprehensive Plan Land Authority (the "Authority") is a legally separate entity from Monroe County, Florida. However, the Monroe County Board of County Commissioners serves as the governing board of the Authority, therefore, for financial reporting purposes, the Authority is considered a component unit of Monroe County, Florida. The financial statements of the Authority are included as a discretely presented component unit in the Monroe County, Florida Comprehensive Annual Financial Report.

The Authority was established under Monroe County, Florida Ordinance 031-1986 pursuant to Florida Statute 380. Its purpose is to operate a land acquisition program in Monroe County, to implement the Monroe County Comprehensive Plan and address issues created by it.

Basis of Accounting – Government fund financial statements are organized for reporting purposes on the basis of a General Fund, the Authority's major fund, which accounts for all activities of the Authority and is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Authority considers all revenues available if collected within 60 days after year-end. Expenditures are recognized when the related fund liability is incurred.

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

Budget – Prior to, or on September 30, the Authority's budget is legally enacted through passage of a resolution. Budgeted to Actual Expenditure reports are employed as a management control device during the year for the fund. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that mortgage assistance cash outlays and receipts are budgeted as operating activities and compensation accruals are not budgeted. For the fiscal year 2018, the following adjustments were necessary to present the actual data on a budgetary basis for the General Fund excess of revenues over expenditures:

GAAP basis	\$ 2,007,076
Compensation accrual difference	343
Mortgage funds	<u>382,554</u>
Non-GAAP budgetary basis	<u>\$ 2,389,973</u>

Capital Assets – Capital assets are defined by the Authority as land and those assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of two years. Such assets consist of land and equipment and, when purchased, are recorded at the Authority's cost. Where land was acquired by donation on or prior to September 30, 2010, the asset was recorded at the Authority's transaction cost plus the higher of the tax assessed value at the time of donation or 115% of the 1986 tax assessed value. Where land was acquired by donation after September 30, 2010, the asset is recorded at estimated acquisition cost, derived from the Authority's transaction cost plus the tax assessed value at the time of donation. Land is not depreciated since it does not have a determinable useful life. Equipment is depreciated using the straight line method over the useful life of the equipment.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 1—Nature of operations and summary of significant accounting policies (continued)

Deferred Outflows and Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has several items that meet this criterion - pension and OPEB related deferrals and contributions made to the plans subsequent to the measurement date. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has several items that meet this criterion – pension and OPEB related deferrals.

Long-Term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Compensated Absences – The Authority's policy grants employees annual leave and sick leave in varying amounts. Upon termination of employment, employees with six months or more of credited service can receive payment for accumulated annual leave. In general, sick leave payments are granted upon termination of employment to employees with five years or more of credited service. The maximum payment is subject to percentage and maximum hour limitations. The amount of vested accumulated compensated absences payable based on the Authority's annual and sick leave policies, is reported as a liability in the government-wide financial statements. That liability includes earned but unused vacation and sick leave. Vacation leave is accrued based on length of employment. Sick time is paid out based on length of employment up to one half of all accrued sick leave, with a maximum of 120 days with 15 or more years of service.

Net Position – Net position in the government-wide fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments imposed by law through state statute.

Fund Balances – In the governmental fund financial statements, fund balance is composed of five classifications designated to disclose the hierarchy of constraints placed on how fund balance can be spent. The government fund types classify fund balances as follows:

Nonspendable – Include amounts that cannot be spent because they are either not in spendable form, or for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed – Amounts that can only be used for specific purposes because of formal action (resolution or ordinance) by the government's highest level of decision-making authority.

Assigned – Amounts that are constrained by the Authority's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by the Executive Director to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 1—Nature of operations and summary of significant accounting policies (continued)

Unassigned – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Cash and Investments – The Authority's cash and investments consist of demand deposits and highly liquid investments with maturities of 90 days or less when purchased.

Use of Estimates – The preparation of the financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from those estimates.

New Accounting Pronouncement – Effective October 1, 2017, the Authority adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses for other postemployment benefits liabilities; modified certain disclosures in the notes to financial statements; and the required supplementary information. Note 13 details the restatement of the beginning net position for the Authority.

Note 2—Deposits and investments

As of September 30, 2018, the Authority has the following deposits and investments:

Demand deposits	\$ 579,993
Local Governmental Surplus Trust Florida PRIME	<u>12,367,349</u>
Total deposits and investments	<u><u>\$ 12,947,342</u></u>

The Authority places its cash and investments on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts. The Authority from time to time may have amounts on deposit in excess of the insured limits and the remaining balances are insured 100% by the State of Florida collateral pool, a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails. As of September 30, 2018, the demand deposits have a bank balance of \$601,601.

The Authority's investment policy is in accordance with Florida Statute 218.415. This policy authorizes investments in demand deposits, the Local Government Surplus Trust Fund, money market funds with the highest credit quality rating from a nationally recognized agency, or direct obligations of the United States Treasury.

As of September 30, 2018, the Authority had \$12,367,349 invested in the Local Government Surplus Trust Fund, all of which is invested in Florida PRIME. Florida PRIME is a qualifying external investment pool presented at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals; however, Florida PRIME may, on the occurrence of an event that has a material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 2—Deposits and investments (continued)

The Florida PRIME is rated by Standard and Poors. The current rating is AAAm. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2018 is 33 days. Next interest rate reset days for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida Prime at September 30, 2018 is 72 days. The Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2017 through September 30, 2018. The Florida PRIME did not participate in any securities lending program in the period October 1, 2017 through September 30, 2018.

Note 3—Mortgages receivable

Mortgages receivable as of September 30, 2018 are as follows:

Second mortgage due from governmental agency, collateralized by land, payable in full November 2034, interest free (OR 1697-2076) and (as amended at OR 2442-1497)	\$ 1,500,000
Second mortgage due from governmental agency, collateralized by land, payable in full January 2034, interest free (OR 1965-1039)	2,210,000
First mortgage due from governmental agency, collateralized by land, payable in full September 2045, interest free (OR 1395-1409)	59,025
Third mortgage due from private company, collateralized by land, payable in full May 2050, interest free (OR 1749-2340)	1,089,000
Third mortgage due from private company, collateralized by land, payable in full September 2053, interest free (OR 1939-405)	1,500,000
Second mortgage due from governmental agency, collateralized by land, payable in full July 2040, interest free (OR 2475-1762)	836,000
Third mortgage due from governmental agency, collateralized by land, forgivable July 2040, interest free (OR 2475-1767)	800,000
Second mortgage due from governmental agency, collateralized by land, payable in full November 2041, interest free (OR 2541-877/884)	225,000
Third mortgage due from governmental agency, collateralized by land, forgivable November 2041, interest free (OR 2541-885/895)	<u>550,000</u>
Total mortgages receivable	<u><u>\$ 8,769,025</u></u>

The mortgages receivable are presented as nonspendable fund balance, which indicates that they do not constitute "available spendable resources," even though they are a component of total assets.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 4—Capital assets

A summary of changes in capital assets is as follows:

	Balance 09/30/17	Additions	Deductions	Balance 09/30/18
Capital assets, not depreciated:				
Land	\$ 30,073,440	\$ 1,027,848	\$ -	\$ 31,101,288
Intangible assets	12,889,127	1,125,000	-	14,014,127
Total capital assets, not depreciated	<u>42,962,567</u>	<u>2,152,848</u>	<u>-</u>	<u>45,115,415</u>
Capital assets, depreciated:				
Equipment	2,744	-	-	2,744
Total capital assets, depreciated	<u>2,744</u>	<u>-</u>	<u>-</u>	<u>2,744</u>
Less accumulated depreciation	<u>(1,588)</u>	<u>(330)</u>	<u>-</u>	<u>(1,918)</u>
Total capital assets, depreciated, net	<u>1,156</u>	<u>(330)</u>	<u>-</u>	<u>826</u>
Total capital assets, net	<u>\$ 42,963,723</u>	<u>\$ 2,152,518</u>	<u>\$ -</u>	<u>\$ 45,116,241</u>

The City of Key West leases one property with a cost of \$101,606 from the Authority. This property, which is included in capital assets, is used to provide city recreational facilities. The term of the lease provides for rental of \$1 per year for 30 years, expiring in the year 2022. Monroe County provides the Authority's office space at no cost. The intangible assets referenced in the above table consist of affordable rental housing restrictions applicable to Peary Court in Key West and a plot of land in Windley Key. These restrictions require the housing at these locations to be rented at or below the levels set by the City of Key West's Workforce Housing Ordinance.

Note 5—Capital outlay

The Authority entered into a partnership with the State of Florida to assist in purchasing various parcels of land as part of the Florida Forever Keys Project. During the year ended September 30, 2018, the Authority spent \$155,100 in pre-acquisition costs for such land purchases. These costs are included within the capital outlay amount on page 10.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 6—Deferred inflows and outflows of resources

The balance in deferred inflows and outflows of resources at year-end is composed of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 71,232	\$ 12,983
Differences between expected and actual experience	17,221	731
Net difference between projected and actual earnings	56	14,417
Changes in proportion and differences between Authority pension plan contributions and proportionate share of contributions	36,139	2,214
Authority's pension plan contributions subsequent to the measurement date	7,042	-
	<u>\$ 131,690</u>	<u>\$ 30,345</u>

Note 7—Long-term debt

The following is a summary of changes in the Authority's long-term obligations for the fiscal year ended September 30, 2018:

	Restated Balance 10/1/2017	Increases	Decreases	Balance 9/30/2018	Current Portion of Balance
Compensated absences	\$ 67,603	\$ 23,317	\$ 22,219	\$ 68,701	\$ 22,219
FRS pension liability	271,714	7,148	-	278,862	-
OPEB liability	161,245	10,398	88,317	83,326	-
Total	<u>\$ 500,562</u>	<u>\$ 40,863</u>	<u>\$ 110,536</u>	<u>\$ 430,889</u>	<u>\$ 22,219</u>

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 8—Other Postemployment Benefits (OPEB) Plan

General Information about the Other Post-Employment Benefits:

Plan Description – The Land Authority participates in the single-employer defined benefits healthcare plan (the “Plan”) administered by Monroe County, Florida, the (“County”). Section 112.0801, Florida Statutes, requires the Authority to provide retirees and their eligible dependents with the option to participate in the Plan if the Authority provides health insurance to its active employees and their eligible dependents. The Plan provides medical coverage, prescription drug benefits, and life insurance to both active and eligible retired employees. The Plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria as set forth in GASB Statement No. 75.

The County may amend the plan design, with changes to the benefits, premiums and/or levels of participant contribution at any time. In an open session, on at least an annual basis and prior to the annual enrollment process, the County approves the rates for the coming calendar year for the retiree and Authority contributions.

The Authority is responsible for funding all obligations and the following disclosures are based on the Authority’s net Other Post-Employment Benefits (OPEB) obligation.

Benefits Provided – Employees who retire as active participants in the Plan and were hired on or after October 1, 2001 may continue to participate in the Plan by paying the monthly premium established annually by the County. Employees who retire as active participants in the Plan, were hired before October 1, 2001, have at least ten years of full-time service with the Land Authority and meet the retirement criteria of the Florida Retirement System (FRS) but are not eligible for Medicare, may maintain group insurance benefits with the Authority following retirement, provided that the retiring employee contributes the amounts as shown in the following table.

Contribution as Percentage of Annual Actuarial Rate			
Plan Year	Years of Service with the Authority		
	25+	20-24	10-19
2018	HIS ⁽¹⁾	17%	18%
2019	HIS	18%	26%
2020	HIS	20%	34%
2021	HIS	22%	42%
2022	HIS	25%	50%

⁽¹⁾ Participation in the Plan is at a cost equal to the FRS Health Insurance Subsidy (HIS) for ten years of service (currently \$5 per month for each year of service credit at retirement with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month).

Retirees who have met the requirements for early retirement, have not achieved age 60 and whose age and years of service do not equal 70 (rule of 70) must pay the standard monthly premium until the age criteria or the rule of 70 is met. At that time, the retiree’s cost of participation will be based on the preceding table. Surviving spouses and dependents of participating retirees may continue in the Plan if eligibility criteria specific to those classes are met.

**MONROE COUNTY, FLORIDA
 COMPREHENSIVE PLAN LAND AUTHORITY
 (A Component Unit of Monroe County, Florida)
 NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2018

Note 8—Other Postemployment Benefits (OPEB) Plan (continued)

General Information about the Other Post-Employment Benefits (continued):

An employee who retires as an active participant in the Plan, was hired prior to October 1, 2001, has at least ten years of full-time service with the Authority, and meets the retirement criteria of the FRS and is eligible for Medicare at the time of retirement or becomes eligible for Medicare following retirement, may maintain group health insurance benefits with the Authority following retirement, provided the retiring employee contributes the Actuarial Rate for Medicare retirees as determined by the actuarial firm engaged by the Authority, less a \$250 per month Authority subsidy. Alternatively, retirees meeting these criteria may elect to leave the Authority health plan and receive a \$250 per month payment from the Authority, payable for the lifetime of the retiree.

Employees Covered by Benefit Terms – Eligibility for post-employment participation in the Plan is limited to full time employees of the Authority. At September 30, 2018, there were no terminated employees entitled to deferred benefits. The membership of the Board’s medical plan consisted of:

Active Employees	3
Retirees and Beneficiaries Currently Receiving Benefits	<u>0</u>
Total Membership	<u>3</u>

Contributions – The County establishes, and may amend, the contribution requirements of Plan members. The required contribution is based on pay-as-you-go financing requirements, net of member contributions.

Total OPEB Liability:

The Authority’s total OPEB liability of \$83,326 was measured as of September 30, 2018, and was determined by an actuarial valuation as of December 6, 2018.

Actuarial Methods and Assumptions – The valuation dated December 6, 2018, as of September 30, 2018, was prepared using generally accepted actuarial principles and practices, and relied on unaudited census data and medical claims data reported by the Board.

**MONROE COUNTY, FLORIDA
 COMPREHENSIVE PLAN LAND AUTHORITY
 (A Component Unit of Monroe County, Florida)
 NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2018

Note 8—Other Postemployment Benefits (OPEB) Plan (continued)

Total OPEB Liability (continued):

The total OPEB liability for the Authority in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal based on level of percentage of projected salary.
Inflation Rate	3.0% per annum
Salary Increase Rate	3.5% per annum
Discount Rate	3.63% per annum (Beginning of Year) 4.18% per annum (End of Year) Source: <i>Bond Buyer 20-Bond GO</i> index
Medical Consumer Price Index Trend	3.0% per annum
Marriage Rate	The assumed number of eligible dependents was based on the current proportions of single and family contracts in the census provided.
Spouse Age	Spouse dates of birth were provided by the Authority. Where this information was missing, male spouses were assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees were assumed to be eligible for Medicare at age 65.
Amortization Method	Experience/Assumptions gains and losses were amortized over a closed period of 9.0 years starting on October 1, 2017, equal to the average remaining service of active and inactive plan members (who have no future service).

The actuarial assumptions include an annual health care cost trend rate of 7.0% initially, reduced by decrements of 0.5% to an ultimate rate of 4.5%. The assumptions included a discount rate tied to the return expected on the funds used to pay the benefits, and assumes for an unfunded plan, that the benefits continue to be funded on a pay-as-you-go basis.

Mortality rates were based on the RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 8—Other Postemployment Benefits (OPEB) Plan (continued)

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at the beginning of the year	\$ 161,245
Changes for the year:	
Service cost	3,511
Interest cost	6,887
Changes of benefit terms on January 1, 2018	(84,685)
Changes in assumptions or other inputs	(3,632)
Net change in total OPEB liability	(77,919)
Balance at the end of the year	\$ 83,326

Effective January 1, 2018, the Authority implemented cost-saving benefit changes for the Plan. The changes included using premium rates that were calculated based on expected retiree costs for Medicare retirees and lower premium subsidies for eligible retirees. The impact of these changes is reflected in the total OPEB expense.

Changes of assumptions included updating the mortality to be a generational table with updated projection scales released by the Society of Actuaries, an interest rate using 20-year bond rates and a change in Actuarial Cost methodology to the Entry Age Normal. The assumptions of changes, other than the change in the discount rate, are not reflected in the above schedule of changes in the total OPEB liability because they were reflected as a liability in the prior year.

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.18 percent) or 1-percentage-point higher (5.18 percent) than the current discount rate:

	1% Decrease (3.18%)	Current Discount Rate (4.18%)	1% Increase (5.18%)
Total OPEB Liability	\$ 90,000	\$ 83,326	\$ 77,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower (6 percent decreasing to 3.5 percent) or 1-percentage-point higher (8 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease (6% decreasing to 3.5%)	Current Trend (7% decreasing to 4.5%)	1% Increase (8% decreasing to 5.5%)
Total OPEB Liability	\$ 79,000	\$ 83,326	\$ 87,000

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 8—Other Postemployment Benefits (OPEB) Plan (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the Authority recognized negative OPEB expense of \$74,691. At September 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions or Other Inputs	-	(3,228)
Net Difference Between Projected and Actual Investments	-	-
Total	<u>\$ -</u>	<u>\$ (3,228)</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For Fiscal Year:	OPEB Amount
2019	\$ (404)
2020	(404)
2021	(404)
2022	(404)
2023	(404)
Thereafter	(1,208)
Total	<u>\$ (3,228)</u>

Note 9—Florida Retirement System Retirement Plans

Florida Retirement System:

General Information – All of the Authority’s employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statute, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statute, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 9—Florida Retirement System Retirement Plans (continued)

Florida Retirement System (continued):

Benefits are established by Chapter 121, Florida Statute, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 9—Florida Retirement System Retirement Plans (continued)

Pension Plan (continued)

As provided in Section 121.101, Florida Statute, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular—7.92% and 8.26%; Special Risk Administrative Support—34.63% and 34.98%; Special Risk—23.27% and 24.50%; Senior Management Service—21.71% and 24.06%; Elected Officers’—45.50% and 48.70%; and DROP participants—13.26% and 14.03%. These employer contribution rates include 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively.

The Authority’s contributions to the Pension Plan totaled \$18,759 for the fiscal year ended September 30, 2018.

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2018, the Authority reported a liability of \$186,597 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Authority’s proportionate share of the net pension liability was based on the Authority’s fiscal year 2018 contributions relative to the fiscal year 2018 contributions of all participating members. At June 30, 2018, the Authority’s proportionate share was .0006195 percent, which was an increase of .000011 percent from its proportionate share measured as of June 30, 2017.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 9—Florida Retirement System Retirement Plans (continued)

For the fiscal year ended September 30, 2018, the Authority recognized pension expense of \$34,547. In addition the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,808	\$ 574
Changes of assumptions	60,971	-
Net difference between projected and actual earnings on pension plan investments	-	14,417
Changes in proportion and differences between Authority pension plan contributions and proportionate share of contributions	17,517	1,944
Authority pension plan contributions subsequent to the measurement date	5,757	-
Total	\$ 100,053	\$ 16,935

The deferred outflows of resources related to the Pension Plan, totaling \$5,757 resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Year ended June 30</u>	
2019	\$ 29,974
2020	20,455
2021	2,852
2022	13,621
2023	9,108
Thereafter	1,351
Total	\$ 77,361

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 9—Florida Retirement System Retirement Plans (continued)

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables. The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	2.9%	2.9%	1.8%
Fixed Income	18%	4.4%	4.3%	4.0%
Global Equity	54%	7.6%	6.3%	17.0%
Real Estate (Property)	11%	6.6%	6.0%	11.3%
Private Equity	10%	10.7%	7.8%	26.5%
Strategic Investments	6%	6.0%	5.7%	8.6%
Total	100%			

Assumed Inflation - Mean

(1) As outlined in the Pension Plan's investment policy

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
6.00%	7.00%	8.00%
\$340,548	\$186,597	\$58,732

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 9—Florida Retirement System Retirement Plans (continued)

Pension Plan Fiduciary Net Position – Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

HIS Plan

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statute, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution for the period October 1, 2017 through June through September 30, 2018 was 1.66%. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Authority’s contributions to the HIS Plan totaled \$4,766 for the fiscal year ended September 30, 2018.

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2018, the Authority reported a liability of \$92,265 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Authority’s proportionate share of the net pension liability was based on the Authority’s 2018 fiscal year contributions relative to the 2018 fiscal year contributions of all participating members. At June 30, 2018, the Authority’s proportionate share was .000872 percent, which was an increase of .000015 percent from its proportionate share measured as of June 30, 2017.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 9—Florida Retirement System Retirement Plans (continued)

For the fiscal year ended September 30, 2018, the Authority recognized pension expense of \$10,575. In addition the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,413	\$ 157
Changes of assumptions	10,261	9,755
Net difference between projected and actual earnings on pension plan investments	56	-
Changes in proportion and differences between Authority pension plan contributions and proportionate share of contributions	18,622	270
Authority pension plan contributions subsequent to the measurement date	<u>1,285</u>	<u>-</u>
Total	<u>\$ 31,637</u>	<u>\$ 10,182</u>

The deferred outflows of resources related to the HIS Plan totaling \$1,285, resulting from Authority contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Year ended June 30</u>	
2019	\$ 14,087
2020	14,035
2021	9,832
2022	2,208
2023	(13,708)
Thereafter	<u>(6,284)</u>
Total	<u>\$ 20,170</u>

Actuarial Assumptions – The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013. The municipal rate used to determine total pension liability increased from 3.58% to 3.87%.

**MONROE COUNTY, FLORIDA
 COMPREHENSIVE PLAN LAND AUTHORITY
 (A Component Unit of Monroe County, Florida)
 NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2018

Note 9—Florida Retirement System Retirement Plans (continued)

Discount Rate – The discount rate used to measure the total pension liability was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Authority’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
2.87%	3.87%	4.87%
\$105,084	\$92,265	\$81,579

HIS Plan Fiduciary Net Position – Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statute, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Authority Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 and 0.06 percent of payroll and by forfeited benefits of plan members for the periods October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively. Allocations to the investment member’s accounts during the 2018 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and Authority Elected Officers class 11.34%.

**MONROE COUNTY, FLORIDA
 COMPREHENSIVE PLAN LAND AUTHORITY
 (A Component Unit of Monroe County, Florida)
 NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2018

Note 9—Florida Retirement System Retirement Plans (continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Authority’s Investment Plan pension expense totaled \$0 for the fiscal year ended September 30, 2018.

Note 10—Fund balance

As a general rule, the Executive Director will select the most restricted resource permissible and available to fund a given activity. This practice will generally track the following hierarchy: miscellaneous funds consisting of grants restricted for specific purposes, State Park and Tourist Impact Tax funds, and lastly unrestricted sources such as interest income and unrestricted miscellaneous funds. In terms of fund balance classification, expenditures are generally to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance as applicable. The Executive Director has the authority to deviate from this practice if it is in the best interest of the Authority.

The following schedule provides management and citizens with information on the position of General Fund balance that is available for appropriation.

Total fund balance - General fund	\$	22,408,910
Less:		
Mortgage loans		8,769,025
Restricted for land acquisition		6,130,049
Assigned for reserves		4,293,248
Unassigned fund balance	<u>\$</u>	<u>3,216,588</u>

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
(A Component Unit of Monroe County, Florida)
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 11—Risk management

The Authority is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority participates in the coverage provided by the Board for Workers' Compensation, Group Insurance, and Risk Management internal service funds. Under these programs, Workers' Compensation provides \$500,000 coverage per claim for regular employees. Workers' Compensation claims in excess of the self-insured coverage are covered by an excess insurance policy. Risk Management has a \$5,000,000 excess insurance policy for general liability claims with a \$200,000 self-insured retention, and building property damage is covered for the actual value of the buildings with a deductible of \$50,000. Deductibles for windstorm and flood vary by location. Monroe County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. The Authority makes payments to the Workers' Compensation, Group Insurance and Risk Management Funds based on estimates of the amounts needed to pay prior and current year claims.

Note 12—Commitments

The Authority had approximately \$1,025,359 of commitments to acquire various properties as of September 30, 2018.

Note 13—Restatement

The restatement of beginning net position resulted from the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which required the Authority to retroactively record the total postemployment benefit liability. This restatement resulted in a reduction of the beginning net position in the amount of \$161,245.

REQUIRED SUPPLEMENTARY INFORMATION

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 3,511
Interest	6,887
Changes of benefit terms	(84,685)
Changes in assumptions or other inputs	(3,632)
Benefit payments	-
Net change in total OPEB liability	<u>\$ (77,919)</u>
Total OPEB liability - Beginning of year	<u>\$ 161,245</u>
Total OPEB liability - End of year	<u>\$ 83,326</u>
Covered-employee payroll	<u>\$ 284,720</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>29%</u>

Notes to schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Effective January 1, 2018 the Authority implemented cost-saving benefit changes for its other postemployment benefit plan. These included premium rates that are calculated based on expected retiree costs for Medicare retirees and lower premium subsidies for eligible retirees.

Changes include updating the mortality to be a generational table with updated projection scales as published by the Society of Actuaries, an interest rate using 20 year bond rates, and a change in Actuarial Cost methodology to the Entry Age Normal method.

*This schedule should present information for the last ten years. However, until a full ten years of information can be compiled, information will be presented for as many years as possible.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2018

Schedule of the Authority's Proportionate Share of Net Pension Plan Liability
Florida Retirement System Pension Plan

	Year Ended June 30					
	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability	0.000620%	0.000609%	0.000473%	0.000454%	0.000455%	0.000507%
Authority's proportionate share of the net pension liability	\$ 186,597	\$ 180,069	\$ 119,467	\$ 58,605	\$ 27,783	\$ 87,364
Authority's covered payroll	\$ 284,720	\$ 273,194	\$ 207,490	\$ 186,661	\$ 180,758	\$ 174,421
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	65.54%	65.91%	57.58%	31.41%	15.23%	48.37%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%	N/A

Note: Data was unavailable prior to 2013.

Schedule of the Authority's Contributions to the Florida Retirement System Pension Plan

	Year Ended September 30				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 18,759	\$ 16,323	\$ 12,914	\$ 11,462	\$ 9,002
Contributions in relation to the contractually required contribution	18,759	16,323	12,914	11,462	9,002
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 284,720	\$ 276,221	\$ 227,265	\$ 193,209	\$ 182,750
Contributions as a percentage of covered payroll	6.59%	5.90%	5.68%	5.93%	4.93%

Note: Data was unavailable prior to 2014.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2018

**Schedule of the Authority's Proportionate Share of Net Pension Plan Liability
Health Insurance Subsidy Plan**

	Year Ended June 30					
	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability	0.000872%	0.000857%	0.000672%	0.000600%	0.000607%	0.000597%
Authority's proportionate share of the net pension liability	\$ 92,265	\$ 91,644	\$ 78,333	\$ 61,262	\$ 56,796	\$ 51,972
Authority's covered payroll	\$ 284,720	\$ 273,194	\$ 207,490	\$ 186,661	\$ 180,758	\$ 174,421
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	32.41%	33.55%	37.75%	32.82%	31.42%	29.80%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%	N/A

Note: Data was unavailable prior to 2013.

Schedule of the Authority's Contributions to the Health Insurance Subsidy Plan

	Year Ended September 30				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,766	\$ 4,586	\$ 3,774	\$ 2,643	\$ 2,097
Contributions in relation to the contractually required contribution	4,766	4,586	3,774	2,643	2,097
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 284,720	\$ 276,221	\$ 227,265	\$ 193,209	\$ 182,750
Contributions as a percentage of covered payroll	1.67%	1.66%	1.66%	1.37%	1.15%

Note: Data was unavailable prior to 2014.

MONROE COUNTY, FLORIDA
COMPREHENSIVE PLAN LAND AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (BUDGETARY BASIS)

YEAR ENDED SEPTEMBER 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,500,000	\$ 4,500,000	\$ 4,576,630	\$ 76,630
Investment income	50,000	50,000	212,732	162,732
Mortgage proceeds	-	-	382,554	382,554
Total revenues	<u>4,550,000</u>	<u>4,550,000</u>	<u>5,171,916</u>	<u>621,916</u>
Expenditures:				
Personnel and operating	577,968	577,968	473,995	103,973
Capital outlay	12,636,358	12,636,358	2,307,948	10,328,410
Total expenditures	<u>13,214,326</u>	<u>13,214,326</u>	<u>2,781,943</u>	<u>10,432,383</u>
Excess (deficiency) of revenues over (under) expenditures	(8,664,326)	(8,664,326)	2,389,973	11,054,299
Fund balance, beginning of year	<u>11,261,585</u>	<u>11,261,585</u>	<u>11,261,585</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,597,259</u>	<u>\$ 2,597,259</u>	<u>13,651,558</u>	<u>\$ 11,054,299</u>
Reconciliation of budgetary to full accrual basis:				
Reconciling items:				
Mortgages receivable			8,769,025	
Compensation accrual			(11,673)	
Fund balance, end of year (full accrual)			<u>\$ 22,408,910</u>	

SUPPLEMENTARY INDEPENDENT AUDITOR'S REPORTS

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

To the Governing Board
Monroe County Comprehensive Plan Land Authority
Monroe County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Monroe County Comprehensive Plan Land Authority (the "Authority") as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated February 11, 2019 for the purpose of compliance with Section 218.39(2), Florida Statutes and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is intended 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Channing R. Schubert LLP

Orlando, Florida
February 11, 2019

Independent Auditor's Management Letter

To the Governing Board
Monroe County Comprehensive Plan Land Authority
Monroe County, Florida

Report on the Financial Statements

We have audited the financial statements of the Monroe County Comprehensive Plan Land Authority (the "Authority"), a component unit of Monroe County, Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated February 11, 2019.

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 Report of Independent Auditor 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 Report of Independent Accountant on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 11, 2019, 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 report. There were no recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Authority was established by Monroe County, Florida Ordinance 031-1986 pursuant to Florida Statute 380. There are no component units related to the Authority.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority 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 Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Handwritten signature of Cherry Rickett LLP in cursive script.

Orlando, Florida
February 11, 2019

**Report of Independent Accountant on Compliance
with Local Government Investment Policies**

To the Governing Board
Monroe County Comprehensive Plan Land Authority
Monroe County, Florida

We have examined the Monroe County Florida Comprehensive Plan Land Authority's (the "Authority") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2018. Management is responsible for the Authority's compliance with those specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements 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 Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Authority complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2018.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

Cherry Bekaert LLP

Orlando, Florida
February 11, 2019