

**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, 2021*

*And Reports of Independent Auditor*

**MONROE COUNTY, FLORIDA  
 COMPREHENSIVE PLAN LAND AUTHORITY  
 (A Component Unit of Monroe County, Florida)  
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## 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 fiscal year ended September 30, 2021, 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 entity'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 entity'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 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, 2021, 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.

## **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 March 14, 2022 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 effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tampa, Florida  
March 14, 2022

**MONROE COUNTY, FLORIDA**  
**COMPREHENSIVE PLAN LAND AUTHORITY**  
**(A Comprehensive Unit of Monroe County, Florida)**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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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, 2021.

**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**  
**(A Comprehensive Unit of Monroe County, Florida)**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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**Government-Wide Financial Analysis**

**Statement of Net Position.** In the Statement of Net Position presented on page 7, the Authority’s assets total \$81,592,077 and include cash and investments, amounts due from other governments for tourist impact tax and park surcharge fees, mortgages receivable, deposits, capital assets in the form of acquired land, equipment, 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 \$21,069,138. This amount compares with \$14,628,392 at the end of the previous fiscal year, an increase of \$6,440,746. Largely due to an increase in revenue of \$3,820,872 compared to prior year and a decrease in expenditures of \$2,206,600. Approximately 62% of the Authority’s assets consist of land and intangible assets acquired for specific public purposes, approximately 11% consist of mortgages, and approximately 26% 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 noncurrent 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 \$452,090.

The Authority’s resulting net position is categorized as investment 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 \$81,011,737, an increase of \$7,414,179 from prior year. Of this total, \$50,384,478 is invested in capital assets, \$13,891,925 is restricted, and \$16,735,334 is unrestricted.

The following table provides a condensed comparison of the Authority’s Statement of Net Position at year-end for 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and investments	\$ 21,069,138	\$ 14,628,392
Capital and other assets	60,522,939	59,457,661
Total Assets	<u>81,592,077</u>	<u>74,086,053</u>
Deferred Outflows of Resources	<u>150,538</u>	<u>185,025</u>
Total Liabilities	<u>452,090</u>	<u>611,411</u>
Deferred Inflows of Resources	<u>278,788</u>	<u>62,109</u>
Net Position:		
Investment in capital assets	50,384,478	49,807,671
Restricted	13,891,925	7,432,691
Unrestricted	16,735,334	16,357,196
Total Net Position	<u>\$ 81,011,737</u>	<u>\$ 73,597,558</u>

**MONROE COUNTY, FLORIDA**  
**COMPREHENSIVE PLAN LAND AUTHORITY**  
**(A Comprehensive Unit of Monroe County, Florida)**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**Statement of Activities.** In the Statement of Activities presented on page 8, the Authority’s revenues total \$8,498,086 and include intergovernmental revenue consisting of tourist impact tax and park surcharge fees and investment income consisting of interest on cash and investment accounts. Tourism impact tax represents a 1% tourist impact tax charged on short term rentals remitted back from the State of Florida Department of Revenue as a result of areas of critical state concern identified by the State of Florida within Monroe County. Park surcharge fees are fees that are remitted back from the State of Florida Department of Environmental Protection as a result of a surcharge for individuals attending state parks in identified areas of critical state concern within Monroe County, as enacted by Florida Statute 380.0685. The Authority’s general revenues increased by \$3,820,872 compared to the prior year. This increase was largely due to the negative economic impact brought on by the COVID-19 pandemic on the tourism industry in fiscal year 2020 and refunds of prior year judgments and claims costs.

The program expenses in the Statement of Activities total \$1,083,907 and consist of amounts paid as a result of general government expenses and land conveyances. The \$600,324 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 2021 decreased by \$2,206,600 compared to the prior year, largely due to a decrease in land contribution conveyances in fiscal year 2021 compared to fiscal year 2020.

The following table provides a condensed comparison of the Authority’s governmental activities at year-end for 2021 and 2020:

	<u>2021</u>	<u>2020</u>
General Revenues:		
Intergovernmental	\$ 7,780,532	\$ 4,470,840
Investment income	25,629	159,924
Miscellaneous Income	473,504	-
Land contributions	218,421	46,450
Total General Revenues	<u>8,498,086</u>	<u>4,677,214</u>
Program Expenses:		
General government	600,324	553,689
Due diligence land costs	-	361,400
Land contribution conveyances	483,583	2,375,418
Total Program Expenses	<u>1,083,907</u>	<u>3,290,507</u>
Increase in net position	7,414,179	1,386,707
Net position, beginning of year	<u>73,597,558</u>	<u>72,210,851</u>
Net position, end of year	<u>\$ 81,011,737</u>	<u>\$ 73,597,558</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**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**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 \$31,207,599 and its liabilities are \$44,944.

This statement identifies \$31,162,655 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; \$13,891,925 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 \$4,208,457 is attributable to funds which may be used for all purposes authorized by the Authority's enabling legislation and is, therefore, classified as unassigned. The Authority budgets its assigned for reserves fund balance based on contingency needs, end of year cash balance, and Rate of Growth Ordinance ("ROGO") Administrative relief and is subject to fluctuate yearly.

**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) and excludes pension related items, and compensated absences. Presented in this manner, the Authority's revenues are \$8,279,665 and its expenditures are \$1,373,928.

**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 2021.

As shown in the Budget and Actual schedule on page 32, the Authority operated within the limits established by its adopted budget. Actual revenues were more than the budgeted amount by \$4,164,665, while actual expenditures are \$15,698,314 less than budget. Most of the revenue surplus consists of an increase in intergovernmental revenue. The investment income of \$25,629 consists of interest. The majority of the expenditure surplus is due to fewer land acquisitions than budgeted. 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 \$50,384,478, an increase of \$576,807, compared to the prior year. The increase was the net result of land and intangible asset acquisitions less depreciation, conveyances, contributions, and write offs.

**Long-Term Debt.** The Authority's long-term debt consists of compensated absences, pension, and OPEB liabilities. During the year, the Authority's long-term debt decreased by \$182,801, primarily due to a decrease in the pension liability.

#### **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**  
**(A Component Unit of Monroe County, Florida)**  
**STATEMENT OF NET POSITION**

SEPTEMBER 30, 2021

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

Assets:

Cash and investments	\$ 21,069,138
Due from BOCC	1,163,858
Due from state of Florida	26,078
Mortgages receivable	8,769,025
Deposits	179,500
Equipment, net of accumulated depreciation	11,728
Capital assets - land	34,675,944
Intangible assets	15,696,806
<b>Total Assets</b>	<b>81,592,077</b>

Deferred Outflows of Resources:

Pension	137,381
Other postemployment benefits	13,157
<b>Total Deferred Outflows</b>	<b>150,538</b>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

Current Liabilities:

Accounts payable	9,149
Accrued wages	35,795
Compensated absences	42,146
<b>Total Current Liabilities</b>	<b>87,090</b>

Noncurrent Liabilities:

Compensated absences	134,589
Net pension liability	176,411
Other postemployment benefits liability	54,000
<b>Total Noncurrent Liabilities</b>	<b>365,000</b>
<b>Total Liabilities</b>	<b>452,090</b>

Deferred Inflows of Resources:

Pension	237,196
Other postemployment benefits	41,592
<b>Total Deferred Inflows</b>	<b>278,788</b>

Net Position:

Investment in capital assets	50,384,478
Restricted	13,891,925
Unrestricted	16,735,334
<b>Total Net Position</b>	<b>\$ 81,011,737</b>

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 THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

**Note 3—Mortgages receivable**

Mortgages receivable as of September 30, 2021 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)	550,000
Total mortgages receivable	<u>\$ 8,769,025</u>

The mortgages receivable are presented as nonspendable fund balance, which indicates 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 THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2021

**Note 4—Capital assets**

A summary of changes in capital assets is as follows:

	<b>Balance September 30, 2020</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2021</b>
Capital assets, not depreciated:				
Land	\$ 34,109,397	\$ 1,050,129	\$ (483,582)	\$ 34,675,944
Intangible assets	15,696,806	-	-	15,696,806
Total capital assets, not depreciated	<u>49,806,203</u>	<u>1,050,129</u>	<u>(483,582)</u>	<u>50,372,750</u>
Capital assets, depreciated:				
Equipment	4,373	13,140	-	17,513
Total capital assets, depreciated	<u>4,373</u>	<u>13,140</u>	<u>-</u>	<u>17,513</u>
Less accumulated depreciation	<u>(2,905)</u>	<u>(2,880)</u>	<u>-</u>	<u>(5,785)</u>
Total capital assets, depreciated, net	<u>1,468</u>	<u>10,260</u>	<u>-</u>	<u>11,728</u>
Total capital assets, net	<u><u>\$ 49,807,671</u></u>	<u><u>\$ 1,060,389</u></u>	<u><u>\$ (483,582)</u></u>	<u><u>\$ 50,384,478</u></u>

Current year additions include \$218,420 of land contributions. 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 housing restrictions that run in favor of the Authority.

**Note 5—Long-term debt**

The following is a summary of changes in the Authority's long-term obligations for the fiscal year ended September 30, 2021:

	<b>October 1 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance September 30 2021</b>	<b>Current Portion of Balance</b>
Compensated absences	\$ 89,208	\$ 104,713	\$ 17,186	\$ 176,735	\$ 42,146
Net pension liability	451,209	159,560	434,358	176,411	-
OPEB liability	49,530	4,887	417	54,000	-
	<u><u>\$ 589,947</u></u>	<u><u>\$ 269,160</u></u>	<u><u>\$ 451,961</u></u>	<u><u>\$ 407,146</u></u>	<u><u>\$ 42,146</u></u>

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

SEPTEMBER 30, 2021

**Note 6—Other Postemployment Benefits (“OPEB”) Plan**

**General Information about the Other Postemployment Benefits:**

*Plan Description* – The 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 Government Accounting Standards Board (“GASB”) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

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 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 10 years of full-time service with the 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 the retiring employee contributes the amounts as shown in the following table.

<b>Contribution as Percentage of Annual Actuarial Rate<sup>(1)</sup></b>			
<b>Plan Year</b>	<b>Years of Service with Monroe County</b>		
	<b>25+</b>	<b>20-24</b>	<b>10-19</b>
2018	HIS <sup>(2)</sup>	17%	18%
2019	HIS	18%	26%
2020	HIS	20%	34%
2021	HIS	22%	42%
2022 and thereafter	HIS	25%	50%

<sup>(1)</sup> The new retiree contributions began a five-year phased-in approach beginning January 1, 2018.

<sup>(2)</sup> Participation in the Plan is at a cost equal to the FRS Health Insurance Subsidy (HIS) for 10 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 THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2021

**Note 6—Other Postemployment Benefits (“OPEB”) Plan (continued)**

An employee who retires as an active participant in the Plan, was hired prior to October 1, 2001, has at least 10 years of full-time service with the Authority, 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 County, 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 postemployment participation in the Plan is limited to full-time employees of the Authority. At September 30, 2021, there were no terminated employees entitled to deferred benefits. The membership of the Board’s medical plan consisted of:

Active employees	4
Retirees and beneficiaries currently receiving benefit	0
Total memberships	<u>4</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 \$54,000 was measured as of September 30, 2021, and was determined by an actuarial valuation as of October 25, 2021.

*Actuarial Methods and Assumptions* – The valuation dated October 25, 2021 as of September 30, 2021, was prepared using generally accepted actuarial principles and practices, and relied on unaudited census data and medical claims data reported by the board.

The total OPEB liability for the Authority in the September 30, 20201 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<i>Actuarial Cost Method</i>	Entry Age Normal based on level of percentage of projected salary.
<i>Inflation Rate</i>	2.5% per annum
<i>Salary Increase Rate</i>	3.5% per annum
<i>Discount Rate</i>	2.21% per annum (Beginning of Year) 2.15% per annum (End of Year)
<i>Source</i>	Bond Buyer 20-Bond GO index
<i>Marriage Rate</i>	The assumed percentage of eligible dependents was based on the current proportions of single and family contracts in the census provided.

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

SEPTEMBER 30, 2021

**Note 6—Other Postemployment Benefits (“OPEB”) Plan (continued)**

**Total OPEB Liability (continued):**

<i>Spouse Age</i>	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.
<i>Medicare Eligibility</i>	All current and future retirees were assumed to be eligible for Medicare at age 65.
<i>Amortization Method</i>	Experience/Assumptions gains and losses were amortized over a closed period of 11.3 years starting on October 1, 2019, equal to the average remaining service of active and inactive plan members (who have no future service).
<i>Plan Participation Percentage</i>	The assumptions for participation of eligible retirees in the Authority’s postemployment benefit plan are: Retirees with 25+ Years of Service: 100% Retirees with 20-24 Years of Service: 20% Retirees with < 20 Years of Service: 25%

The actuarial assumptions include an annual healthcare cost trend rate of 5.5% 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 Pub-2010 projected forward using the SOA scale MP-19.

Expected retiree claim costs were developed using 24 months historical claim experience through May 2020.

**Changes in the Total OPEB Liability:**

	<b>Total OPEB Liability</b>
Balance at the beginning of the year	\$ 49,530
Changes for the year:	
Service cost	3,461
Interest cost	1,166
Changes in assumptions or other inputs	329
Benefit payment	(486)
Net change in total OPEB liability	4,470
Balance at the end of the year	\$ 54,000

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**Note 6—Other Postemployment Benefits (“OPEB”) Plan (continued)**

*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 (1.15%) or 1-percentage-point higher (3.15%) than the current discount rate:

	<b>1% Decrease 1.15%</b>	<b>Current Discount Rate 2.15%</b>	<b>1% Increase 3.15%</b>
Total OPEB liability	\$ 63,000	\$ 54,000	\$ 49,000

*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 one-percentage-point lower (4.5% decreasing to 3.5%) or one-percentage-point higher (6.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	<b>1% Decrease (4.5% decreasing to 3.5%)</b>	<b>Current Trend (5.5% decreasing to 4.5%)</b>	<b>1% Increase (6.5% decreasing to 5.5%)</b>
Total OPEB liability	\$ 47,000	\$ 54,000	\$ 64,000

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

For the year ended September 30, 2021, the Authority recognized OPEB (benefit) expense of (\$5,845). At September 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (39,574)
Changes of assumptions or other inputs	13,157	(2,018)
	<u>\$ 13,157</u>	<u>\$ (41,592)</u>

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**Note 6—Other Postemployment Benefits (“OPEB”) Plan (continued)**

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

<u>Years Ending June 30,</u>	<u>OPEB Amount</u>
2022	\$ (10,472)
2023	(10,472)
2024	(10,472)
2025	903
2026	837
Thereafter	1,241
	<u>\$ (28,435)</u>

**Note 7—Florida Retirement System Retirement plans**

**Florida Retirement System:**

*General Information* – All of the Authority’s employees participate in the 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 Statutes*, 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.

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](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

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**Note 7—Florida Retirement System Retirement plans (continued)**

**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.

As provided in Section 121.101, *Florida Statutes*, 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 3% 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 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.



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**Note 7—Florida Retirement System Retirement plans (continued)**

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 3% 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, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively, were as follows: Regular—10.00% and 10.82%; Special Risk Administrative Support—34.84% and 37.76%; Special Risk—25.45% and 25.89%; Senior Management Service—27.29% and 29.01%; Elected Officers—49.18% and 51.42%; and DROP participants—16.98% and 18.34%. These employer contribution rates include 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively.

The Authority’s contributions to the Pension Plan totaled \$33,882 for the fiscal year ended September 30, 2021.

*Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – At September 30, 2021, the Authority reported a liability of \$66,539 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Authority’s proportionate share of the net pension liability was based on the Authority’s fiscal year 2021 contributions relative to the fiscal year 2021 contributions of all participating members. At June 30, 2021, the Authority’s proportionate share was .000881%, which was an increase of .000085% from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the Authority recognized pension expense of \$15,788. 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	\$ 11,405	\$ -
Changes of assumptions	45,529	-
Changes in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	47,617	232,137
Authority Pension Plan contributions subsequent to the measurement date	9,021	-
	\$ 113,572	\$ 232,137

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**Note 7—Florida Retirement System Retirement plans (continued)**

The deferred outflows of resources related to the Pension Plan, totaling \$9,021, 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, 2021. 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:

**Years Ending June 30,**

2022	\$ (22,471)
2023	(26,203)
2024	(34,709)
2025	(44,478)
Thereafter	275
	<u>\$ (127,586)</u>

*Actuarial Assumptions* – The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<i>Inflation</i>	2.40%
<i>Salary Increases</i>	3.25%, average, including inflation
<i>Investment Rate of Return</i>	6.80%, net of Pension Plan investment expense, including inflation

Mortality rates were based on the PUB2010, base table varies by member category and sex, projected generationally with Scale MP-2018 details in the valuation report. The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
	<u>100%</u>			

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**Note 7—Florida Retirement System Retirement plans (continued)**

*Discount Rate* – The discount rate used to measure the total pension liability was 6.80%. 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 6.80%, as well as what the Authority’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.80%) or one-percentage-point higher (7.80%) than the current rate:

<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
<b>5.80%</b>	<b>6.80%</b>	<b>7.80%</b>
\$297,566	\$66,539	(\$126,573)

*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 Annual Comprehensive 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 Statutes*, 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, 2021, 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, 2021, the HIS contribution for the period October 1, 2020 through September 30, 2021 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 \$5,228 for the fiscal year ended September 30, 2021.

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**Note 7—Florida Retirement System Retirement plans (continued)**

*Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – At September 30, 2021, the Authority reported a liability of \$109,872 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Authority’s proportionate share of the net pension liability was based on the Authority’s 2021 fiscal year contributions relative to the 2021 fiscal year contributions of all participating members. At June 30, 2021, the Authority’s proportionate share was .000896%, which was a decrease of .000027% from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the Authority recognized pension expense of \$6,379. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,677	\$ 46
Changes of assumptions	8,633	4,527
Net difference between projected and actual earnings on Pension Plan investments	115	-
Changes in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	10,057	486
Authority Pension Plan contributions subsequent to the measurement date	1,327	-
	<u>\$ 23,809</u>	<u>\$ 5,059</u>

The deferred outflows of resources related to the HIS Plan, totaling \$1,327, 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, 2021. 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:

<b><u>Years Ending June 30,</u></b>	
2022	\$ 4,799
2023	1,529
2024	3,154
2025	4,187
2026	3,131
Thereafter	623
	<u>\$ 17,423</u>

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**Note 7—Florida Retirement System Retirement plans (continued)**

*Actuarial Assumptions* – The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<i>Inflation</i>	2.40%
<i>Salary Increases</i>	3.25%, average, including inflation
<i>Municipal Bond Rate</i>	2.16%

Mortality rates were based on the PUB-2010 base table.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. The municipal rate used to determine total pension liability decreased from 2.21% to 2.16%.

*Discount Rate* – The discount rate used to measure the total pension liability was 2.16%. 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 2.16%, 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 (1.16%) or one-percentage-point higher (3.16%) than the current rate:

<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
<u><b>1.16%</b></u>	<u><b>2.16%</b></u>	<u><b>3.16%</b></u>
\$127,022	\$109,872	\$95,821

*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 Annual Comprehensive 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 Annual Comprehensive Financial Report.

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**Note 7—Florida Retirement System Retirement plans (continued)**

As provided in Section 121.4501, *Florida Statutes*, 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 0.06% of payroll and by forfeited benefits of plan members for the periods October 1, 2020 through September 30, 2021. Allocations to the investment member's accounts during the 2021 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%.

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, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes 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, 2021.

**Note 8—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.

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**Note 8—Fund balance (continued)**

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

Total fund balance - General Fund	\$ 31,162,655
Less:	
Nonspendable, mortgage loans	8,769,025
Restricted for land acquisition	13,891,925
Assigned for reserves	4,293,248
Unassigned fund balance	<u>\$ 4,208,457</u>

**Note 9—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 10—Commitments**

The Authority had approximately \$681,782 of commitments to acquire various properties as of September 30, 2021.

**REQUIRED SUPPLEMENTARY INFORMATION**



**MONROE COUNTY, FLORIDA**  
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**SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**

LAST TEN FISCAL YEARS\*

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 3,461	\$ 4,845	\$ 3,658	\$ 3,511
Interest	1,166	2,759	3,577	6,887
Differences between expected and actual experience	-	(65,958)	-	(84,685)
Changes in assumptions or other inputs	329	9,083	11,167	(3,632)
Benefit payments	(486)	(125)	(2,802)	-
Net change in total OPEB liability	<u>\$ 4,470</u>	<u>\$ (49,396)</u>	<u>\$ 15,600</u>	<u>\$ (77,919)</u>
Total OPEB liability - beginning of year	<u>\$ 49,530</u>	<u>\$ 98,926</u>	<u>\$ 83,326</u>	<u>\$ 161,245</u>
Total OPEB liability - end of year	<u>\$ 54,000</u>	<u>\$ 49,530</u>	<u>\$ 98,926</u>	<u>\$ 83,326</u>
Covered-employee payroll	<u>\$ 314,000</u>	<u>\$ 305,163</u>	<u>\$ 263,000</u>	<u>\$ 253,896</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	<u>17%</u>	<u>16%</u>	<u>38%</u>	<u>33%</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 10 years. However, until a full 10 years of information can be compiled, information will be presented for as many years as possible.

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REQUIRED SUPPLEMENTARY INFORMATION**

LAST TEN FISCAL YEARS\*

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

	Year Ended June 30								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability	0.000881%	0.000796%	0.000773%	0.000620%	0.000609%	0.000473%	0.000454%	0.000455%	0.000507%
Authority's proportionate share of the net pension liability	\$ 66,539	\$ 345,140	\$ 266,279	\$ 186,597	\$ 180,069	\$ 119,467	\$ 58,605	\$ 27,783	\$ 87,364
Authority's covered payroll	\$ 316,900	\$ 300,603	\$ 287,870	\$ 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	21.00%	114.82%	92.50%	65.54%	65.91%	57.58%	31.40%	15.37%	50.09%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	N/A

\*Data was unavailable prior to 2013.

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

	Year Ended September 30							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 33,882	\$ 28,221	\$ 25,151	\$ 18,759	\$ 16,323	\$ 12,914	\$ 11,462	\$ 9,002
Contributions in relation to the contractually required contribution	33,882	28,221	25,151	18,759	16,323	12,914	11,462	9,002
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 314,669	\$ 303,763	\$ 294,194	\$ 282,358	\$ 276,221	\$ 227,265	\$ 193,209	\$ 182,750
Contributions as a percentage of covered payroll	10.77%	9.29%	8.55%	6.64%	5.91%	5.68%	5.93%	4.93%

\* Data was unavailable prior to 2014.

**MONROE COUNTY, FLORIDA  
COMPREHENSIVE PLAN LAND AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION**

LAST TEN FISCAL YEARS\*

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

	Year Ended June 30								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability	0.000896%	0.000869%	0.000875%	0.000872%	0.000857%	0.000672%	0.000600%	0.000607%	0.000597%
Authority's proportionate share of the net pension liability	\$ 109,872	\$ 106,069	\$ 97,882	\$ 92,265	\$ 91,644	\$ 78,333	\$ 61,262	\$ 56,796	\$ 51,972
Authority's covered payroll	\$ 316,900	\$ 300,603	\$ 287,870	\$ 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	34.67%	35.29%	34.00%	32.41%	33.55%	37.75%	32.82%	31.42%	29.80%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	N/A

\* Data was unavailable prior to 2013.

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

	Year Ended September 30							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 5,228	\$ 5,058	\$ 4,885	\$ 4,766	\$ 4,586	\$ 3,774	\$ 2,643	\$ 2,097
Contributions in relation to the contractually required contribution	5,228	5,058	4,885	4,766	4,586	3,774	2,643	2,097
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 314,669	\$ 303,763	\$ 294,194	\$ 282,358	\$ 276,221	\$ 227,265	\$ 193,209	\$ 182,750
Contributions as a percentage of covered payroll	1.66%	1.67%	1.66%	1.69%	1.66%	1.66%	1.37%	1.15%

\* 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental				
State park revenue	\$ 306,000	\$ 306,000	\$ 445,470	\$ 139,470
Tourism impact revenue	3,734,000	3,734,000	7,065,769	3,331,769
Tax Collector excess fees	-	-	269,293	269,293
Miscellaneous income	-	-	473,504	473,504
Investment income	75,000	75,000	25,629	(49,371)
Total Revenues	<u>4,115,000</u>	<u>4,115,000</u>	<u>8,279,665</u>	<u>4,164,665</u>
Expenditures:				
Personnel and operating	618,684	618,684	510,772	107,912
Capital outlay	16,435,251	16,435,251	844,849	15,590,402
Total Expenditures	<u>17,053,935</u>	<u>17,053,935</u>	<u>1,355,621</u>	<u>15,698,314</u>
Excess (deficiency) of revenues over (under) expenditures	(12,938,935)	(12,938,935)	6,924,044	19,862,979
Fund balance, beginning of year	15,505,381	15,505,381	15,505,381	-
Fund balance, end of year	<u>\$ 2,566,446</u>	<u>\$ 2,566,446</u>	<u>22,429,425</u>	<u>\$ 19,862,979</u>
Reconciliation of Budgetary to Full Accrual Basis:				
Reconciling Items:				
Mortgages receivable			8,769,025	
Compensation accrual			(35,795)	
Fund balance, end of year (full accrual)			<u>\$ 31,162,655</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 fiscal year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated March 14, 2022 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”) as a basis for determining 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is 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.

Cherry Bekkert LLP

Tampa, Florida  
March 14, 2022

## 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, 2021, and have issued our report thereon dated March 14, 2022.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our 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 March 14, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and 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

Sections 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 Sections 10.554(1)(i)5.b and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the 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.

### **Specific Information**

As required by Section 218.39(3)(c), *Florida Statutes*, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Authority reported (unaudited):

- a. The total number of Authority employees compensated in the last pay period of the Authority's fiscal year as 4.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as 7.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$325,428.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$6,720.
- e. Each construction project with a total cost of at least \$65,000 approved by the Authority that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as follows: None
- f. A budget variance based on the budget adopted under Section 189.016(4), *Florida Statutes*, before the beginning of the fiscal year being reported if the Authority amends a final adopted budget under Section 189.016(6), *Florida Statutes*, as \$-0-.

### **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.

Cherry Bekaert LLP

Tampa, Florida  
March 14, 2022

**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"), a component unit of Monroe County, Florida, compliance with the local government investment policy requirements of Section 218.415, *Florida Statutes*, during the year ended September 30, 2021. 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 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, 2021.

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

Tampa, Florida  
March 14, 2022