

The City Of LAUDERDALE LAKES

FLORIDA

COMMUNITY REDEVELOPMENT AGENCY



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022



WHAT'S IMPORTANT TO THE CITY OF LAUDERDALE LAKES?



CUSTOMERS

We will build a reputation of being focused on our customers; both our internal and external customers.



OPERATIONS

City operational areas will perform in a manner that generates the greatest innovation, effectiveness and efficiency for the City.



EMPLOYEE DEVELOPMENT

We will have the right people in the correct positions, each having training, support, and a work environment to achieve success.



FINANCIAL MANAGEMENT

The key to building a successful foundation for any organization is having financial stability. We will continue to be good stewards of the residents tax dollars.



Follow us @Lauderdalelakes.org



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A Vibrant, Connected, Diverse and Safe Community





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 (A Component Unit of City of Lauderdale Lakes, Florida)
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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Lauderdale Lakes Community Redevelopment Agency
Lauderdale Lakes, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Lauderdale Lakes Community Redevelopment Agency (the Agency), a component unit of the City of Lauderdale Lakes, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Agency as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Agency’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 3–8 and 32–33 to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2023, on our consideration of the Agency, a component unit of the City's internal control over financial reporting and on our tests of 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, a component unit of the City's, internal control over financial reporting and compliance.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

April 6, 2023



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MANAGEMENT'S DISCUSSION AND ANALYSIS



A Vibrant, Connected, Diverse and Safe Community



**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Management's Discussion and Analysis
September 30, 2022**

The City of Lauderdale Lakes Community Redevelopment Agency (the "CRA") offers readers of its financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the financial statements.

Financial Highlights

- The CRA total assets exceeded its liabilities by \$11,446,814, reflecting an increase of \$2,833,455 mainly due to increase in tax increment financing and miscellaneous revenue.
- As of the close of fiscal year 2022, the CRA's fund reported ending fund balance of \$11,446,814. Per GASB Statement No. 54, the fund balances are classified approximately as \$ 11,446,814 is Restricted for spending at CRA discretion.
- The CRA's governmental activities reflected \$ 1,660,722 in expenses and \$ 4,494,177 million in revenues and transfers. The CRA's governmental revenues exceeded expenses, providing a \$3,674,864 - increase in net position balance.
- The CRA remained current with all debt obligations and received payment from the City in the amount of \$210,000 which exceeded the amount specified in forbearance agreement of \$150,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the CRA's basis financial statements. The CRA's financial statements are comprised of three components. 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basis financial statements, this report also contains other supplementary information that further explains and supports the information in the financial statements.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the CRA's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the CRA, reporting the CRA's financial position and activity with a short-term focus and in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by section of Required Supplementary Information that further explains and supports the information on the financial statements.

GOVERNMENT WIDE FINANCIAL STATEMENTS

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

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

The Statement of Activities presents information showing how the CRA'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. An important purpose of the design of the statement of activities is to show the financial reliance of the CRA's distinct activities or functions on revenues provided by the CRA's taxpayers.

Both of the government-wide financial statements distinguish functions of the CRA that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

FUND FINANCIAL STATEMENTS

Traditional users of governmental financial statements will find the presentation of the fund financial statements more familiar. Unlike government-wide financial statements, the focus of the fund financial statements is directed to specific activities of the CRA rather than the CRA as a whole. The CRA like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements as required by state and federal laws, bond covenants and the governmental accounting standards.

All of the CRA's basic services are reported in governmental funds, which focus on how money flows into and out of those funds, and on the balance left at year-end that is available for future spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the CRA's general government operations and the basic services it provides. Governmental fund information helps to determine the financial resources available for allocation to future budgets and programs.

The CRA Board of Directors adopts the annual appropriate budget for the Community Redevelopment Agency. Budgetary comparison schedules have been provided to demonstrate compliance with Chapter 80-274 of the State of Florida Statutes establishing the budgetary data reflected in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential of a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that includes budgetary comparison schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table provides a summary of the Agency's net position for the fiscal year ended September 30, 2022.

The largest portion of the CRA's net position reflects 2% investment in capital assets (e.g.; land, building, and equipment), less any related debt used to acquire those assets that are still outstanding. Capital assets are use to provide services to citizens; and thus, they are not available for future spending. The City's investment in its capital assets is reported net of related debt. The resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The overall financial position of the CRA increased by \$3,674,864 during fiscal year 2022. Restricted Net Position increased by \$2,833,455. A change in net position over time is a good and useful indicator of financial position. Key elements of the reconciliation of the statements are that government-wide statement of activities reports the issuance of debt as a liability, the purchases of capital assets as assets, which are then charged to expenses over their useful lives through annual depreciation charges and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental fund statements report the issuance of debt as other financing source of funds, the repayment of debt and the purchase of capital assets as expenditures, and changes in long-term liabilities are not reported in the fund financial statements.

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Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Statement of Net Position
Fiscal year 2022 compared to fiscal year 2021

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 12,257,652	\$ 9,375,373
Capital asset (net)	1,915,179	1,809,905
Total Assets	<u>14,172,831</u>	<u>11,185,278</u>
Current and other liabilities	1,582,849	\$ 1,474,364
Long term liabilities	1,393,086	2,165,106
Total liabilities	<u>2,975,935</u>	<u>3,639,470</u>
Net Position:		
Net Investment in capital assets	(249,918)	(1,091,327)
Restricted	-	-
Community Redevelopment	11,446,814	8,613,359
Total net position	<u>\$ 11,196,896</u>	<u>\$ 7,522,032</u>

Statement of activities: There are different types of factors that can positively or negatively impact other operations. Some factors that may impact the revenues are as follows: 1) Economic Conditions; 2) CRA's Board authority to increase and decrease rates; 3) Changing patterns in intergovernmental and grant revenues; and 4) market impacts on investment income.

Other factors that may impact the expenses are as follows: 1) Introduction of new programs; 2) inflation, any increase of commodities such as supplies, fuels and parts; and 3) changes in service demand levels.

For the Year Ended September 30, 2022:

1. Economic conditions can reflect a growing, stable or declining overall economic environment and those conditions can have a significant impact on the underlying drivers of ad valorem taxes, non-ad valorem assessments, taxes, fees and other revenues derived from the community, as well as those received from other governments.
2. Changes in tax, assessment and fee rates that are established by the CRA's Governing Board directly affect the most fundamental revenue streams and have the most immediate impact of all changes.
3. Changing patterns in grant and state revenue sharing calculations may cause significant deviations to CRA intergovernmental revenues.

4. Budget management requires that budget expenditures are in line with budget revenues at the end of the fiscal year.

Some other basic impacts are responsible for potential changes in annual expenses:

1. Introduction of new programs can have substantial impact on department/program expenses by requiring new personnel, capital and operating funds. In addition, the enhancement and/or modification of existing programs also requires increase staffing and operational costs that exceeds the actual budgeted resources.
2. Changes in service levels impacts expenses by changing the levels of already appropriated expenses.
3. Salary/contract pricing increases can contribute to increased expenses. Most contracts entered into by the City have provisions for increases, either automatic or negotiated each year.

While inflation generally appears to be moderate, it impacts the prices the CRA pays for commodities, supplies, fuels, parts and miscellaneous services etc.

The primary governmental revenue as reflected on the Statement of Activities is comprised of property taxes, of \$3,970,895 representing nearly 100 % of revenues for the CRA.

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**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Management's Discussion and Analysis
September 30, 2022**

The following table that appears below reflects the CRA’s revenues and expenses for fiscal year 2022 compared to fiscal year 2021, with the resulting change in net position:

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Statement of Activities
Fiscal year 2022 compared to fiscal year 2021**

	Governmental Activities	
	2022	2021
Revenues:		
General revenues:		
Property taxes and tax increments	3,970,895	3,145,728
Unrestricted:		
Investment earnings	21,131	16,216
Miscellaneous	502,151	-
Total revenues	<u>4,494,177</u>	<u>3,161,944</u>
Expenses:		
General Government	681,177	736,209
Interest on long-term debt	138,136	174,646
Total expenses	<u>819,313</u>	<u>910,855</u>
Increase in net position before transfers	3,674,864	2,251,089
Other Financing Sources:		
Sale of Asset		-
Transfers	-	-
Increase in net position	3,674,864	2,251,089
Net position, October 1	7,522,032	5,270,943
Net position, September 30	<u><u>\$ 11,196,896</u></u>	<u><u>\$ 7,522,032</u></u>

Governmental activity: For fiscal year 2022, there was an increase in property taxes of \$825,167 or 18.40 %, of revenues . The increase was the result to an increase in assessed valuation of property within the City. The operating millage rate for fiscal year 2022 remained the same at 8.60 mills.

CRA Budgetary Highlights

The CRA budget and actual comparison schedule is provided in the Required Supplementary Information Section.

The CRA budget and actual comparison schedule show the original adopted budget, the final revised budget, actual results and variance between the final budget and actual results for the fiscal year. After the original budget is approved, it may be revised for a variety of reasons such as foreseen circumstances, loan proceeds, new grant awards or other unanticipated revenues and expenditures.

**Lauderdale Lakes Community Redevelopment Agency
 (A Component Unit of the City of Lauderdale Lakes, Florida)
 Management's Discussion and Analysis
 September 30, 2022**

Differences between the original budget and the final amended budget for the CRA are summarized as follows:

- The final revenue budget was \$4,307,076 Differences between estimated and actual revenues totaled \$187,101. These differences were mostly attributed to less than expected revenues from miscellaneous revenues.
- Actual expenditures were less than the final budget by \$11,368,520. The differences were mostly due to the reduction in expenditures of operating and capital assets expenditures
- The CRA did not have transfers out or use of fund balance to fund its operations.

Capital Assets and Debt Administration

Capital assets: The CRA’s investment in capital assets net of accumulated depreciation amount to \$1,915,179 compared to \$1,809,905 from the previous year.

Additional information on the CRA’s capital assets can be found in Note 4 starting on page 37 of this report.

**Lauderdale Lakes Community Redevelopment Agency
 (A Component Unit of City of Lauderdale Lakes, Florida)
 Capital Assets
 Fiscal year 2022 compared to fiscal year 2021**

	Governmental Activities	
	2022	2021
Capital assets, net of depreciation:		
Land & Construction in Progress	\$ 662,086	\$ 552,725
Machinery, equipment and vehicles	36,551	37,979
Infrastructure	1,216,542	1,219,201
Total	\$ 1,915,179	\$ 1,809,905

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**Lauderdale Lakes Community Redevelopment Agency
 (A Component Unit of the City of Lauderdale Lakes, Florida)
 Management's Discussion and Analysis
 September 30, 2022**

Debt administration: Presented below is a table showing the CRA’s total outstanding debt as of the end of fiscal years 2022 compared to 2021.

Additional information on the CRA’s long-term debt can be found in Note 6 starting on page 39 of this report.

**Lauderdale Lakes Community Redevelopment Agency
 (A Component Unit of City of Lauderdale Lakes Florida)
 Outstanding Debt
 September 30, 2022**

	Governmental Activities	
	2022	2021
Long-Term debt:		
SunTrust Line of Credit	1,665,505	2,167,028
Note Payable - CRA	499,592	734,204
Total	\$ 2,165,097	\$ 2,901,232

Economic Factors and Next Year’s Budget:

2023 Budget:

The fiscal year 2023 Budget reflects no increase in the operating millage rate of \$8.60 per \$1,000 of taxable value to the residents of the City. At the adopted rate, the CRA will generate \$4,476,701 in Tax increment Financing revenue which represents a 9.55% increase from prior year. Other revenue sources include operating revenue of \$220,500 and Appropriation of \$10,713,800, totaling \$15,410,501.

In 2022, the CRA will continue to experience relief in its financial condition due to the improving economy, re-alignment of the CRA's resources, and strategic financial management and planning. As the CRA moves forward, it endeavors to seek opportunities to leverage its resources to benefit the residents of Lauderdale Lakes. The CRA continues its focus on implementation of the community’s vision for the future and the Redevelopment Plan to improve infrastructure, roadways, canals, streets, and stormwater drainage systems.

Requests for Information

This financial report is designed to provide a general overview of the CRA’s finances, comply with finance-related laws and regulations, and demonstrate the CRA’s commitment to public accountability. If you have questions about this report or would like to request additional information, contact the CRA’s Financial Services Director at 4300 N.W. 36th Street, Lauderdale Lakes, Florida 33319 or call (954) 535-2818.



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BASIC FINANCIAL STATEMENTS



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Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Statement of Net Position
For the Year Ended September 30, 2022

	Governmental Activities
Assets:	
Receivables (net)	\$ 29,860
Advance from General Fund	488,031
Restricted cash	11,739,761
Capital assets not being depreciated	662,086
Capital assets being depreciated	1,253,093
Total assets	<u>14,172,831</u>
Deferred Outflows of Resources:	
Liabilities:	
Accounts payable and accrued liabilities	9,073
Due within one year:	
Due to other funds	801,765
Bonds and notes	772,011
Due in more than one year:	
Bonds and notes	1,393,086
Total liabilities	<u>2,975,935</u>
Deferred Inflows of Resources:	
Net Position:	
Net investment in capital assets	(249,918)
Restricted for:	
Restricted	11,446,814
Total net position	<u>\$ 11,196,896</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Statement of Activities
For the Year Ended September 30, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 681,177	\$ -	\$ -	\$ -	(681,177)
Interest and fiscal charges	138,136	-	-	-	(138,136)
Total governmental activities	\$ 819,313	\$ -	\$ -	\$ -	\$(819,313)
General revenues:					
Property taxes and tax increments					3,970,895
Unrestricted investment earnings					21,131
Miscellaneous					502,151
Total general revenues, special items, and transfers					4,494,177
Change in net position					3,674,864
Net position - beginning					7,522,032
Net position - ending					\$ 11,196,896

The accompanying notes to basic financial statements are an integral part of these statements.

Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Balance Sheet
Governmental Funds
For the Year Ended September 30, 2022

	Total Governmental Funds
ASSETS	
Receivables (net of allowance for collectibles):	
Accounts	29,860
Advance from General Fund	488,031
Restricted cash	<u>11,739,761</u>
Total assets	<u>12,257,652</u>
 LIABILITIES	
Accounts payable and accrued liabilities	9,073
Due to other funds	<u>801,765</u>
Total liabilities	<u>810,838</u>
 FUND BALANCES (DEFICIT)	
Nonspendable:	
Restricted for:	
Community development	<u>11,446,814</u>
Total fund balances (deficits)	<u>11,446,814</u>
 Total liabilities and fund balances (deficits)	 <u>\$ 12,257,652</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Lauderdale Lakes Community Redevelopment Agency
 (A Component Unit of the City of Lauderdale Lakes, Florida)
 Reconciliation of the Fund Balance Sheet of Governmental Funds
 To the Statement of Net Position
 For the Year Ended September 30, 2022**

**Amounts Reported for Governmental Activities in the
 Statement of Net Position are Different Because:**

Total fund balances of governmental funds in the balance sheet	\$ 11,446,814
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	2,082,452
Less accumulated depreciation	(167,273)

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:

Bonds and notes payable	<u>(2,165,097)</u>
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Net Position of Governmental Activities	<u>\$ 11,196,896</u>
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The accompanying notes to basic financial statements are an integral part of these statements.

Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2022

	Total Governmental Funds
REVENUES	
Property taxes and tax increments	\$ 3,970,895
Investment income	21,131
Miscellaneous	502,151
Total revenues	<u>4,494,177</u>
EXPENDITURES	
Current:	
General government	677,090
Capital outlay	109,361
Debt service:	
Principal	736,135
Interest and fiscal charges	138,136
Total expenditures	<u>1,660,722</u>
Net change in fund balances	2,833,455
Fund balances - beginning	8,613,359
Fund balances - ending	<u>\$ 11,446,814</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**1auderdale Lakes Community Redevelopment Agency
 (A Component Unit of the City of Lauderdale Lakes)
 Reconciliation of the Statement of Revenue, Expenditures
 And Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended September 30, 2022**

**Amounts Reported for Governmental Activities in the
 Statement of Activities are Different Because:**

Net change in fund balaces - total governmental funds	\$ 2,833,455
<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>	
Plus increases in capital assets	109,361
Less current year provision for depreciation	(4,087)
<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>	736,135
	<hr/>
Change in Net Position of Governmental Activities	<u><u>\$ 3,674,864</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS



A Vibrant, Connected, Diverse and Safe Community





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**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Notes to the Financial Statements
For the Year Ended September 30, 2022**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the City of Lauderdale Lakes Community Redevelopment Agency (the "CRA") Significant Accounting Policies is presented to Assist the Reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

The Financial reporting entity

The City of Lauderdale Lake, Florida (the "City") was delegated by the Broward County Board of County Commissioners (the "County"), the authority to exercise the powers of the Community Redevelopments Act by a resolution that passed on September 26, 2000.

Upon the proper delegation of authority from the County and upon a further finding that it is necessary in the public interest for a community redevelopment agency to be formed to function in the City, the City Commission created a public body corporate and politic to be known as a "Community Redevelopment Agency" (CRA) and prepare a Community Redevelopment Plan to carry out the Community Redevelopment purposes outlined in Florida Statutes Chapter 163, Part III to eliminate blight and slum conditions within the redevelopment area of the Agency pursuant to the redevelopment plan for new residential and commercial activity in the redevelopment area.

As the City and the Agency are separate legal entities, the parties also share the mutual goal of redeveloping the Community Redevelopment Agency area. The City provides administrative support services in the same manner as provided by the City in the conduct of its own affairs or as otherwise provided by the CRA Plans or By-Laws. The CRA is charged by the City for the provision of these administrative support services in accordance with the Interlocal Agreement between the City and CRA.

The CRA has adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*, for the purpose of evaluating whether it has any component units. Based on the criteria therein. The Agency ha determined that there are no component units that meet criteria for inclusion in the CRA's financial statements.

The Board of Directors of the CRA (the "Board") is governed by five members of the City Commission and the Mayor. Management of the City has operational responsibility for the CRA. The City is considered to be financially accountable for the CRA: the CRA is considered to be blended component unit in the City's comprehensive annual financial report.

The following is a summary of significant accounting policies of the Agency.

Measurement focus, basis of accounting and financial statement presentation:

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements report information on all of the activities of the CRA, using the economic resources measurement focus and the accrual basis of accounting.

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)**

Notes to the Financial Statements

For the Year Ended September 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

The statement of Net position reports all financial and capital resources of the CRA. The statement of activities represents a comparison between direct expenses and program revenues for each function of the CRA's governmental activities. Program revenues derive directly from a program itself. During the fiscal year 2021, the CRA did not report program revenues. Incremental property taxes and other items are reported as general revenue. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Incremental property taxes are recognized as revenue in the year for which they are levied.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Their operating statements present sources (revenue and other financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Incremental property taxes, when levied. All other revenue is considered to be measurable and available only when cash is received by the CRA or property has legally transferred to the CRA. Expenditures, other than debt service are generally recorded when a liability is incurred, as under accrual accounting.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are necessary to explain the adjustments needed to transform the fund-based financial statements into the governmental activities column of the government-wide presentation.

Deposits and investments: Cash and cash equivalents include cash on hand, time and demand deposits and short term investments with original maturity dates within three months of the date acquired by the Agency.

The City is authorized to invest in those instruments authorized by the Florida Statutes. Investments include the Local Government Surplus Funds Trust Fund. Investment in the Local Government Surplus Funds Trust Fund administered by the State Board of Administration is reported at its fair value of its position in the pool, which is the same as the value of the pool shares.

Resources of all funds have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Interest earned on pooled cash and investments is recorded as earned and is allocated monthly based upon equity of the respective funds.

Receivables and payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Receivables include amounts due from other governments and others for services provided by the CRA. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred based on the accounting basis required for the CRA fund. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables.

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)**

Notes to the Financial Statements

For the Year Ended September 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Property taxes: Property values are assessed as of January 1, of each year, at which time taxes becomes an enforceable lien on property. Tax bills are mailed by the Broward County Property Appraiser’s Office for the City on or about October 1 of each year, and are payable with discounts of up to 4% for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuation for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2022.

State statutes permit municipalities to levy property taxes at a rate up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Commission. The Broward County Property Appraiser then incorporates the City’s millage into the total tax levy, which includes the County, the County School Board, and other agency tax requirements. The millage rate assessed by the City for the year ended September 30, 2022 was 8.6 mills (\$8.6 per \$1,000 of taxable assessed valuation). Non ad valorem special assessments for the enterprise funds are separate and distinct from the ad valorem tax levy as these amounts are assessed to recover costs associated with providing services to the residents and businesses within the City.

Restricted assets: Assets of the CRA are reported as restricted due to requirements of bond/loan agreements, other externally imposed constraints, or by legislation. When both restricted and unrestricted resources are available for use, it is City policy to use unrestricted resources first, and then restricted resources as needed.

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items in the governmental fund financial statements are classified as nonspendable fund balance. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The CRA did not have prepaid items as of September 30, 2022.

Capital assets: Capital assets - property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. The CRA defines capital assets as assets with an initial, individual cost of more than \$5,000 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 are recorded at acquisition value rather than fair value at the date of donation.

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. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Buildings	30 years
Infrastructure	20 - 50 years
Machinery, equipment, and vehicles	5 years

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)**

Notes to the Financial Statements

For the Year Ended September 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Long-term obligations: In the government-wide financial statements long-term debt, and other long-term obligations are reported as liabilities in statement of net position.

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 issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Advances to/from CRA: Activity between the City and CRA are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred as either "Advances To City" or "Advances From City" as applicable.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will 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. In addition to liabilities, the statement of financial position will report a separate section for *deferred inflows of resources*.

Fund balance: The CRA presents fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by enabling legislation by adoption of an ordinance prior to the end of the fiscal year, . These amounts cannot be used for any other purpose unless the CRA Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)**

Notes to the Financial Statements

For the Year Ended September 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Assigned: This classification includes amounts that are constrained by the CRA's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Directors has by resolution authorized the City Manager to assign fund balance. The CRA Board of Directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Unlike commitments; assignments only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned: This classification includes the residual fund balance for the CRA's Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the CRA considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net position: Net position of the government-wide are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the CRA's capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds. Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of all net positions that do not meet the definition of either of the other two components.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, the CRA considers restricted funds to have been spent first.

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.

Date of management review: Subsequent events were evaluated through June 15 , 2023 which is the date the financial statements were available to be issued.

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**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)**

Notes to the Financial Statements

For the Year Ended September 30, 2022

Note 2 – Deposits and Investments

For accounting and investment purposes, the CRA is part of cash and investment pool for use by all City funds. This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earning potential. Income earned on pooled cash and investments is allocated to the respective funds based on average daily balances.

Deposits: In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Therefore, all amounts presented as deposits are insured or collateralized.

Investments: Florida Statutes, Chapter 218.415, authorize the City to establish its own investment policy by ordinance. The investment ordinance allows up to 100% investment in the following instruments, subject to maturity imitations: local government surplus trust fund (the “SBA”); Securities and Exchange Commission (the “SEC”) registered money market funds with the highest quality rating from a nationally recognized rating agency; savings accounts and certificates of deposit in state-certified qualified public depositories; direct obligations of the U.S. Treasury; and, securities issued by federal agencies and instrumentalities. Up to 10% may be invested in common stocks, subject to quality restrictions.

Credit risk: The City’s investment policy limits investments to the highest ratings issued by a nationally recognized statistical rating organization (NRSRO). The Florida PRIME is rated AAAM by Standard and Poor’s. The Investment Trust is rated AAA.

The City which includes the CRA is authorized to invest in obligations of the United States Treasury, its agencies, instrumentalities and the Local Government Surplus Funds Trust Fund administered by the State Board of Administration. The investments follow the investment rules defined in Florida Statutes Chapter 215. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net investment earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

The CRA had the following Cash and Cash Equivalents as of September 30, 2022:

	Restricted Cash and Cash Equivalents
Bank of America	\$ 11,494,762
Suntrust	244,999
Equity in Pool Cash	-
	<u>\$ 11,739,761</u>

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)**

Notes to the Financial Statements

For the Year Ended September 30, 2022

Note 3 - Receivables and Payables

The Agency did not have Receivables as of September 30, 2022. The Agency reported at total of \$9,073 in payables of which all were payroll related liabilities. Other interfund liabilities are disclosed in noted on Note 5 - Interfund Balances, Advances and Transfer.

Note 4 – Capital Assets

Capital asset activity for the year ended September 30, 2022 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets not being Depreciated:				
Construction in Progress		\$ 109,361		\$ 109,361
Land	\$ 552,725	-	-	552,725
Total capital assets not being depreciated	<u>552,725</u>	<u>109,361</u>	<u>-</u>	<u>662,086</u>
Capital Assets being Depreciated:				
Machinery, Equipment and Vehicles	146,796			146,796
Infrastructure	1,273,570		-	1,273,570
Total capital assets being depreciated	<u>1,420,366</u>	<u>-</u>	<u>-</u>	<u>1,420,366</u>
Total capital assets	<u>1,973,091</u>	<u>109,361</u>	<u>-</u>	<u>2,082,452</u>
Less Accumulated Depreciation:				
Machinery, Equipment and Vehicles	108,817	1,428		110,245
Infrastructure	54,369	2,659	-	57,028
Total accumulated depreciation	<u>163,186</u>	<u>4,087</u>	<u>-</u>	<u>167,273</u>
Total capital assets being depreciated, net	<u>1,257,180</u>	<u>(4,087)</u>	<u>-</u>	<u>1,253,093</u>
Governmental activities capital assets, net	<u>\$ 1,809,905</u>	<u>\$ 105,274</u>	<u>\$ -</u>	<u>\$ 1,915,179</u>

Depreciation was charged to the Agency during the year ended September 30, 2021 as follows:

Community Redevelopment Agency	<u>\$ 4,087</u>
Total provision for depreciation Community Redevelopment Agency	<u>\$ 4,087</u>

**Zauderdale Lakes Community Redevelopment Agency
 (A Component Unit of the City of Lauderdale Lakes, Florida)
 Notes to the Financial Statements
 For the Year Ended September 30, 2022**

Note 5 – Interfund Balances, Advances and Transfers

Interfund Balances: The composition of interfund balances at September 30, 2022, is as follows:

Due from:	Community Redevelopment Agency	Total
General Fund	801,765	801,765
	\$ 801,765	\$ 801,765

Interfund balances are necessary to offset short term cash needs due to various timing differences of expenditures and the receipt of budget monies.

Advances from Community Redevelopment Agency: The General Fund was previously the recipient of funds totaling \$2,568,031 from the CRA. The City and the CRA have entered into an agreement for repayment of these funds. The agreement requires annual payments of \$150,000 beginning January 2013 through January 2025, at which time the remaining balance is due. No interest is due on the outstanding obligation. As of September 30, 2022, the remaining balance to be paid by the General Fund to the CRA was \$488,031 and is reflected as an advance in the accompanying balance sheet– governmental funds. In an effort to extinguish the debt sooner than the agreement requires, during fiscal year 2022 the City elected to paid \$210,000 to the CRA which is \$60,000 in excess of the \$150,000 required annual payment.

Interfund Transfers: There were no funds transferred in lieu of services provided by the General Fund during fiscal year ended September 30, 2022.

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**Lauderdale Lakes Community Redevelopment Agency
(A Component Unity of the City of Lauderdale Lakes, Florida)
Notes to the Financial Statements
For the Year Ended September 30, 2022**

Note 6 – Long-Term Debt

The following schedule details the CRA’s long-term liability and obligation activity for the year ended September 30, 2022:

	<u>Balance October 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2022</u>	<u>Due Within One Year</u>
Bonds and notes payable:					
SunTrust Bank Line of Credit	\$ 2,167,028		\$ 501,523	\$ 1,665,505	\$ 527,418
Notes payable - CRA	734,204	-	234,612	499,592	244,593
Total long ther Debt	<u>\$ 2,901,232</u>	<u>\$ -</u>	<u>\$ 736,135</u>	<u>\$ 2,165,097</u>	<u>\$ 772,011</u>

Notes Payable:

SunTrust Bank Line of Credit, Series 2007

The CRA previously executed a line of credit agreement with SunTrust Bank for \$10,000,000 of which a total of \$6,296,815 was drawn upon. This line of credit bears interest at 5.10% per annum with principal and interest payable semi-annually through April 2025. As of September 30, 2022 the outstanding balance on the line-of-credit was \$1,665,505 .

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	527,418	82,715
2024	554,659	55,920
2025	583,428	25,000
	<u>\$ 1,665,505</u>	<u>\$ 163,635</u>

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**Lauderdale Lakes Community Redevelopment Agency
(A Component Unity of the City of Lauderdale Lakes, Florida)
Notes to the Financial Statements
For the Year Ended September 30, 2022**

Note 6 – Long-Term Debt (continued)

Sun Trust Bank Line of Credit, Series 2008

The CRA previously executed a line of credit agreement with SunTrust Bank for \$3,055,000. This line of credit bears interest at 4.52% per annum with semiannual principal and interest payments through December 2024. The line of credit was established to assist with CRA's portion of the joint project with Broward County for the construction of the Library and the Educational & Cultural Center. As of September 30, 2022 the outstanding balance on the line-of-credit was \$499,592.

The annual principal and interest payments on CRA loans are approximately as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	244,593	18,485
2024	254,999	8,080
	<u>\$ 499,592</u>	<u>\$ 26,565</u>

As of September 30, 2022, the CRA has complied with all significant loan covenants and restrictions.

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**Lauderdale Lakes Community Redevelopment Agency
(A Component Unity of the City of Lauderdale Lakes, Florida)
Notes to the Financial Statements
For the Year Ended September 30, 2022**

Note 7 – Risk Management

The CRA is exposed to various risks of loss related to tort, theft, and destruction of assets, error and omission, injury to employees, and natural disasters. The City carries commercial insurance to mitigate the loss related to these risks. There were no significant reductions in insurance coverage from the prior year. Settled claims resulting from such risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 8 – Commitments, contingencies and uncertainties

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closing of business resulting in high unemployment. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the impact on residents and their ability to pay their mortgages, and the effect on the housing market and foreclosures, all of which are uncertain and cannot be reasonably estimated at this time.

The CRA is not a defendant in any lawsuits.

Note 9 – Defined Contribution Plans

John Hancock: The John Hancock plan is a defined contribution plan created pursuant to Section 401(a) of the Internal Revenue Code and City Ordinance 98-78. The plan is administered by Benefits Outsource, Inc., a third party administrator. All employees are eligible to participate in the plan, subject to the specified employment period. Participants hired prior to October 1, 2007 are vested after one year of continuous service and may elect, but are not required, to contribute up to an amount not to exceed amounts allowable by law. Employees hired on or after October 1, 2007, vest at the rate of 20% per year and are fully vested after five years. The City contributes an amount that is determined as part of the budgetary process.

ICMA: The City sponsors a defined contribution plan which was created in accordance with the Internal Revenue Code, Section 401(a). The plan was created pursuant to City Ordinance 98-97. The plan covers all professional and managerial employees hired after January 1, 2008. Members vest at 20% per year and are fully vested after five years. The City contributes an amount that is determined as part of the budgetary process each fiscal year. Participants may elect to contribute an amount not to exceed the amount allowable by law.

The City Commission may amend the provisions of the plans, which are held in trust for the exclusive benefit of the participants and their beneficiaries. Consequently, the City has no fiduciary responsibility and does not include the plan assets in its financial statements. For fiscal year ending September 30, 2022, the City's contributions to both plans totaled \$611,501.

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REQUIRED SUPPLEMENTARY INFORMATION



A Vibrant, Connected, Diverse and Safe Community





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Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Budgetary Comparison Schedule
Community Redevelopment Agency Fund
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 4,086,576	\$ 4,086,576	\$ 3,970,895	\$ (115,681)
Investment income	10,500	10,500	21,131	10,631
Miscellaneous	210,000	210,000	502,151	292,151
Total revenues	<u>4,307,076</u>	<u>4,307,076</u>	<u>4,494,177</u>	<u>187,101</u>
EXPENDITURES				
Current:				
Economic and physical	10,349,414	10,349,414	677,090	9,672,324
Capital outlay	1,802,500	1,802,500	109,361	1,693,139
Debt service:				
Principal	737,129	737,129	736,135	994
Interest	140,199	140,199	138,136	2,063
Total expenditures	<u>13,029,242</u>	<u>13,029,242</u>	<u>1,660,722</u>	<u>11,368,520</u>
Excess (deficiency) of revenues over expenditures	<u>(8,722,166)</u>	<u>(8,722,166)</u>	<u>2,833,455</u>	<u>11,555,621</u>
OTHER FINANCING SOURCES:				
Transfers in (out)	(160,000)	(160,000)	-	160,000
Appropriated Fund Balance	8,882,166	8,882,166	-	(8,882,166)
Total other financing sources	<u>8,722,166</u>	<u>8,722,166</u>	<u>-</u>	<u>(8,722,166)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,833,455</u>	<u>\$ 2,833,455</u>

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended September 30, 2022**

Note 1 – Budgetary Information

The CRA follows Chapter 80-274 of the State of Florida Statutes and its charter in establishing the budgetary data reflected in the financial statements on a basis consistent with accounting principles generally accepted in the United States of America, (GAAP).

The Executive Director of the CRA submits to the CRA Executive Board (the Board) a proposed operating budget for the ensuing fiscal year that commencing October 1st. This budget includes proposed expenditures as well as the expected means to finance them. The Executive Director of the CRA is authorized to transfer part or all of an encumbered appropriation balance within the fund; however any revisions that alter the total appropriations of the fund must be approved by the Board. The classification detail at which expenditures may not legally exceed appropriations is at the fund level.

The Board, by motion may make supplemental appropriations to the budget.

1. The Board of Directors hold, meetings, required public hearings, and a final budget must be prepared and adopted no later than October 1st.
2. Prior to October 1, the budget is legally enacted through passage of a resolution.
3. The appropriation budget is prepared and adopted by fund. Budgets are monitored within each department at the account level by the Executive Director and the Financial Services Director.

COMPLIANCE SECTION



A Vibrant, Connected, Diverse and Safe Community





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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 Board of Directors
Lauderdale Lakes 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, the business-type activities, and each major fund information of the Lauderdale Lakes Community Redevelopment Agency (the ‘Agency’), a component unit of the City of Lauderdale Lakes , Florida (the “City”) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements, and have issued our report thereon dated April 6, 2023.

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

Our consideration of internal control 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 results of that testing, and not to provide an opinion on the effectiveness of the Agency'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.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
April 6, 2023

City of Lauderdale Lakes Community Redevelopment Agency
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2022

I. Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? ___yes X_no
- Significant Deficiency(s)? ___yes X_none reported

Noncompliance material to financial statements noted? ___yes X_no

II. Prior Year Findings

None

III. Financial Statement Findings

None



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 218.415,
FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

To the Board of Directors
The Lauderdale Lakes Community Redevelopment Agency
Lauderdale Lakes, Florida

We have audited the financial statements of the Lauderdale Lakes Community Redevelopment Agency (the "Agency"), a component unit of the City of Lauderdale Lakes, Florida (the "City") as of and for the year ended September 30, 2022, and have issued our report thereon dated April 6, 2023.

Auditor's Responsibility

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

Other Reports and Schedule

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, Schedule of Findings and Questioned Costs; the 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, and the management letter in accordance with the rules of the Auditor General of the State of Florida. Disclosures in those reports and schedule, which are dated June 29, 2023, should be considered in conjunction with this report.

Local Government Investment Policies

We have examined the Agency's compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2022. Management is responsible for Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022. This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

April 6, 2023

MANAGEMENT LETTER

To the Board of Directors
 The Lauderdale Lakes Community Redevelopment Agency
 Lauderdale Lakes , Florida

Report on the Financial Statements

We have audited the financial statements of the *Lauderdale Lakes Community Redevelopment Agency*, Florida, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 6, 2023.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report(s) 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 and schedule, which are dated April 6, 2023, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no recommendations made in the preceding financial audit report.

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2020-21 FY Finding #	2019-20 FY Finding #
None	None	None

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 Lauderdale Lakes CRA was established by ordinance. The *Lauderdale Lakes CRA* has no component units.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the *Lauderdale Lakes CRA* 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 *Lauderdale Lakes 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 Lauderdale Lakes CRA. It is management's responsibility to monitor the Lauderdale Lakes 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.

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 4 Employee.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 4 contractors.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$373,275.32.

- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$ 249,455.12.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as \$46,039 incurred project to date. Lauderdale Lakes CRA Somerset Drive Roundabout Project (Total project budget - \$1,086,195) - \$140,276 incurred project to date. Lauderdale Lakes CRA Trailhead Park (Total project budget - \$448,264.49) (provide list).
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes. No amendments were made.

Trust Fund Compliance

As required by Section 163.387(8)(b)3, Florida Statutes, and Section 10.556(10)(f) and 10.557(3)(c), Rules of the Auditor General, we note the following:

An examination in accordance with AICPA Standards section AT-C section 315.20 was performed and we are providing a determination of the Community Development Agency's was in compliance with Sections 163.387(6), and 163.387(7), Florida Statutes regarding the redevelopment trust fund.

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 the 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 *Council Members*, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
April 6, 2023



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