

The Lauderhill

CRA

Community Redevelopment Agency

A component Unit of the
City of Lauderhill

Basic Financial Statements

For Fiscal Year Ended
September 30, 2020



**LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL**

CRA BOARD OF COMMISSIONERS

Mayor
Ken Thurston

Vice Mayor – Denise D. Grant
Commissioner – Melissa P. Dunn
Commissioner – Lawrence “Jabbow” Martin
Commissioner – Sarai “Ray” Martin

ADMINISTRATION

Sean Henderson, Executive Director
Andrea Anderson, City Clerk
W. Earl Hall, City Attorney

**LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and CRA Director
Lauderhill, Florida Community Redevelopment Agency

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lauderhill, Florida Community Redevelopment Agency (the "CRA"), a component unit of the City of Lauderhill, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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 each major fund of the CRA as of September 30, 2020, and the respective changes in financial position thereof for the fiscal

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 on pages 3 through 7, the budgetary comparison schedule and related notes on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021 on our consideration of the CRA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style.

Hollywood, Florida
November 24, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF CITY OF LAUDERHILL, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Our discussion and analysis of the Lauderhill Community Redevelopment Agency (the "Agency") financial performance provides an overview of the Agency's financial activities for the years ended September 30, 2020 and 2019. Please read it in conjunction with the Agency's financial statements, which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

- The Agency's total assets is less than its liabilities by \$(1,162,671). The balance is primarily due to reduction in investment property value. The Organization is optimistic that future property tax revenues and gains from sale of investment properties will offset fund balance into a positive trend.
- The governmental activities revenue totaled \$154,402: \$76,422 from intergovernmental, \$2,619 from investment income, \$68,208 from rental income and \$7,153 from miscellaneous income.
- Due to decrease in property tax revenue, reduction in investment property value and increase cost to revitalize Eastern and Central Communities, the Agency reported a fund balance of \$(1,221,190) at the end of the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: (1) government-wide financial statements (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements The government-wide financial statements are designed to provide information about the activities of the Agency as a whole, in a manner similar to a private-sector business. Both long-term and short-term information regarding the Agency's finances are presented.

The *statement of net position* presents information on all of the Agency's assets, deferred outflows of resources and liabilities and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the Agency is improving or deteriorating.

The *statement of activities* presents information showing how the government'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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal period.

The government-wide financial statements can be found on pages 8-9 of this report.

Fund Financial Statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency has only one fund type: governmental funds.

The Agency maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Eastern Community Redevelopment Agency Fund and Central Community Redevelopment Agency Fund.

Governmental funds are 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, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* 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 governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between *governmental funds* and *governmental activities*.

The basic governmental fund financial statements can be found on pages 10-14 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 15 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis of the financial statements of the Agency begins below. The Statement of Net Position and the Statement of Activities report information about the Agency's activities that will help answer questions about the financial position and result of operations of the Agency. Information for both fiscal years ended 2020 and 2019 are presented for comparison purposes.

Statement of Net Position

As noted previously, net position, over period of time, serves as a useful indicator of the Agency's financial position. The schedule below summarizes the Agency's net position for fiscal years ended 2020 and 2019:

Lauderhill Community Redevelopment Agency A Component Unit of the City of Lauderhill, Florida Net Position		
	2020	2019
Current and other assets	\$3,259,019	\$3,721,615
Capital assets	58,519	-
Total assets	3,317,538	3,721,615
Long-term liabilities	4,421,130	3,560,089
Other liabilities	59,079	109,922
Total liabilities	4,480,209	3,670,011
Net position		
Net investment in capital assets	58,519	-
Restricted for:		
Real estate held for investment	\$2,340,530	\$3,492,874
Social services	\$50,000	\$382,740
Unrestricted	(3,611,720)	(3,824,010)
Total net position (deficit)	(1,162,671)	\$51,604

The Agency's combined net position was \$(1,162,671) at the 2020 fiscal year end. This represents a decrease of \$1,214,275 from fiscal year 2019 net position. The primary reason for the decrease is to recognize decrease revenue, reduction in investment property value and increase cost related to the development of the blight areas. The estimated value of the Cannon Point properties are \$322,000 per Broward County Property Appraiser.

Statement of Activities

Governmental activities for the current fiscal year decreased net position by \$1,214,275. The primary reason for the decrease is to recognize expenses that are necessary for the improvement of the Eastern and Central Communities.

Lauderhill Community Redevelopment Agency
A Component Unit of the City of Lauderhill, Florida
Change in Net Position

	<u>2020</u>	<u>2019</u>
Revenues:		
General revenues:		
Unrestricted intergovernmental	76,422	114,125
Investment Income	2,619	5,511
Miscellaneous	68,711	1,209,330
Total revenues and transfers	<u>147,752</u>	<u>1,328,966</u>
Expenses:		
Economic environment	<u>1,760,687</u>	<u>707,347</u>
Total expenses	<u>1,760,687</u>	<u>707,347</u>
Increase in net position		
before transfers	<u>(1,612,935)</u>	<u>621,619</u>
Transfers	<u>398,660</u>	<u>520,082</u>
Increase in net position	(1,214,275)	1,141,701
Net position (deficit), October 1,	<u>51,604</u>	<u>(1,090,097)</u>
Net position (deficit), September 30	<u>(\$1,162,671)</u>	<u>\$51,604</u>

Community Redevelopment Agency Budgetary Highlights

Community Development Agency's revenues were 919,086 less than the final budget. The total expenditures were \$56,978 more than final budgeted.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In the fiscal year 2021 budget, Community Redevelopment Agency are budgeted to increase by \$318,604 or 14.78% when compared to fiscal year 2020.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Lauderhill Community Redevelopment Agency, 5581 W. Oakland Park Boulevard, Suite 241 Lauderhill, Florida, 33313.

BASIC FINANCIAL STATEMENTS

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
STATEMENT OF NET POSITION
September 30, 2020

ASSETS	GOVERNMENTAL ACTIVITIES
Cash and equity in pooled cash and investments	\$ 824,694
Accounts receivable - net	12,633
Due from other funds	65,000
Due from other governments	11,422
Prepaid expenses	4,740
Real estate held for investment	2,340,530
Non-depreciable assets-	
Construction in progress	58,519
Total assets	<u>3,317,538</u>
LIABILITIES	
Accounts payable and accrued expenses	58,518
Accrued payroll	561
Noncurrent liabilities:	
Due within one year	
Due to other funds	1,000,000
Due in more than one year	
Advance from City of Lauderhill	<u>3,421,130</u>
Total Liabilities	<u>4,480,209</u>
NET POSITION	
Net Investment in capital assets	58,519
Restricted for:	
Real estate held for investment	2,340,530
Social services	50,000
Unrestricted	<u>(3,611,720)</u>
Total Net Position	<u>\$ (1,162,671)</u>

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

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	PROGRAM REVENUES			Governmental Activities
Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Net (expense) Revenue and Changes in Net Position
Functions/programs				
Primary Government:				
Governmental activities:				
Economic environment	\$ 1,760,687		\$ -	\$ (1,760,687)
Total primary governmental	\$ 1,760,687	\$ -	\$ -	\$ (1,760,687)
General revenues:				
Unrestricted intergovernmental				76,422
Investment Income				2,619
Miscellaneous				68,711
Transfers				398,660
Total general revenues and transfers				546,412
Change in net position				(1,214,275)
Net position (deficit), October 1,				51,604
Net position (deficit), September 30,				\$ (1,162,671)

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

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA

Balance Sheet
Governmental Funds
September 30, 2020

	Eastern Community Redevelopment Agency	Central Community Redevelopment Agency	Total Community Redevelopment Agency
ASSETS			
Cash and equity in pooled cash and investments	\$ 301,954	\$ 522,740	\$ 824,694
Accounts receivable - net	-	12,633	12,633
Due from other funds	65,000	-	65,000
Due from other governments	11,422	-	11,422
Prepays	4,740	-	4,740
Real estate held for investment	-	2,340,530	2,340,530
Total assets	\$ 383,116	\$ 2,875,903	\$ 3,259,019
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 58,518	\$ -	\$ 58,518
Accrued payroll	561	-	561
Advances from other funds	524,035	2,897,095	3,421,130
Due to other funds	-	1,000,000	1,000,000
Total liabilities	583,114	3,897,095	4,480,209
Fund balances:			
Restricted for:			
Real estate held for investment	-	2,340,530	2,340,530
Social services-community development	50,000	-	50,000
Unassigned:			
Community redevelopment agency	(249,998)	(3,361,722)	(3,611,720)
Total fund balances (deficit)	(199,998)	(1,021,192)	(1,221,190)
Total liabilities and fund balances	\$ 383,116	\$ 2,875,903	\$ 3,259,019

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

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
September 30, 2020

Fund balances - total government funds \$ (1,221,190)

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

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the
governmental funds.

Governmental capital assets, net 58,519

Net position of governmental activities \$ (1,162,671)

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

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	Eastern Community Redevelopment Agency	Central Community Redevelopment Agency	Total Community Redevelopment Agency
REVENUES			
Intergovernmental	\$ 76,422	\$ -	\$ 76,422
Investment income	2,619	-	2,619
Rental income	-	68,208	68,208
Miscellaneous	<u>7,153</u>	<u>-</u>	<u>7,153</u>
Total revenues	<u>86,194</u>	<u>68,208</u>	<u>154,402</u>
EXPENDITURES			
Current:			
General government	532,527	1,234,810	1,767,337
Capital Outlay:			
Improvements	<u>58,519</u>	<u>-</u>	<u>58,519</u>
Total Expenditures	<u>591,046</u>	<u>1,234,810</u>	<u>1,825,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(504,852)</u>	<u>(1,166,602)</u>	<u>(1,671,454)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	533,745	259,002	792,747
Transfers out	<u>(159,999)</u>	<u>(234,088)</u>	<u>(394,087)</u>
Total Other Financing Sources (Uses)	<u>373,746</u>	<u>24,914</u>	<u>398,660</u>
Net change in fund balances	(131,106)	(1,141,688)	(1,272,794)
Fund balances (deficit) - beginning	<u>(68,892)</u>	<u>120,496</u>	<u>51,604</u>
Fund balances (deficit) - ending	<u>\$ (199,998)</u>	<u>\$ (1,021,192)</u>	<u>\$ (1,221,190)</u>

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

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
 Reconciliation of the Statement of Revenues
 Expenditures, and Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended September 30, 2020

Changes in fund balances - total government funds \$ (1,272,794)

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

Net change in fund balances

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

Expenditures for capital outlays	58,519		
Less current year depreciation	-		58,519

Change in net position of governmental activities \$ (1,214,275)

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

NOTES TO THE FINANCIAL STATEMENTS

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial reporting entity

In 2005, the Lauderhill Community Redevelopment Agency (CRA) was created by Ordinance 04O-07-153 for the purpose of revitalizing and enhancing the City of Lauderhill, through infrastructure improvements and targeted acquisition and rehabilitation of deteriorated properties. The Agency operations are governed by Florida Statutes Chapter 163, Part III. Although the Agency is a separate legal entity, the Mayor and City Commissioners are all members of the CRA Board and responsible for approving the budget. The Community Redevelopment Agency Director is the Executive Director, the City Auditor is the CRA Auditor, the City Attorney is its General Counsel and the City Clerk is its Secretary. In addition, the City is financially accountable for the Organization, and it is considered a component unit of the City. Florida Statutes Chapter 163, Part III, as amended (“Redevelopment Act”) authorizes a municipality to create a community redevelopment agency after finding that there exists within the municipality slum or blighted areas. The specific areas slated for redevelopment are the central and eastern locations of Lauderhill. The statute and each District’s Agency Plan outline procedures to determine what development, reconstruction and rehabilitation take priority. The plans also articulate the financial tools, legal authority, and citizen participation necessary to successfully execute the adopted redevelopment plans.

The Community Redevelopment (CRA) Programs and initiatives are primarily funded by property tax increments collected when property values increase within a community redevelopment area and by notes payable. The CRA invests revenues into programs and projects that reflect the goals and objectives of each district’s community redevelopment plan. These programs and projects include business attraction and retention, infrastructure development, community facilities, infill housing, development of 38th Avenue Arts and Entertainment District, Micro loan Program, Commercial Façade program and other complimentary endeavors that nurture an improved and safer environment while promoting community pride.

The financial statements of the Community Redevelopment Agency have been prepared in accordance with accounting principles generally accepted accounting principles in the United States of America (“GAAP”) applicable to state and local governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principle.

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2020

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the Community Redevelopment Agency as a whole, while the fund financial statements focus on the individual funds. Each presentation provides valuable information that can be analyzed and compared between years. *The government-wide financial statements* (i.e., the statement of net position and the statement of activities) report information on long term economic resources. *The Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. *General revenues* consist of taxes and other items, not included among program revenues.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash-flow. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

D. Accountability and compliance

A budget is adopted for the Agency on an annual basis. The board holds public hearings between February and April of each year to gather residents input on new projects and initiatives for the upcoming budget. The Executive Director submits to the Board a proposed operating budget for the subsequent fiscal year commencing Oct 1. The budget is legally adopted by the Agency board prior to Oct 1. Changes or amendments to the total budgeted expenditures of each fund must be approved by the Board members.

The Agency budgeted and utilized the following amounts:

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2020

	Original Budget	Additional Appropriations	Final Budget
Lauderhill Community Redevelopment Agency	\$ 1,866,235	\$ 290,083	\$ 2,156,318
Total	\$ 1,866,235	\$ 290,083	\$ 2,156,318

The Community Redevelopment Agency has a fund balances of (\$1,221,190) as of September 30, 2020. Fund balance decreased by cost to revitalize blight areas within the Eastern and Central Areas of Lauderhill. The Organization is expecting to reduce fund balance with monetary resources from property taxes.

E. Fund Balance

The Agency adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which is effective for financial statements for periods beginning after June 15, 2010 per resolution No. 11R-06-99 This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The definition of each classification is as follows:

Non-spendable - Amounts not in spendable form or legally or contractually required to be maintained intact. This includes inventories, long term loans and notes receivables, property acquired for sales and prepaid amounts.

Restricted - Amounts restricted for specific purposes by external parties such as creditors, laws or regulator of other governments or by law through constitutional provisions or enabling legislation.

Committed – Amounts can be used for specific purposes pursuant to constraints imposed by the City’s code of Ordinances which can only be established, modified or rescind through the passage of ordinances by the City Commission, the City’s highest level of decision making authority.

Assigned – Amounts that are neither restricted nor committed; however, funds are constrained for specific purposes. Either the City Manager or her designee has the authority to assign amounts to specific purpose. Assigned funds cannot cause a deficit in unassigned fund balance. The Board has, by resolution 11R-06-99, authorized management to assign fund balance.

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2020

Unassigned - Fund balance that are not restricted, committed or assigned to specific purposes. All funds in this category provide the resources necessary to meet unexpected expenditures and revenue shortfall. The General fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, it is the City's policy to use restricted amounts first. Additionally, the Agency would first use committed funds, then assigned funds and finally unassigned funds when an expenditure is incurred for which committed, assigned or unassigned fund balance available.

F. Assets, liabilities and net position or equity

1. Cash and investments

The Agency's cash and cash equivalents includes cash on hand, demand deposits, certificates of deposits and money market funds.

2. Accounts Receivables

Receivables are reported net of allowances for uncollectible accounts when applicable

3. Prepaid Expenses

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased

4. Capital assets

Capital assets - property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable activities columns in the government-wide financial statements. The Agency defines capital

**LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2020**

assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

Asset	Years
Building	40
Improvements	20
Public domain infrastructure	40
System infrastructure	40
Vehicles	5
Office equipment	5
Computer equipment	5

5. Investment Property

Investment properties are stated at fair market value and unrealized gain and loss are recognized. Inventories in the Component Unit comprised of Cannon Point and Mission Lake Plaza located within the central area of Lauderhill.

6. Deferred outflows/inflows of resources

A deferred outflow of resources is defined as a consumption of net assets by the Agency that is applicable to a future reporting period and is recognized on the Government-wide Statement of Net Position, reported as a separate section for deferred outflows of resources when applicable. The Agency did not have any deferred outflow of resources as of September 30, 2020.

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2020

A deferred inflow of resources is defined as an acquisition of net assets by the government that is applicable to a future reporting period and is reported on the Government-Wide Statement of Net Position as a separate section for deferred inflows of resources when applicable. The Agency did not have any deferred outflow of resources as of September 30, 2020.

7. Advances

The City of Lauderhill and the Community Redevelopment Agency entered into an agreement where the City advanced the Agency \$3,421,130 and a \$1,000,000 to purchase investment real estate and to improve blight and slum areas within the City. The City is anticipating repayment of the loans from gains received from the development and sale of these properties and operating revenues from property taxes.

8. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities when applicable. The Lauderhill Community Redevelopment Agency acquired no long term debt as of September 30, 2020.

9. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
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Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS IN POOLED CASH

The Agency, for accounting and investment purposes, maintains cash and investment in a pool for Eastern and Central Communities. This gives the Lauderhill Community Redevelopment Agency the ability to invest large amount of idle cash for short periods of time and to maximize earning potential. Each fund type's portion of this pool is displayed on the statement of net position / combining balance sheet as cash and equity in pooled cash and investments. Income earned on pooled cash and investments is allocated to the respective funds based on average daily balances.

Cash Deposits

The carrying amounts of the Agency's cash deposits were \$824,694 as of September 30, 2020; the total of which is collateralized or insured with securities held by the Agency or by its agent in the name of the Community Redevelopment as discussed below.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. All of the Agency deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, and "Florida Security for Public Deposits Act". Under this Act, all qualified public depositories are required to pledge eligible collateral. Public deposits are protected by deposit insurance, sale of securities pledged as collateral, and assessments made to other public depositories when needed to guarantee no loss will be incurred by the public depositor.

The Agency reports its investments according to the Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application" by categorizing its investments according to the fair value hierarchy established by this Statement when applicable. The Organization has no monetary investment to report as of September 30, 2020.

**LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2020**

NOTE 3 – RECEIVABLES AND PAYABLES

Receivables as of year-end for the Agency, including the applicable allowances for uncollectible accounts are as follows:

	<u>Accounts Receivable, net</u>	<u>Due from other Governments</u>	<u>Total</u>
Governmental Activities			
Lauderhill Community Redevelopment Agency	\$ 12,633	\$ 11,422	\$ 24,055

The Lauderhill Community Redevelopment Agency is reporting receivables from the Lauderhill Community Development Block Grant (CDBG) for Lauderhill Pointe Façade.

Payables at September 30, 2020 were as follows:

Governmental Activities:

Lauderhill Community Redevelopment Agency	\$58,518
----------------------------------------------	----------

**LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2020**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in progress	-	58,519	-	58,519
Total capital assets not being depreciated	<u>-</u>	<u>58,519</u>	<u>-</u>	<u>58,519</u>
Governmental activities capital assets, net,				
	<u>\$ -</u>	<u>\$ 58,519</u>	<u>\$ -</u>	<u>58,519</u>

NOTE 5 – COMMITMENTS AND CONTINGENT LIABILITIES

The Agency has outstanding encumbrances in its Eastern Fund totaling \$58,518 for its NW 38th Avenue project at September 30, 2020.

NOTE 6 – COVID-19 PANDEMIC

The impact of the present global crisis triggered by COVID-19 pandemic is still evolving and is multi-dimension, combining health, economic and social crisis. The Board and staff are closely monitoring the pandemic and are exploring opportunities that will offset any adverse effect caused by the it. While it is early to measure the overall impact of COVID-19, Management is assessing and projecting the Agency financial position and are making fiscally responsible decisions in the best interest of the residents.

**LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2020**

NOTE 7 – SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through November 24, 2021, the date the financial statements were available to be issued. There is no significant event to disclose at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**LAUDERHILL COMMUNITY REDEVELOPMENT AGENCY
A COMPONENT UNIT OF THE CITY OF LAUDERHILL, FLORIDA**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 76,422	(923,578)
Investment income	-	-	2,619	2,619
Rental income	73,488	73,488	68,208	(5,280)
Miscellaneous	-	-	7,153	7,153
Total revenues	<u>1,073,488</u>	<u>1,073,488</u>	<u>154,402</u>	<u>(919,086)</u>
EXPENDITURES				
General government:				
Administrative expense	<u>447,145</u>	<u>762,228</u>	<u>1,767,337</u>	<u>(1,005,109)</u>
Capital Outlay:				
Improvements	<u>1,025,000</u>	<u>1,000,000</u>	<u>58,519</u>	<u>941,481</u>
Total expenditures	<u>1,472,145</u>	<u>1,762,228</u>	<u>1,825,856</u>	<u>(63,628)</u>
Excess (Deficiency) of Revenue over Expenditures	(398,657)	(688,740)	(1,671,454)	(982,714)
Other Financing Sources (Uses)				
Transfers in	792,747	792,747	792,747	-
Transfers out	<u>(394,090)</u>	<u>(394,090)</u>	<u>(394,087)</u>	<u>3</u>
Total Other Financing Sources (Uses)	<u>398,657</u>	<u>398,657</u>	<u>398,660</u>	<u>3</u>
Net change in fund balances*	<u>\$ -</u>	<u>\$ (290,083)</u>	(1,272,794)	<u>\$ (982,711)</u>
Fund balances - beginning			51,604	
Fund balances - ending			<u>\$ (1,221,190)</u>	

* The net change in fund balances was included in the budget as an appropriation of fund balance.

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

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

To the Board of Directors and CRA Director
Lauderhill, Florida Community Redevelopment Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Lauderhill, Florida Community Redevelopment Agency (the "CRA"), a component unit of the City of Lauderhill, Florida, as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated November 24, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." is displayed on a light blue background.

Hollywood, Florida
November 24, 2021

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Directors and CRA Director
Lauderhill, Florida Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Lauderhill, Florida Community Redevelopment Agency (the "CRA"), a component unit of the City of Lauderhill, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated November 24, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements with Florida Statutes in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated November 24, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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



Hollywood, Florida
November 24, 2021

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH FLORIDA STATUTES

To the Board of Directors and CRA Director
Lauderhill, Florida Community Redevelopment Agency

We have examined the Lauderhill, Florida Community Redevelopment Agency (the "CRA"), a component unit of the City of Lauderhill, Florida compliance with Section 218.415, Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2020. We also examined the CRA's compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2020. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

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

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

In our opinion, the CRA complied, in all material respects, with Sections 218.415, 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2020.

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

S. Davis & Associates, P.A.

Hollywood, Florida
November 24, 2021

