

**Town of Davie Community
Redevelopment Agency**
(A Component Unit of the Town of Davie)

Basic Financial Statements
For the Year Ended September 30, 2021



Town of Davie Community Redevelopment Agency

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INDEPENDENT AUDITOR'S REPORT

To the Community Redevelopment Agency Board
Town of Davie Community Redevelopment Agency
Davie, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Town of Davie Community Redevelopment Agency (the "Agency"), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 major fund of the Agency, 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 on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reports Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of the Agency'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 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 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 Agency's internal control over financial reporting and compliance.



KEEFE MCCULLOUGH

Fort Lauderdale, Florida
March 31, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Davie Community Redevelopment Agency (the "Agency") financial performance provides an overview of the Agency's financial activities for the years ended September 30, 2021 and 2020. Please read it in conjunction with the Agency's basic financial statements, which immediately follow this discussion.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2021:

- The Agency's total assets exceeded its liabilities at September 30, 2021 by \$ 8.4 million (net position).
- The governmental activities revenue totaled \$ 6.2 million primarily resulting from incremental tax receipts, which includes a \$ 2.9 million transfer from the Town.
- The overall taxable value of the Agency's redevelopment area was \$ 699.1 million, an increase of \$ 106.8 million (18.0%) over the previous fiscal year's value.
- At the end of the year, the Agency reported a fund balance of \$ 5.1 million, a decrease of \$ 2.3 million from the previous fiscal 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: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide financial statements: The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the Agency's finances, using accounting methods similar to those used by a private-sector business.

The statement of net position presents financial information of all of the Agency's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. The change in net position over time may be an indicator of whether the Agency's financial health is improving or deteriorating. The Agency's mission is not to collect assets, but to eliminate blight conditions and increase the tax base thus, while assets can provide an indicator of stability, the Agency's intent is not to hold assets over a significant time period.

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

The government-wide financial statements can be found on pages 7 and 8 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 one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the Community Redevelopment Agency Fund.

**Town of Davie Community Redevelopment Agency
Management’s Discussion and Analysis (Unaudited)
September 30, 2021**

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 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 this, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 9 through 12 of this report.

Notes to the financial statements: The notes to the financial statements provide additional information essential to a complete understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 24 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position.

The following table reflects the condensed government-wide statement of net position as of September 30, 2021 and 2020:

Town of Davie Community Redevelopment Agency		2021	2020
Net Position		<u>2021</u>	<u>2020</u>
Current assets	\$	5,155,497	\$ 7,404,614
Capital assets		<u>10,517,471</u>	<u>5,481,179</u>
Total assets		<u>15,672,968</u>	<u>12,885,793</u>
Non-current liabilities		7,166,326	8,647,516
Other liabilities		<u>127,815</u>	<u>103,799</u>
Total liabilities		<u>7,294,141</u>	<u>8,751,315</u>
Net position:			
Net investment in capital assets		3,356,929	(3,133,659)
Restricted		<u>5,021,898</u>	<u>7,268,137</u>
Total net position	\$	<u><u>8,378,827</u></u>	\$ <u><u>4,134,478</u></u>

**Town of Davie Community Redevelopment Agency
Management's Discussion and Analysis (Unaudited)
September 30, 2021**

Governmental Activities: Governmental activities for the year ended September 30, 2021 increased the Agency's net position by \$ 4,244,349, as reflected in the table below:

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 5,973	\$ 2,533
General revenues:		
Tax incremental	3,284,727	2,647,391
Investment income	19,311	6,737
Transfers	<u>2,907,349</u>	<u>2,337,376</u>
Total revenues	<u>6,217,360</u>	<u>4,994,037</u>
Expenses:		
General government	1,736,780	1,587,425
Interest	<u>236,231</u>	<u>281,242</u>
Total expenses	1,973,011	1,868,667
Increase (decrease) in net position	4,244,349	3,125,370
Net Position, Beginning of Year	<u>4,134,478</u>	<u>1,009,108</u>
Net Position, End of Year	<u>\$ 8,378,827</u>	<u>\$ 4,134,478</u>

Capital Assets and Debt Administration

The Agency's investment in capital assets, less accumulated depreciation, for its governmental activities as of September 30, 2021 amount to \$ 10.5 million, and consists of land, infrastructure, and machinery, equipment and vehicles.

At the end of the year, the Agency had total bonded debt outstanding of \$ 7.2 million. The Agency's debt represents bonds secured by tax incremental revenues.

Additional information on the Agency's long-term debt can be found in Note 8 of the financial statements.

Agency Fund Budgetary Highlights

During the year, there was an amendment to the budget for approximately \$ 1,135,700 of additional expenditures.

Economic Factors and Next Year's Budgets

Despite the COVID-19 pandemic, the Agency continues to thrive, and no budgetary impacts were identified leading into the formulation of the FY 2022 budget. The Agency budget process started by identifying the funding necessary to cover the Agency's debt commitments, personnel costs, and annual operating costs including special events. Next, the budget process considered the anticipated economic incentives committed by the Agency through its developer's agreements including tax increment financing repayments and property improvement grants. Finally, the Agency reserves and remaining operating budget funds were allocated to capital project expenditures. For FY 2022, these funds were dedicated to the Davie Road Downtown Improvements which will provide vehicular, pedestrian, and aesthetic improvements to the corridor; and land acquisition as the Agency seeks to expand existing redevelopment projects or purchase land for future redevelopment projects.

The Agency monitors Florida Legislature initiatives that may affect the Agency, such as new legislation that impacts requirements for the Agency audit report, annual report, Agency termination provisions, ethics training, etc.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Town of Davie, 6591 Orange Drive, Davie, Florida, 33314.

FINANCIAL STATEMENTS



Town of Davie Community Redevelopment Agency
Statement of Net Position
September 30, 2021

	Governmental Activities
Assets:	
Cash, cash equivalents, and investments	\$ 5,155,497
Capital assets:	
Non-depreciable	10,460,296
Depreciable (net of accumulated depreciation)	<u>57,175</u>
Total assets	<u>15,672,968</u>
Liabilities:	
Current liabilities:	
Accounts payable and other current liabilities	38,500
Contracts payable	26,245
Accrued interest payable	63,070
Noncurrent liabilities:	
Due within one year:	
Compensated absences payable	13,101
Bonds payable	1,517,593
Due in more than one year:	
Compensated absences payable	18,928
Bonds payable	<u>5,616,704</u>
Total liabilities	<u>7,294,141</u>
Net Position:	
Net investment in capital assets	3,356,929
Restricted for:	
Community redevelopment	<u>5,021,898</u>
Total net position	<u>\$ 8,378,827</u>

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

Town of Davie Community Redevelopment Agency
Statement of Activities
For the Year Ended September 30, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Functions/Programs:				
Governmental activities:				
General government	\$ 1,736,780	\$ 5,973	\$ -	\$ (1,730,807)
Interest expense	<u>236,231</u>	<u>-</u>	<u>-</u>	<u>(236,231)</u>
Total primary government	<u>\$ 1,973,011</u>	<u>\$ 5,973</u>	<u>\$ -</u>	<u>(1,967,038)</u>
General revenues:				
Incremental tax receipts				3,284,727
Investment income				19,311
Transfers				<u>2,907,349</u>
Total general revenues and transfers				<u>6,211,387</u>
Change in net position				4,244,349
Net position - beginning of year				<u>4,134,478</u>
Net position - end of year				<u>\$ 8,378,827</u>

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

Town of Davie Community Redevelopment Agency
Balance Sheet - Governmental Fund
September 30, 2021

Assets:

Cash, cash equivalents, and investments	\$ <u>5,155,497</u>
Total assets	\$ <u><u>5,155,497</u></u>

Liabilities:

Accounts payable and accrued liabilities	\$ 38,500
Contracts payable	<u>26,245</u>
Total liabilities	<u>64,745</u>

Fund Balance:

Restricted for: Community redevelopment	<u>5,090,752</u>
Total fund balance	<u>5,090,752</u>
Total liabilities and fund balance	\$ <u><u>5,155,497</u></u>

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

**Town of Davie Community Redevelopment Agency
 Reconciliation of the Balance Sheet of the Governmental Fund
 to the Statement of Net Position
 September 30, 2021**

Fund Balances - Total Governmental Funds		\$ 5,090,752
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:</p>		
Governmental capital assets	\$ 12,514,240	
Less: accumulated depreciation	<u>(1,996,769)</u>	10,517,471
Bond interest payable not reported in the governmental funds		(63,070)
<p>Long term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds:</p>		
Bonds payable	(7,134,297)	
Compensated absences payable	<u>(32,029)</u>	<u>(7,166,326)</u>
Net Position of Governmental Activities		\$ <u><u>8,378,827</u></u>

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

Town of Davie Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund
For the Year Ended September 30, 2021

Revenues:	
Intergovernmental	\$ 3,284,727
Charges for services	5,973
Investment income	<u>19,311</u>
Total revenues	<u>3,310,011</u>
Expenditures:	
General government:	
General services department:	
Personnel services	298,051
Operating	1,007,682
Grants and aids	376,419
Capital outlay	<u>5,091,569</u>
Total general government	<u>6,773,721</u>
Debt service:	
Principal retirement	1,480,541
Interest and other fiscal charges	<u>249,320</u>
Total debt service	<u>1,729,861</u>
Total expenditures	<u>8,503,582</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,193,571)</u>
Other Financing Sources (Uses):	
Transfers from primary government	<u>2,907,349</u>
Total other financing sources (uses)	<u>2,907,349</u>
Net change in fund balance	(2,286,222)
Fund Balance - Beginning	<u>7,376,974</u>
Fund Balance - Ending	<u>\$ <u>5,090,752</u></u>

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

**Town of Davie Community Redevelopment Agency
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balance of the Governmental Fund to the Statement of Activities
 For the Year Ended September 30, 2021**

Net Change In Fund Balance - Governmental Fund		\$ (2,286,222)
<p>Amount reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Expenditures for capital assets	\$ 5,057,436	
Less: current year provision for depreciation	<u>(21,144)</u>	5,036,292
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		1,480,541
<p>Certain items reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures or credits in the governmental funds.</p>		
Change in accrued interest payable	13,089	
Change in compensated absences payable	<u>649</u>	<u>13,738</u>
Change in Net Position of Governmental Activities		\$ <u><u>4,244,349</u></u>

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

Note 1 - The Financial Reporting Entity

The Town of Davie Community Redevelopment Agency (the "Agency") was established by the Town of Davie, Florida (the "Town") under authority granted by Chapter 163, Florida Statutes. The Agency is a legally separate entity established by Ordinance No. 88-23 of the Town of Davie Council in May 1988. The Agency's five-member board is comprised of the Davie Town Council. The Agency Board directs the development and implementation of the Community Redevelopment Plan. The Town Council reviews and approves the Agency's annual budget, contracts, grants, and all other actions over \$ 25,000 must be authorized directly by resolution by the Agency Board and ratified and approved by resolution by the Town Council. All redevelopment activities of a contractual, financial, and programmatic nature shall have a maximum duration of 30 years from date of adoption. The Agency is due to expire in 2027. Revenue is derived primarily from tax incremental revenue, which is the revenue that the Agency collects from the Town, Broward County, Central Broward Water Control District, Children's Services Council of Broward County, and the South & North Broward Hospital District. Those taxes are based on the incremental increase of the real property value and are dedicated to the redevelopment of the area.

In evaluating the Agency as a reporting entity, management has addressed all potential component units for which the Agency may or may not be financially accountable and, as such, be includable within the Agency financial statements. In November 2010, the Governmental Accounting Standards Board ("GASB") issued Statement No. 61, which modifies certain requirements for inclusion of component units in the financial reporting entity.

GASB Statement No. 61 provides that a component unit should be included in the reporting entity financial statements using the blending method in any of these circumstances: (a) the component unit's governing body is substantively the same as the governing body of the primary government and (1) there is a financial benefit or burden relationship between the primary government and the component unit or (2) management of the primary government has operational responsibility for the component unit; (b) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively or almost exclusively, benefits the primary government even though it does not provide services directly to it; or (c) the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government. Based on these requirements, the Agency does not have any component units.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of the Agency have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency's more significant accounting policies are described below:

Basis of presentation: The Agency's basic financial statements include both government-wide (reporting the Agency as a whole) and fund financial statements (reporting the Agency's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the Agency's activities are classified as governmental activities.

Note 2 - Summary of Significant Accounting Policies (continued)

Financial Statements - Government-Wide Statements: In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations, when and if applicable.

The government-wide statement of activities reports both the gross and net cost of each of the Agency's functions. The net costs, by function, are also supported by general revenues, other revenue, etc. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflect capital-specific grants. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Financial Statement - Fund Financial Statements: The fund financial statements provide information about the Agency's fund. The Agency only has one fund and thus is considered to be a major fund.

The annual audit of this fund included an evaluation in light of the applicable requirements of Florida Statute 163.387. Per the Agency's management, the year-end fund balance of \$ 5.1 million has been restricted for specific redevelopment projects pursuant to the Community Redevelopment Plan.

Measurement focus and basis of accounting: The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Incremental taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental fund. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Note 2 - Summary of Significant Accounting Policies (continued)

Budget: A budget is adopted for the Agency Fund on an annual basis. The level of control at which the expenditures may not exceed budget is at the department level. Amendments to budgeted expenditures must be approved by the Agency's Board.

Cash and cash equivalents: The Agency's "cash and cash equivalents" are considered to be cash on hand, demand deposits, certificates of deposits and money market funds.

Investments: Investments are carried at estimated fair value. Unrealized gains and losses in fair value are recognized.

Capital assets: Property, plant, and equipment purchased or acquired at a minimum cost of \$ 1,500 is carried at historical cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of acquisition, as applicable. Depreciation has been provided over estimated useful lives using the straight-line method.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Infrastructure	5 years
Machinery, equipment and vehicles	5 years

Upon disposal of property, the related cost and accumulated depreciation are removed from the accounts with gains or losses on disposal reported currently. Expenditures for maintenance, repairs, and minor renewals and betterments are charged as incurred. Renewals and betterments of a major character are capitalized. In the fund financial statements, acquisition of capital assets is recorded as expenditure and no depreciation is recorded.

Unearned revenue: Unearned revenue represents resources that have been received, but not yet earned.

Long-term obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Compensated absences: It is the Agency's policy to permit full-time employees to accumulate limited amounts of earned vacation leave and earned sick leave. Upon separation from service, employees may receive payment for all unused vacation time and, subject to length of service, generally from 50% to 75% of all unused sick leave.

Note 2 - Summary of Significant Accounting Policies (continued)

Accumulated compensated absences are recorded in the government-wide financial statements when earned. Expenditures for accumulated compensated absences have been recorded in the governmental fund only if they have matured, (e.g., resulting from employee resignations and retirements).

Net position/fund balance: Net position is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide statement is categorized as (a) net investments in capital assets, (b) restricted or (c) unrestricted. The first category represents net investments in capital assets reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets excluding unexpended debt proceeds. The restricted category represents the balance of assets restricted by requirements of debt covenants and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position consists of the net position not meeting the definition of either of the two other components. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

In the fund financial statements, governmental funds report five categories of fund balances: non-spendable, restricted, committed, assigned, and unassigned. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balances are amounts constrained for specific purposes by external parties (creditors, grantors, contributors), law, or enabling legislation legally enforceable by external parties. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board (highest level of decision making authority) through an ordinance or resolution (which are both equal and the highest level of decision making) are classified as committed fund balances. The limitation imposed by the ordinance or resolution remains in place until similar action is taken (adoption of another ordinance or resolution) to remove or revise the limitation. Assigned fund balances are amounts without formal constraints, but are intended to be used for specific purposes. This intent can be expressed by the Board or through the Board delegating this responsibility to Agency management. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the Agency Fund. The Agency would typically use restricted fund balances first, followed by committed fund balances, and then assigned fund balances.

Deferred outflows and inflows of resources: In addition to assets, the statement of net position will periodically report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency did not have any deferred outflows of resources as of September 30, 2021.

In addition to liabilities, the statement of net position will periodically report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency did not have any deferred inflows of resources as of September 30, 2021.

Note 2 - Summary of Significant Accounting Policies (continued)

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of management review: Subsequent events have been evaluated through March 31, 2022, which is the date the financial statements were available to be issued.

Note 3 - Deposits and Investments

As required by Florida Statutes, the Agency Board has adopted a written investment policy, which may, from time to time, be amended. Under the current policy, Agency officials are generally authorized to invest funds in the Florida Local Government Surplus Funds Trust Fund (SBA Pool), intergovernmental investment pools, United States Government Securities, guaranteed agencies and sponsored agencies, commercial paper, corporate notes, taxable and/or tax-exempt municipal debt, asset-backed securities, interest bearing certificates of deposit or savings accounts, repurchase agreements, and registered investment companies-money market mutual funds.

As of September 30, 2021, the Agency had the following deposits and investments:

<u>Investment Type</u>	<u>Carrying Amount (Fair Value)</u>
United States treasuries	\$ 1,578,446
United States agency securities	1,261,529
Corporate notes/debt securities	1,039,015
Plus: Cash and money market funds	<u>1,276,507</u>
	<u>\$ 5,155,497</u>

Deposits: The Agency's cash balances were entirely covered by Federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. As of September 30, 2021, the carrying amount of the Agency's deposits was \$ 1,275,385.

Investments:

Interest rate risk: Interest rate risk exists when there is a possibility that changes in interest rate could adversely affect the fair value of the investments. Generally, the longer the time to maturity, the greater the exposure is to interest rate risk. The Agency limits their risk by requiring all non-amortizing securities maturities to a maximum of seven years. All amortizing securities are limited by their effective duration rather than their final maturity. The effective duration of the amortizing securities held by the Agency is limited to a maximum of 5 years. At year end, the weighted average effective duration of the Agency's securities ranges from 0.84 to 2.19 years.

Town of Davie Community Redevelopment Agency
Notes to Financial Statements
September 30, 2021

Note 3 - Deposits and Investments (continued)

The table below summarizes the Agency's scheduled maturities (in years) of the investments held as of September 30, 2021

<u>Investment type</u>	<u>Total Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
United States treasuries	\$ 1,578,446	\$ 145,510	\$ 1,432,936	\$ -	\$ -
United States agency securities	1,261,529	58,003	790,154	214,869	198,503
Corporate notes/debt securities	<u>1,039,015</u>	<u>84,334</u>	<u>954,681</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,878,990</u>	<u>\$ 287,847</u>	<u>\$ 3,177,771</u>	<u>\$ 214,869</u>	<u>\$ 198,503</u>

Credit risk: Credit risk exists when there is a possibility the debt issuer may be unable to fulfill its obligations. The Agency controls this risk by investing primarily in U.S. Government backed securities, and setting minimum credit ratings for other securities, rated by a Nationally Recognized Statistical Rating Organization ("NRSRO") while the money market mutual funds are not rated.

The NRSRO ratings for the Agency's investments as of September 30, 2021, are summarized below.

<u>NRSRO Rating</u>	<u>Total Fair Value</u>
AAA/Aaa	\$ 313,925
AA+	2,863,943
AA	34,562
AA-	30,142
A+	116,149
A	324,298
A-	161,661
NR	<u>34,310</u>
Total	<u>\$ 3,878,990</u>

Concentration risk: The Agency's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from concentration of assets in a specific issuer. Specific limits have been established which limit the percentage of portfolio assets that can be invested with a specific issuer. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the percentage is 5% or more of the total investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investments pools, and other pooled investments are excluded from this disclosure requirement. There were no individual investments that represent 5% or more in any one issuer at September 30, 2021.

Custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency would not recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the Agency minimizes this risk by establishing minimum standards for institutions and dealers used by the Agency. Consistent with the Agency's investment policy, the investments are held by custodial banks/institutions in the Agency's name, or in street name or nominee name as the agent, as applicable.

Note 3 - Deposits and Investments (continued)

Fair Value Hierarchy: GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Various inputs are used in determining the fair value of investments. These inputs are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

- Level 1 - investments reflect unadjusted quoted prices in active markets for identical assets.
- Level 2 - investments reflect prices that are based on similar observable assets, either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 - investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The following is a general description of the valuation methodologies used for assets measured at fair value.

Investments classified as Level 1 for Agency, in the table below, are valued using prices quoted in active markets for identical securities.

Fair values of investments held by the Agency are classified at September 30, 2021 as follows:

Investment Type	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Valued at NAV
United States treasuries	\$ 1,578,446	\$ 1,578,446	\$ -	\$ -	\$ -
United States agency securities	1,261,529	1,261,529	-	-	-
Corporate notes/debt securities	1,039,015	1,039,015	-	-	-
Total investments measured at fair value	3,878,990	\$ 3,878,990	\$ -	\$ -	\$ -
Money market funds and other deposits	1,276,507				
Total	\$ 5,155,497				

Note 4 - Tax Incremental Revenues

The primary source of revenue for the Agency is tax incremental revenues collected from the Town of Davie, Broward County, North Broward Hospital District, South Broward Hospital District, Central Broward Water Control District and Children’s Services Council of Broward County. These entities levy ad valorem property taxes within the legally defined redevelopment area of the Agency. The tax incremental revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations over the 1988 base year assessed valuations for all properties located within the Agency’s boundaries.

Assessed values are established by the Broward County Property Appraiser and are due to the Davie Community Redevelopment Agency from the Town of Davie, Broward County, North Broward Hospital District, South Broward Hospital District, Central Broward Water Control District and Children’s Services Council of Broward County. Sums are determined in accordance with Florida Statute 163.387(1). The calculations are based upon the total value of assessments derived from the certified Property Tax Rolls provided by the Broward County Property Appraiser’s Office. (Increment x Current Operating Millage) x 95% = Contribution. As improvements are made in the redevelopment area and property values increase, a larger amount of money is generated for the Agency. These revenues fund additional improvements in the redevelopment area through their reinvestment back into the area.

Note 5 - Deposits and Withdrawals

As required by Florida Statute section 163.387(8), additional description of Agency financial information during fiscal year 2021 is as follows:

Sources of deposits:	
Tax increment - Town of Davie (transfer in)	\$ 2,907,349
Tax increment - Broward County	2,840,120
Tax increment - Children's Services Council of Broward County	252,243
Tax increment - Central Broward Water Control District	67,301
Tax increment - North Broward Hospital District	70,277
Tax increment - South Broward Hospital District	54,786
Charges for services	5,973
Investment income	19,311
Total sources	<u>\$ 6,217,360</u>
Purpose of withdrawals:	
General government	
Personnel services	\$ 298,051
Operations	1,007,682
Grants and aids	376,419
Capital outlay	5,091,569
Debt service:	
Principal retirement	1,480,541
Interest and other charges	249,320
Total withdrawals	<u>\$ 8,503,582</u>

Town of Davie Community Redevelopment Agency
Notes to Financial Statements
September 30, 2021

Note 6 - Transfers

Transfers were made from the Town of Davie to the Agency relating to tax incremental revenues collected by the Town of Davie on behalf of the Agency.

Note 7 - Capital Assets

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

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital assets, not being depreciated:				
Land	\$ 5,440,000	\$ 5,020,296	\$ -	\$ 10,460,296
Total capital assets, not being depreciated	<u>5,440,000</u>	<u>5,020,296</u>	<u>-</u>	<u>10,460,296</u>
Capital assets, being depreciated:				
Infrastructure	1,985,127	37,140	-	2,022,267
Machinery, equipment and vehicles	<u>31,677</u>	<u>-</u>	<u>-</u>	<u>31,677</u>
Total capital assets, being depreciated	<u>2,016,804</u>	<u>37,140</u>	<u>-</u>	<u>2,053,944</u>
Total capital assets	<u>7,456,804</u>	<u>5,057,436</u>	<u>-</u>	<u>12,514,240</u>
Less accumulated depreciation for:				
Infrastructure	1,969,290	14,809	-	1,984,099
Machinery, equipment and vehicles	<u>6,335</u>	<u>6,335</u>	<u>-</u>	<u>12,670</u>
Total accumulated depreciation	<u>1,975,625</u>	<u>21,144</u>	<u>-</u>	<u>1,996,769</u>
Total capital assets, being depreciated, net	<u>41,179</u>	<u>15,996</u>	<u>-</u>	<u>57,175</u>
Governmental activities capital assets, net	<u>\$ 5,481,179</u>	<u>\$ 5,078,580</u>	<u>\$ -</u>	<u>\$ 10,517,471</u>

Provision for depreciation was charged to functions as follows:

Governmental Activities:	
General government	\$ <u>21,144</u>

Town of Davie Community Redevelopment Agency
Notes to Financial Statements
September 30, 2021

Note 8 - Long-Term Debt

Debt at September 30, 2021 included the following:

Community Redevelopment Agency Bonds - The Agency previously issued \$ 20,000,000 Community Redevelopment Bonds, Series 2010, to make various infrastructure improvements, including drainage, road, and water and sewer improvements, and to acquire land for redevelopment purposes. On August 28, 2013 and September 28, 2013, the Agency issued Community Redevelopment Bonds, Series 2013A and 2013B, amounting to \$ 10,000,000 and \$ 7,394,769, respectively, to currently refund the then outstanding Series 2010 Bonds. The 2013A and 2013B Bonds bear interest at the fixed rate of 2.47% and 2.43%, respectively, subject to adjustments based on occurrence of a determination of taxability event and by margin rate factor as calculated by lender. During fiscal year 2018, the interest rates were increased to 3.002% and 2.953% for the 2013A and 2013B Bonds, respectively, due to a change in the corporate tax rate. Principal and interest on both series is payable semiannually on each June 10 and December 10 through maturity in December 2025. The Bonds are secured by a pledge and lien on tax incremental revenues of the Town's Agency. In addition, the Town covenants to annually budget and appropriate legally available non-ad valorem revenues to cover any shortfall in tax incremental revenue of the Agency to pay for scheduled principal and interest.

Annual debt service requirements estimated to maturity for the Community Redevelopment Agency Bonds, Series 2013A are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 872,696	\$ 118,329	\$ 991,025
2023	894,688	91,600	986,288
2024	917,104	64,355	981,459
2025	940,344	36,110	976,454
2026	<u>479,013</u>	<u>7,310</u>	<u>486,323</u>
Total	<u>\$ 4,103,845</u>	<u>\$ 317,704</u>	<u>\$ 4,421,549</u>

Annual debt service requirements estimated to maturity for the Community Redevelopment Agency Bonds, Series 2013B are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 644,897	\$ 85,960	\$ 730,857
2023	660,883	66,530	727,413
2024	677,172	46,733	723,905
2025	694,053	26,217	720,270
2026	<u>353,447</u>	<u>5,306</u>	<u>358,753</u>
Total	<u>\$ 3,030,452</u>	<u>\$ 230,746</u>	<u>\$ 3,261,198</u>

Town of Davie Community Redevelopment Agency
Notes to Financial Statements
September 30, 2021

Note 8 - Long-Term Debt (continued)

The outstanding Agency Series 2013A and 2013B arrangements discussed above include other financial provisions for events of defaults such as payment defaults, violation of covenants, insolvency, false representation, and failure to budget and appropriate. These events may increase the current interest rate to the lesser of 18% or the maximum lawful rate during the continuation of an event of default. The events may declare any unpaid principal and interest (acceleration of maturity) due immediately. The lender may also seek enforcement of and exercise all remedies available and allowed by law. These facilities are also subject to rate adjustments based on occurrence of a determination of taxability event by margin rate factor as calculated by lender. Prepayment fees/premiums may also apply.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Community Redevelopment Bond Series 2013A *	\$ 4,955,090	\$ -	\$ 851,245	\$ 4,103,845	\$ 872,696
Community Redevelopment Bond Series 2013B *	<u>3,659,748</u>	<u>-</u>	<u>629,296</u>	<u>3,030,452</u>	<u>644,897</u>
	<u>8,614,838</u>	<u>-</u>	<u>1,480,541</u>	<u>7,134,297</u>	<u>1,517,593</u>
Compensated Absences	<u>32,678</u>	<u>21,541</u>	<u>22,190</u>	<u>32,029</u>	<u>13,101</u>
	<u>\$ 8,647,516</u>	<u>\$ 21,541</u>	<u>\$ 1,502,731</u>	<u>\$ 7,166,326</u>	<u>\$ 1,530,694</u>

* Notes from direct borrowing and private placements have an outstanding balance of \$ 7,134,297 as of September 30, 2021.

Pledged Revenues:

The Agency's debt is collateralized by tax incremental revenues. The following table provides the gross revenue received in the current year and pledged for the bonds, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for the debt, which is the amount remaining of principal and interest on the indebtedness at September 30, 2021:

<u>Debt Issue</u>	<u>Pledged Revenue</u>	<u>Gross Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Future Maturities Principal and Interest</u>	<u>Pledged Through:</u>
<u>Governmental Activities:</u>					
Community Redevelopment Bonds, Series 2013A and 2013B	Tax incremental revenues of the Town's Community Redevelopment Agency	\$ 6,192,076	\$ 1,729,861	\$ 7,682,747	2026

Note 9 - Risk Management

The Agency is exposed to various risks of loss for worker's compensation, general liability and other various risks of loss related to theft, errors, and omissions. The Agency is covered for such risks under the Preferred Governmental Insurance Trust. The Town's Self-Insurance Fund is established to account for and finance its insured and uninsured risks of loss. There have been no settlements that exceeded insurance coverage during the past three fiscal years.

Note 10 - Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by vendors in the next year amounted to \$ 1,884,912.

The encumbrances and related appropriation lapse at the end of the year, but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Note 11 - Commitments and Contingencies

The Agency budgets its carryforward tax increment financing (TIF) for capital projects and land acquisition in compliance with Florida Statutes. The Agency has existing development agreements that commits future revenues towards TIF rebates and commercial property improvement grants.

Note 12 - Risks and Uncertainties

The coronavirus (COVID-19) outbreak has continued to cause disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the *World Health Organization* designated the coronavirus outbreak as a pandemic. Management and the Board continue to evaluate and monitor the potential adverse effect, if any, that this event may have on the Agency's financial position, operations and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still continuing to develop.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Davie Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,103,700	\$ 3,103,700	\$ 3,284,727	\$ 181,027
Charges for services	-	-	5,973	5,973
Investment income	10,000	10,000	19,311	9,311
	<u>3,113,700</u>	<u>3,113,700</u>	<u>3,310,011</u>	<u>196,311</u>
Expenditures:				
General government:				
General services department:				
Personnel services	343,160	343,660	298,051	45,609
Operating	1,459,595	1,462,530	1,007,682	454,848
Grants and aids	798,515	795,080	376,419	418,661
Capital outlay	7,900,775	9,036,462	5,091,569	3,944,893
Total general government	<u>10,502,045</u>	<u>11,637,732</u>	<u>6,773,721</u>	<u>4,864,011</u>
Debt service:				
Principal	1,480,544	1,480,544	1,480,541	3
Interest and other fiscal charges	249,322	249,322	249,320	2
Total debt service	<u>1,729,866</u>	<u>1,729,866</u>	<u>1,729,861</u>	<u>5</u>
Total expenditures	<u>12,231,911</u>	<u>13,367,598</u>	<u>8,503,582</u>	<u>4,864,016</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,118,211)</u>	<u>(10,253,898)</u>	<u>(5,193,571)</u>	<u>5,060,327</u>
Other Financing Sources (Uses):				
Appropriated fund balance	6,209,821	7,345,508	-	(7,345,508)
Transfers from primary government	2,908,390	2,908,390	2,907,349	(1,041)
Total other financing sources (uses)	<u>9,118,211</u>	<u>10,253,898</u>	<u>2,907,349</u>	<u>(7,346,549)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	(2,286,222)	<u>(2,286,222)</u>
Fund Balance, Beginning			<u>7,376,974</u>	
Fund Balance, Ending			\$ <u>5,090,752</u>	

INTERNAL CONTROLS AND COMPLIANCE



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

To the Community Redevelopment Agency Board
Town of Davie Community Redevelopment Agency
Davie, 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 Town of Davie Community Redevelopment Agency (the "Agency") as of and for the year ended September 30, 2021, and the related notes to the financial statements which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 31, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 31, 2022

INDEPENDENT AUDITOR'S REPORT TO AGENCY MANAGEMENT

To the Community Redevelopment Agency Board
Town of Davie Community Redevelopment Agency
Davie, Florida

Report on Financial Statements

We have audited the financial statements of the Town of Davie Community Redevelopment Agency (a component unit of the Town of Davie, Florida) (the "Agency"), as of and for the year ended September 30, 2021, and have issued our report thereon dated March 31, 2022.

Auditor's Responsibility

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 and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 31, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial 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. Town of Davie Community Redevelopment Agency (a component unit of the Town of Davie, Florida) was established May 5, 1988 by the Town of Davie Council Ordinance No. 88-23, pursuant to the laws of the State of Florida. The Agency does not have any component units.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether or not the Agency 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 Agency 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 Agency’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

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 Agency is required to report certain specific information, as the Agency is a dependent special district of the Town of Davie, Florida. This information can be found in the Town of Davie, Florida’s Annual Comprehensive Financial Report for the year ended September 30, 2021.

Additional Matters

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

Purpose of this Letter

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 31, 2022

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES

To the Community Redevelopment Agency Board
Town of Davie Community Redevelopment Agency
Davie, Florida

We have examined Town of Davie Community Redevelopment Agency (a component unit of the Town of Davie, Florida) (the "Agency") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Agency's compliance with the specific requirements. Our responsibility is to express an opinion on the Agency's compliance with the specific 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 Agency complied, in all material respects, with the specific requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of 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 Agency's compliance with the specified requirements.

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

This report is intended solely for the information and use of the State of Florida Auditor General, the Community Redevelopment Agency Board and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 31, 2022

CPA's + Trusted Advisors

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTIONS 163.387(6) AND (7) FLORIDA STATUTES

To the Community Redevelopment Agency Board
Town of Davie Community Redevelopment Agency
Davie, Florida

We have examined Town of Davie Community Redevelopment Agency (a component unit of the Town of Davie, Florida) (the "Agency") compliance with the requirements of Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2021. Management is responsible for the Agency's compliance with the specific requirements. Our responsibility is to express an opinion on the Agency's compliance with the specific 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 Agency complied, in all material respects, with the specific requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of 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 Agency's compliance with the specified requirements.

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

This report is intended solely for the information and use of the State of Florida Auditor General, the Community Redevelopment Agency Board and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 31, 2022

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