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## CRA BOARD OF COMMISSIONERS

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**Rex Hardin**  
Chair

**Andrea McGee**  
Vice Chair

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Eaton**  
District 2

**Alison Fournier**  
District 3

**Beverly Perkins**  
District 4

**Barry Moss**  
District 5

Keefe McCullough  
Certified Public Accountants  
6550 North Federal Highway, 4th Floor  
Ft. Lauderdale, FL 33308

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### Auditors:

This representation letter is provided in connection with your audit of the financial statements of The Northwest Community Redevelopment Agency Northwest District Fund and The East Community Redevelopment Agency East District Fund (the “CRA”), which comprise the respective financial position of the governmental activities and each major fund as of September 30, 2023, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of your Independent Auditors’ Report, the following representations made to you during your audit.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 16, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties (if any) have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the Agency is contingently liable, if any, have been properly recorded or disclosed.
11. There are no uncorrected misstatements in these financial statements.

**Information Provided**

12. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Agency or summaries of actions of recent meetings for which minutes have not yet been prepared.

13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud that affects the Agency and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements communicated by employees, former employees, regulators or others.
17. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
18. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
19. We have disclosed to you the names of the Agency's related parties and all the related party relationships and transactions, including any side agreements.

**Government-specific**

20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
22. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
23. The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

25. We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91, as applicable.
26. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
27. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
28. As part of your audit, you assisted with the preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
29. The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
30. The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
31. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, as applicable.
32. The financial statements include all fiduciary activities required by GASBS No. 84, as amended.
33. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
34. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
35. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
36. Investments, derivative instruments, and land and other real estate held by endowments are properly valued, as applicable.

37. Provisions for uncollectible receivables have been properly identified and recorded.
38. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
39. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
40. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
41. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
42. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
43. We have appropriately disclosed the Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
44. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
45. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
46. With respect to the budgetary schedule on which an in-relation opinion is issued:
  - a. We acknowledge our responsibility for presenting the budgetary schedule in accordance with accounting principles generally accepted in the United States of America, and we believe the budgetary schedule, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the budgetary schedule have not changed from those used in the period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- 47. The Agency does not issue an annual report as defined in AU-C 720 as a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the Agency's operations and the Agency's financial results and financial position as set out in the audited financial statements.
- 48. We confirm that we are in full compliance with Sections 163.387(6) and (7) Florida Statutes, Redevelopment Trust Fund.

Very truly yours,

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY  
POMPANO BEACH, FLORIDA



\_\_\_\_\_  
Greg Harrison, Executive Director

04/02/2024

\_\_\_\_\_  
Date



\_\_\_\_\_  
Allison Feurtado, Finance Director

04/02/2024

\_\_\_\_\_  
Date

**Pompano Beach**  
**Community Redevelopment Agency**  
(A Component Unit of the City of Pompano Beach, Florida)

Basic Financial Statements

For the Fiscal Year Ended September 30, 2023

(With Independent Auditor's Report Thereon)

Prepared by the  
Finance Department

Allison Feurtado CPA, Finance Director

Patricia White CPA, CPFO, CGFO, Controller

Tiffany Satchell, Senior Accountant

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
Fiscal Year Ended September 30, 2023  
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## FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Pompano Beach Community Redevelopment Agency (the "Agency"), as of and for the year ended September 30, 2023, 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 and each major fund of the Agency as of September 30, 2023, 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.

#### 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. 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 the 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.

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 the 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 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 and *Government Auditing Standards*, 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 the budgetary comparison schedules, as listed on the table of contents, 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 Reports Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report April 2, 2024, 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 the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



KEEFE MCCULLOUGH

Fort Lauderdale, Florida  
April 2, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**

(A Component Unit of the City of Pompano Beach, Florida)

Management Discussion and Analysis for the Fiscal Year Ended September 30, 2023  
(Unaudited)

The Pompano Beach Community Redevelopment Agency (the "Agency") offers readers of its financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the financial statements.

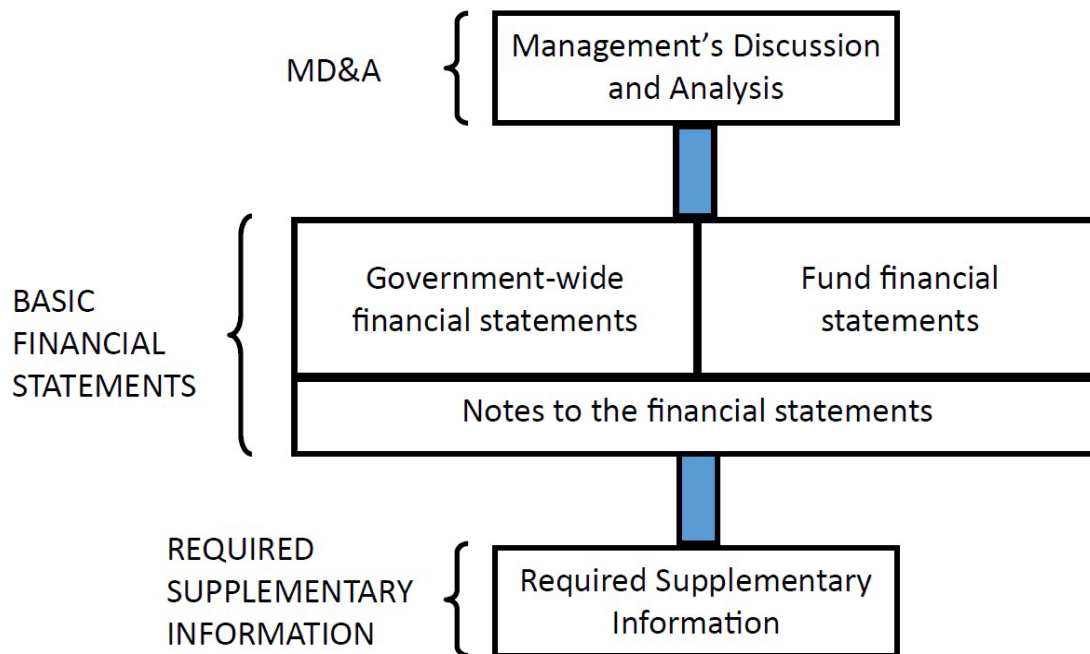
**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report follows a format consisting of three parts – Management’s Discussion and Analysis (this section), the Basic Financial Statements and Required Supplementary Information. The basic financial statements include two kinds of statements that present different views of the Agency.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Agency’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Agency, reporting the Agency’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 a section of Required Supplementary Information that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another.

**FIGURE 1**



**FINANCIAL HIGHLIGHTS**

The assets of the Agency exceeded its liabilities at the close of the fiscal year by \$77.9 million. The Agency’s total net position increased by \$8.8 million, The increase was primarily due to the timing of various capital projects like the Dixie/Atlantic Infrastructure that were capitalized during the fiscal year.

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2023  
(Unaudited)

At the close of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$85.1 million, representing an decrease of \$1.0 million from the previous fiscal year. The decrease is primarily due to the timing of various capital projects like the Dixie/Atlantic Infrastructure.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

The statement of net position presents information on all of the Agency's assets/deferred outflows and liabilities/deferred inflows, 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 financial position of the Agency is improving or deteriorating. 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements present functions of the Agency that are principally supported by taxes, intergovernmental revenues and various user fees and charges (governmental activities). The primary governmental activity of the Agency is economic environment.

The government-wide financial statements include only the financial activities of the Agency. However the Agency is considered a component unit of the City of Pompano Beach, Florida (the "City"), and as such, the financial activities of the Agency are included in the City's Annual Comprehensive Financial Report in each fiscal year.

**FUND FINANCIAL STATEMENTS**

The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Reconciliation of the Governmental Fund Financial Statements to the Government-wide Financial Statements are provided within the Basic Financial Statements to explain the differences between the governmental fund financial statements and the government-wide financial statements.

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2023  
(Unaudited)

**Governmental-wide Financial Analysis**

The following table provides a summary of the Agency's net position for the fiscal year ended September 30, 2023.

**TABLE 1**  
SUMMARY OF NET POSITION  
SEPTEMBER 30, 2023 and 2022

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 87,753,332	\$ 88,896,155
Capital assets	14,271,235	4,208,006
Total assets	<u>102,024,567</u>	<u>93,104,161</u>
Long-term liabilities	22,176,064	24,271,211
Other liabilities	1,182,837	608,364
Total liabilities	<u>23,358,901</u>	<u>24,879,575</u>
Deferred inflows of resources	<u>780,162</u>	<u>1,064,087</u>
Net position		
Net investment in capital assets	13,823,116	226,713
Restricted for	64,062,388	66,933,786
Total net position	<u>\$ 77,885,504</u>	<u>\$ 67,160,499</u>

At September 30, 2023 and 2022, the Agency reported positive balances in net position.

**Governmental Activities** – There was a decrease of \$1.1 million in current and other assets for governmental activities due to the completion of one of the interlocal agreements in the prior fiscal year.

There was an increase of \$10.1 million in capital assets. The increase was primarily due to the net effect of the current fiscal year capital asset activity (as discussed in more detail on page 9) and the recognition of current fiscal year depreciation expense.

The decrease of \$2.1 million in long-term liabilities is primarily the result of scheduled payments on long-term debt.



**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2023  
(Unaudited)

**Analysis of the Agency's Operations**

The following table provides a summary of the Agency's changes in net position for the fiscal year ended September 30, 2023.

**TABLE 2**  
SUMMARY OF CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2023 and 2022

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$ 197,998	\$ 175,735
Operating grants and contributions	94,190	1,000
Capital grants and contributions	1,500,000	3,300,000
General Revenues:		
Taxes	10,967,593	9,193,279
Investment earnings (loss)	1,681,463	(203,281)
Other revenue	87,423	51,296
Total revenues	<u>14,528,667</u>	<u>12,518,029</u>
<b>Expenses</b>		
Economic environment	4,888,264	3,359,860
Interest	844,105	335,910
Total expenses	<u>5,732,369</u>	<u>3,695,770</u>
Transfers	-	(650,000)
Change in net position	8,796,298	8,172,259
Net position - beginning	67,160,499	58,988,240
Prior period adjustment	1,928,707	-
Net position - beginning, as restated	<u>69,089,206</u>	<u>58,988,240</u>
Net position - ending	<u>\$ 77,885,504</u>	<u>\$ 67,160,499</u>

**Governmental Activities** – Governmental activities increased the Agency's net position by \$8.8 million.

Capital Grants and Contributions decreased by approximately \$1.8 million, primarily due to the completion of one of the interlocal agreements in the prior fiscal year.

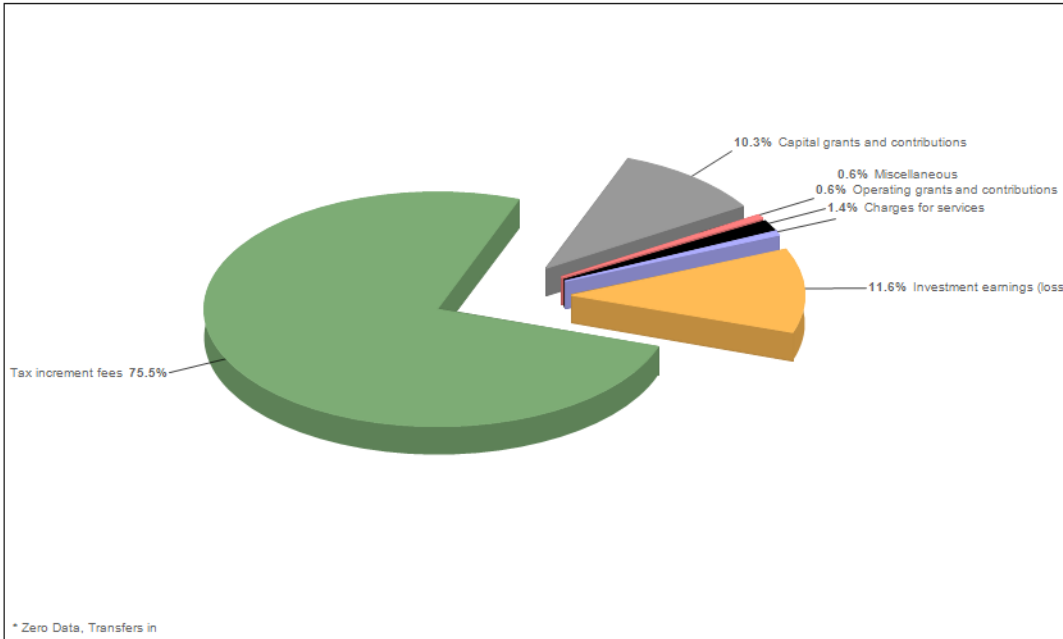
Investment earnings increased by \$1.9 million primarily as a result of favorable market conditions in the current year.

Economic environment expenses increased by \$1.5 million primarily due to the timing of non-capital projects in the prior fiscal year.

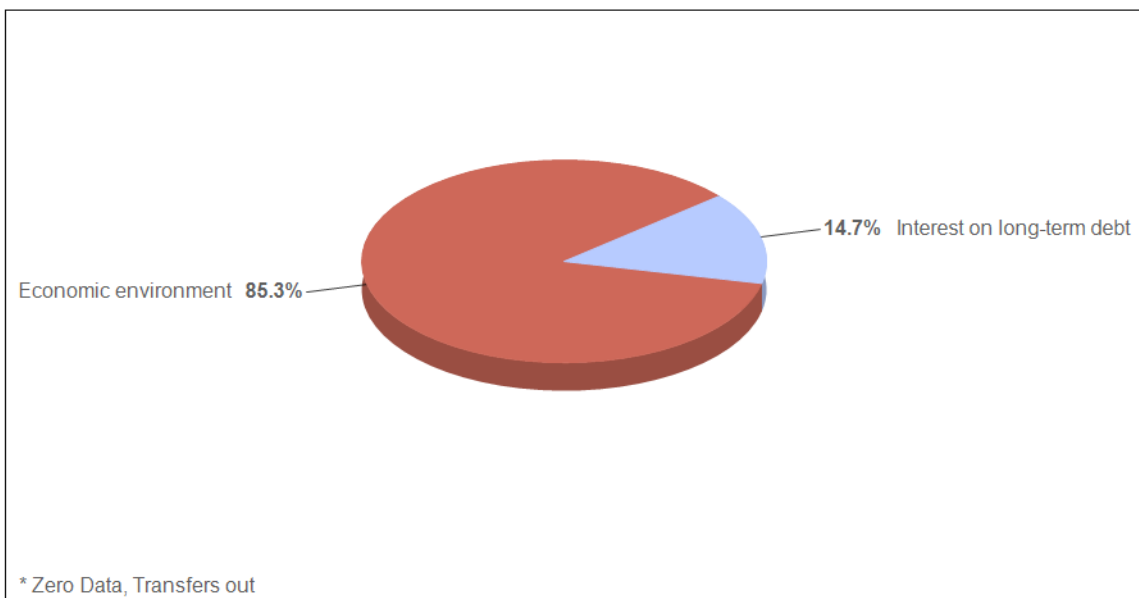
**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
 (A Component Unit of the City of Pompano Beach, Florida)  
 Management Discussion and Analysis for the Fiscal Year Ended September 30, 2023  
 (Unaudited)

The following pie charts depict the breakdown of actual receipts by revenue source and expenses by function for the Agency, for the fiscal year ended September 30, 2023:

Revenues by Source  
 Governmental Activities



Expenses by Function  
 Governmental Activities



**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2023  
(Unaudited)

**The Community Redevelopment Agency Northwest District Fund**

The fund balance of the Northwest CRA District Fund decreased by \$3.0 million primarily due to the timing of capital outlay projects.

**The Community Redevelopment Agency East District Fund**

The fund balance of the East CRA District Fund increased by \$2.0 million primarily due to current year operations.

**Final budget compared to actual**

**The Community Redevelopment Agency Northwest District Fund**

Investment earnings were \$1.4 million higher than the final budget primarily as a result of favorable market conditions.

Capital outlay expenditures were \$25.2 million lower than the final budget primarily due to the timing of various capital projects including the Downtown Pompano Infrastructure and the Dixie/Atlantic Segment 2, Streetscape Improvement project.

**The Community Redevelopment Agency East District Fund**

Capital outlay expenditures were \$5.8 million lower than the final budget primarily due to the timing of capital projects.

**Capital Assets**

The Agency's investment in capital assets for its governmental activities as of September 30, 2023, amounts to \$14.3 million, net of accumulated depreciation and amortization. This investment in capital assets includes construction in progress, improvements, machinery and equipment and various the right-to-use agreements for land and buildings.

**TABLE 3**  
**CAPITAL ASSETS**  
(net of ACCUMULATED DEPRECIATION and AMORTIZATION)  
September 30, 2023 and 2022

	<b><u>Governmental Activities</u></b>	
	<u>2023</u>	<u>2022</u>
Construction in progress	\$ 10,366,058	\$ 3,453,606
Improvements	3,477,316	296,101
Machinery and equipment	80,168	12,617
Land - RTU	26,144	39,814
Buildings - RTU	321,549	405,868
TOTAL	<u>\$ 14,271,235</u>	<u>\$ 4,208,006</u>

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
 (A Component Unit of the City of Pompano Beach, Florida)  
 Management Discussion and Analysis for the Fiscal Year Ended September 30, 2023  
 (Unaudited)

Additional information on the Agency’s capital assets can be found in the notes to the financial statements, Note II (C).

**Outstanding Debt**

At the end of the current fiscal year the Agency had total debt of \$21,329,933 outstanding compared to \$23,081,256 last year, a 8% decrease, due to scheduled principal payments on the outstanding debt.

**TABLE 4 - OUTSTANDING DEBT**  
**September 30, 2023 and 2022**

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Tax increment revenue bonds	\$ 21,045,000	\$ 22,670,000
Lease liability	284,933	411,256
Total	<u>\$ 21,329,933</u>	<u>\$ 23,081,256</u>

Additional information on the Agency’s long-term debt can be found in the notes to the financial statements, Note II (G).

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET RATES**

**The Community Redevelopment Agency Northwest District Fund**

Projected tax increment for fiscal year 2024 is based on taxable values provided by the Broward County Property Appraiser and an estimate of contributing taxing authorities millage rates. Taxable value growth for fiscal year 2024 totals 11% with the Residential market segment (15% growth) being the primary growth driver.

The Northwest District’s adopted budget for fiscal year 2024 is \$36,191,024. The primary source of revenue for the District is derived from tax increment revenues received from the City. For fiscal year 2024 tax increment revenues for the District is anticipated as follows:

City of Pompano Beach	\$6,932,065
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**The Community Redevelopment Agency East District Fund**

Projected tax increment for fiscal year 2024 is based on taxable values provided by the Broward County Property Appraiser and an estimate of contributing taxing authorities millage rates. Taxable value growth for fiscal year 2024 totals 9% with the Residential market segment (10% growth) being the primary growth driver.

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**

(A Component Unit of the City of Pompano Beach, Florida)

Management Discussion and Analysis for the Fiscal Year Ended September 30, 2023  
(Unaudited)

The East District’s adopted budget for fiscal year 2024 is \$12,018,282. The primary source of revenue for the District is derived from tax increment received from the City, County and North Broward Hospital District. The fiscal year 2023 tax increment revenues for the District are anticipated as follows:

City of Pompano Beach	\$ 2,341,562
Broward County	2,457,118
North Broward Hospital District	<u>713,256</u>
Total	<u>\$ 5,511,936</u>

**CONTACTING THE AGENCY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Agency’s finances and to show the Agency’s accountability for the money it receives. If you have any questions about this report or need any additional financial information, contact the Agency’s Finance Department, at the City of Pompano Beach, 100 W. Atlantic Boulevard, Pompano Beach, Florida 33060.

# BASIC FINANCIAL STATEMENTS

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 13,678,728
Unrestricted investments	17,694,870
Restricted cash and cash equivalents	15,807,981
Interest receivable	157,474
Lease receivables, short term	231,212
Lease receivables, long term	605,587
Prepays	280,000
Assets held for resale and redevelopment	39,297,480
Capital assets:	
Construction in progress	10,366,058
Capital assets net of accumulated depreciation and amortization	3,905,177
Total assets	<u>102,024,567</u>
<b>LIABILITIES</b>	
Accounts payable	1,019,110
Accrued interest payable	114,793
Deposits	44,434
Unearned revenue	4,500
Noncurrent liabilities:	
Due within one year:	
Bonds payable	1,710,000
Lease liability	43,416
Advances from City	846,131
Due in more than one year:	
Bonds payable	19,335,000
Lease liability	241,517
Total liabilities	<u>23,358,901</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows - lease revenue	780,162
Total deferred inflows of resources	<u>780,162</u>
<b>NET POSITION</b>	
Net Investment in capital assets	13,823,116
Restricted for:	
Community Redevelopment	64,062,388
Total net position	<u>\$ 77,885,504</u>

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

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**

(A Component Unit of the City of Pompano Beach, Florida)

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Functions/Programs</b>					
Governmental Activities:					
Economic environment	\$ 4,888,264	\$ 197,998	\$ 94,190	\$ 1,500,000	\$ (3,096,076)
Interest on long-term debt	844,105	-	-	-	(844,105)
Total governmental activities	<u>\$ 5,732,369</u>	<u>\$ 197,998</u>	<u>\$ 94,190</u>	<u>\$ 1,500,000</u>	<u>\$ (3,940,181)</u>
<b>General Revenues:</b>					
Tax increment fees - Community Redevelopment Agency					10,967,593
Investment earnings (loss)					1,681,463
Miscellaneous revenue					87,423
Total general revenues					<u>12,736,479</u>
Change in net position					8,796,298
Net position - beginning					67,160,499
Prior period adjustment					<u>\$ 1,928,707</u>
Net position - beginning, as restated					<u>69,089,206</u>
Net position - ending					<u>\$ 77,885,504</u>

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



**POMPAÑO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**BALANCE SHEET**  
**SEPTEMBER 30, 2023**

	<b>Northwest Community Redevelopment District</b>	<b>East Community Redevelopment District</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,205,542	\$ 2,473,186	\$ 13,678,728
Unrestricted investments	12,536,348	5,158,522	17,694,870
Restricted cash and cash equivalents	15,796,700	11,281	15,807,981
Interest receivable	123,056	34,418	157,474
Accounts receivables, net	762,301	74,498	836,799
Prepays	-	280,000	280,000
Assets held for resale and redevelopment	34,252,245	5,045,235	39,297,480
Total assets	<u>\$ 74,676,192</u>	<u>\$ 13,077,140</u>	<u>\$ 87,753,332</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 977,733	\$ 41,377	\$ 1,019,110
Advances from City	846,131	-	846,131
Deposits	31,124	13,310	44,434
Unearned revenue	4,500	-	4,500
Total liabilities	<u>1,859,488</u>	<u>54,687</u>	<u>1,914,175</u>
Deferred inflows of resources:			
Deferred inflows - lease revenue	<u>661,371</u>	<u>118,791</u>	<u>780,162</u>
<b>Fund balances:</b>			
Nonspendable	-	280,000	280,000
Restricted	<u>72,155,333</u>	<u>12,623,662</u>	<u>84,778,995</u>
Total fund balances	<u>72,155,333</u>	<u>12,903,662</u>	<u>85,058,995</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 74,676,192</u>	<u>\$ 13,077,140</u>	<u>\$ 87,753,332</u>

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

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

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Fund Balances - total governmental funds		\$ 85,058,995
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Capital assets	\$ 14,737,407	
Less accumulated depreciation and amortization	<u>(466,172)</u>	14,271,235
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds financial statements:		
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds:		
Tax increment revenue bonds	(21,045,000)	
Lease liability	(284,933)	
Accrued interest payable	<u>(114,793)</u>	<u>(21,444,726)</u>
Net position of governmental activities		<u>\$ 77,885,504</u>

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

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**

(A Component Unit of the City of Pompano Beach, Florida))

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<b>Northwest Community Redevelopment District</b>	<b>East Community Redevelopment District</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Taxes	\$ 6,068,046	\$ 4,899,547	\$ 10,967,593
Intergovernmental	1,500,000	-	1,500,000
Charges for services	115,051	82,947	197,998
Donations	94,190	-	94,190
Investment earnings (loss)	1,400,206	281,257	1,681,463
Miscellaneous	62,398	25,025	87,423
Total revenues	<u>9,239,891</u>	<u>5,288,776</u>	<u>14,528,667</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	3,975,244	734,870	4,710,114
Debt Service:			
Principal	906,323	845,000	1,751,323
Interest	530,230	252,213	782,443
Capital outlay	<u>6,821,415</u>	<u>1,441,257</u>	<u>8,262,672</u>
Total expenditures	<u>12,233,212</u>	<u>3,273,340</u>	<u>15,506,552</u>
Net change in fund balances	(2,993,321)	2,015,436	(977,885)
Fund balances - beginning	<u>75,148,654</u>	<u>10,888,226</u>	<u>86,036,880</u>
Fund balances - ending	<u>\$ 72,155,333</u>	<u>\$ 12,903,662</u>	<u>\$ 85,058,995</u>

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

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**

(A Component Unit of the City of Pompano Beach, Florida)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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Net change in fund balances - total governmental funds		\$	(977,885)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are capitalized and depreciated over their estimated useful lives.			
Expenditures for capital assets	\$	8,262,672	
Less depreciation and amortization of capital assets		<u>(128,150)</u>	8,134,522
Some revenues and expenses reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.			
Change in unavailable revenue		(50,000)	
Change in accrued interest		<u>(61,662)</u>	(111,662)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position.			
Principal payments on leases		126,323	
Principal payments on bonds		<u>1,625,000</u>	<u>1,751,323</u>
Change in net position - governmental activities			<u>\$ 8,796,298</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

**Pompano Beach Community Redevelopment Agency**  
(A Component Unit of the City of Pompano Beach, Florida)  
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**For the Fiscal Year Ended September 30, 2023**

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**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**(I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of the Pompano Beach Community Redevelopment Agency (the "Agency") 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.

**(A) Financial Reporting Entity**

The City of Pompano Beach, Florida (the "City") was delegated by the Broward County Board of County Commissioners (the "County"), the authority to exercise the powers of the Community Redevelopment Act by a resolution passed on October 14, 1980.

On March 17, 1981, by Resolution No. 81-139, the City Commission determined the existence of slum or blighted conditions within a portion of the City, which was then the Community Development Block Grant Target Area and designated such area as appropriate for community redevelopment. This area was generally bounded by Copans Road on the north, Powerline Road on the west, Atlantic Boulevard on the south, and the F.E.C. Railroad on the east.

An additional declaration of blight was made by the City Commission on December 13, 1988, by Resolution No. 89-45. This finding expanded the original redevelopment area to include areas annexed to the City subsequent to the original resolution.

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 may create a public body corporate and politic to be known as a "Community Redevelopment Agency" and prepare a Community Redevelopment Plan to carry out the Community Redevelopment purposes outlined in Florida Statutes Chapter 163, Part III.

The Community Redevelopment Agency is a separate legal entity which is comprised of a Northwest District and an East District. Each District does not constitute a separate legal entity unto itself. The Northwest District which was created by the City in 1988 (Ordinance No. 89-27) and the East District which was created by the City in 2001 (Resolution No. 2002-12), collectively referred to as the Agency, were charged with preparing a Community Redevelopment Plan that would meet the requirements of the appropriate state statutes to eliminate blight and slum conditions within the redevelopment areas of the Agency pursuant to the redevelopment plans of the Districts 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 areas. 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 Agency Plans or By-Laws. The Agency is charged by the City for the provision of these administrative support services in accordance with the Interlocal Agreement between the City and Agency.

The Agency 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

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

evaluating whether it has any component units. Based on the criteria therein, the Agency has determined that there are no component units that meet criteria for inclusion in the Agency's financial statements.

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

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

**(B) 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 Agency, using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position reports all financial and capital resources of the Agency. The statement of activities represents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Program revenues derive directly from a program itself. The Agency reports rental revenue and donations as program revenue. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Agency reports donated assets held for resale and redevelopment as program revenue-operating contributions. Incremental property taxes and other items, not properly included as program revenue are reported instead 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. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental 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 Agency considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Incremental property taxes are recognized as revenues in the year for which they are levied. Rental revenue, proceeds from the sale of property and investment earnings associated with the current fiscal periods are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue is considered to be measurable and available only when cash is received by the Agency or property has legally transferred to the Agency. Expenditures, other than debt service are generally recorded when a liability is incurred, as under accrual accounting.



**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
 (A Component Unit of the City of Pompano Beach, Florida)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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.

The Agency reports the Northwest and East Districts as major governmental funds in the accompanying financial statements. The Northwest and East District funds account for the activity of the Agency, which uses tax-increment financing to encourage development in the Northwest and East community redevelopment areas.

**(C) Cash and Cash Equivalents**

Cash and cash equivalents includes 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.

**(D) Investments**

Investments in participating interest-earning contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. All other investments are reported at fair value or amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

**(E) Capital Assets**

Capital assets recorded in the government-wide statements are stated at historical cost or estimated historical cost and include buildings, improvements other than buildings and machinery and equipment. Contributed capital assets are recorded at acquisition value when received.

Depreciation on all assets meeting the Agency's capitalization threshold of \$5,000 including those obtained through contributions is charged to operations.

Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are as follows:

Buildings	15-50 Years
Improvements other than buildings	5-50 Years
Machinery and equipment	3-15 Years

Major outlays for capital assets and improvements are capitalized as the projects are constructed. The Agency records impairment losses on long lived assets used in operations when events or circumstances indicate the assets might be impaired. No impairment losses have been recorded.

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

In governmental fund financial statements, the cost associated with the acquisition or construction of capital assets are shown as capital outlay expenditures. Capital assets are not shown on the governmental fund balance sheets and no depreciation expense is recognized in the governmental fund statement of revenues, expenditures and changes in fund balances.

**(F) Leases and Subscription-Based Information Technology Agreements**

Leases are defined by the general government as the right to use an underlying asset. As lessee, the Agency recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Re-measurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Agency calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations, but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the Agency recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the Agency recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

Subscription-Based Information Technology Arrangements (SBITA) are agreements that conveys control of the right to use a third-party's information technology software. SBITAs with a maximum possible term under the SBITA contract of 12 months or less are considered short-term SBITA and recognized as outflows of resources. The Agency had no SBITA terms exceeding 12 months in the current reporting period.

**(G) Deferred Inflows of Resources**

The governmental funds financial statements includes a separate section for deferred

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

inflows of resources. Deferred inflows of resources represent the acquisition of net assets applicable to future periods and will not be recognized as revenue until the future period to which it applies.

**(H) Risk Management**

The City's risk management funds charge the Agency insurance premiums. The amount of the annual premium charged to the Agency by the City represents the maximum liability of the Agency for any related losses incurred for the fiscal year ended September 30, 2023. Consequently, the Agency does not retain its own liability on outstanding cases or claims against it beyond the maximum premium paid.

The City, which includes the Agency, is self-insured for automobile liability, general liability, including public official's liability and property damage claims pursuant to Florida Statute Section 768.28 (Waiver of Sovereign Immunity in Tort Actions; Recovery Limits; Limitation on Attorney Fees; Statute of Limitations; Exclusions; Indemnification; Risk Management Programs). Per Florida Statute Section 768.28, the City has statutory limits for general and automobile liability of up to \$200,000 per person and \$300,000 per occurrence. The City is also self-insured for workers' compensation claims, in accordance with Florida Statute Section 440. Workers' compensation claims are self-insured up to \$350,000 per occurrence and property damage (buildings and contents) up to \$100,000 per occurrence, with property damage claims, related to named hurricane/windstorm, having a 5% of total location value deductible. Excess insurance policies apply above these self-insured levels.

**(I) Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts and gain/loss on bond refunding are deferred and amortized over the life of the bonds using the straight line method, which is not materially different than the effective interest method. Bonds payable are reported net of the unamortized amount of the applicable bond premium/discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Payments on debt are recorded as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred in government-wide statements. Prepaid insurance costs are reported as an asset and recognized as an expense over the duration of the related debt.

**(J) Unearned/Unavailable Revenue**

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the governmental fund financial

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

statements. These amounts represent rent deposits. In addition, amounts related to governmental fund receivables that are measurable, but not available (not received within 60 days from fiscal year end), are recorded as unavailable (a deferred inflow of resources) in the governmental fund financial statements.

**(K) Advances to/from City**

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

**(L) Fund Equity/Net Position**

In the governmental fund financial statements, fund balance classifications are as follows:

- Restricted Fund Balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

- Net Investment in Capital Assets – consists of capital assets and right-to-use leased assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other obligations that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related obligations are also included in this component of net position.
- Restricted Net Position – amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation's.

**(M) Accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows/outflows and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from those estimates.

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**(N) Implementation of Governmental Accounting Standards Board (GASB) Statements**

The Agency implemented the following new Accounting Pronouncements:

1. GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.
2. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement addresses issues related to public-private and public-public partnerships arrangements (PPPs).
3. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use asset with a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.
4. GASB Statement No. 99, *Omnibus 2022*. This Statement addresses a variety of topics including issues related to LIBOR, leases, PPPs, SBITAs and Public-Private and Public-Public Partnerships.

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**(II) DETAILED NOTES ON ALL FUNDS**

**(A) Cash and Cash Equivalents and Investments**

The following are components of the Agency's cash, cash equivalents and investments at September 30, 2023:

	Unrestricted		Restricted		Total cash, cash equivalents and investments
	Cash and cash equivalents	Investments	Cash and cash equivalents	Investments	
Governmental activities:					
Northwest Community Redevelopment District	\$ 11,205,542	\$ 12,536,348	\$ 15,796,700	\$ -	\$ 39,538,590
East Community Redevelopment District	2,473,186	5,158,522	11,281	-	7,642,989
Total governmental	\$ 13,678,728	\$ 17,694,870	\$ 15,807,981	\$ -	\$ 47,181,579

**Public Deposits:**

At September 30, 2023, the book balance of the Agency's deposits was \$29,486,709. Deposits whose balance exceeds the limits of federal depository insurance are collateralized pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act (the Act). Under this Act, financial institutions which are qualified as public depositories place with the State Board of Administration ("SBA"), securities which have a market value equal to 50 percent of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. It is the Agency's practice to ensure that all its public deposits are maintained with a qualified depository and as a result, all Agency depositories at fiscal year end were designated as qualified public depositories in accordance with Florida Statute. Therefore, all deposits are insured or collateralized.

**Investment Authorization:**

The Agency's investment program is established in accordance with the Agency's investment policy, which was adopted via resolution by the Board, and Florida State Statute Chapter 218.415, Local Government Investment Policies, which establishes investment plan guidelines for local governments in Florida. Authorized investments include Florida Local Government Surplus Trust Fund, United States Government securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), Repurchase Agreements, Commercial Paper, Corporate Notes, Asset Backed Securities, Banker Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, Intergovernmental Investment Pools and Savings Accounts of financial institutions that are Qualified Public Depositories, in accordance with Florida State Statute Chapter 280.01, Security for Public Deposits.

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The Agency's investment policy stipulates the following maximum portfolio percentages:

<b>Authorized Investments</b>	<b>Maximum % Portfolio Composition</b>	<b>Maximum % Individual Issuers</b>	<b>Maximum % Individual Sectors</b>
Florida Local Government Surplus Funds Trust Fund	25%	NA	NA
U.S. Government Securities	100% <sup>(1)</sup>	NA	NA
U.S. Government Agencies	50%	10%	NA
U.S. Sponsored Agencies	80%	25%	NA
Interest Bearing Time Deposit	10%	10%	NA
Repurchase Agreements	20% <sup>(2)</sup>	5%	NA
Commercial Paper	25%	2%	10%
Corporate Notes	25%	2%	10%
Asset Backed Securities	10%	2%	5%
Bankers' Acceptances	15%	5%	NA
State/Local Government Taxable/Tax Exempt General Obligation Bonds	25%	NA	NA
State/Local Government Taxable/Tax Exempt Revenue/Excise Tax Bonds	10%	NA	NA
Money Market Mutual Funds	35%	15%	NA
Intergovernmental Investment Pools	25%	NA	NA

<sup>(1)</sup> 10% for treasury strips

<sup>(2)</sup> excludes one (1) business day agreements and overnight sweep agreements

NA-not applicable

**Security:**

The Agency has a third party custodial arrangement with certain financial institutions to accept securities on a delivery vs. payment basis for direct purchase agreements. Securities purchased in the Agency's name are registered in the name of the Agency by an agent of these entities and are confirmed with safekeeping statements.

**Fair Value Measurement**

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Intergovernmental Investment Pool invests mainly in US government and agency securities and asset-backed securities. The underlying securities have level 1 quoted pricing inputs or level 2 significant other observable pricing inputs. Most of the security

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prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. As such, this is reported as level 2, since the value is based on market-corroborated data. The Agency does not value any of its investments using level 1 or level 3 inputs.

The Agency has the following recurring fair value measurements as of September 30, 2023:

	Reported Value	Fair Value Hierarchy		
		Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
U.S. Treasury Notes	\$ 3,932,392	\$ -	\$ 3,932,392	\$ -
U.S. Sponsored Agencies	10,590,636	-	10,590,636	-
Corporate Bonds	3,128,913	-	3,128,913	-
Total investments by fair value level	17,651,941	\$ -	\$ 17,651,941	\$ -
Demand Deposits	29,486,709			
Money Market Mutual Funds	42,929			
Total Government-wide	\$ 47,181,579			

**Risk Disclosures:**

*Interest Rate Risk* – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The Agency employs multiple investment duration and investment management strategies which seek to minimize the Agency’s portfolio interest rate risk. The Agency maintains sixty days or more of liquidity in overnight investments and remaining assets are invested in short term securities with maturity and diversification limitations to further minimize changes in market price, as interest rates change.



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Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity at September 30, 2023:

Investment Type	Remaining Maturity (in years)		
	Reported Value	Less than 1	1 to 2
U.S. Treasury Notes	\$ 3,932,392	\$ 1,620,272	\$ 2,312,120
U.S. Sponsored Agencies	10,590,636	8,230,071	2,360,565
Corporate Bonds	3,128,913	2,625,463	503,450
Money Market Mutual Funds	42,929	42,929	-
	<u>\$ 17,694,870</u>	<u>\$ 12,518,735</u>	<u>\$ 5,176,135</u>
Breakdown Government-wide Investments --			
(subject to interest rate risk)	\$ 17,694,870		
Deposits --			
(not subject to interest rate risk)			
Demand Deposits	<u>29,486,709</u>		
Total Cash, Cash Equivalents and Investments	<u>\$ 47,181,579</u>		

**Credit Risk** – This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. One measure of the perceived credit risk of an issuer is the credit rating. The Agency's investment policy provides strict guidelines and limits investments to highly rated securities with minimum ratings of AAA for money market funds, AA for corporate notes, A-1 for commercial paper and AAA for U.S. Agencies and U.S. Treasuries. To further minimize credit risk the Agency's investment policy also provides asset allocation limits for each security type. Issuer limits are also provided for certain investment types. Corporate notes limits (25%) and commercial paper limits (25%) are established with additional asset allocation limits for the sector (10%) and issuer (2%). Asset backed securities (10%) are established with additional asset allocation limits for the sector (5%) and issuer (2%). There were no individual investments in a single issuer that exceeded 5% of the investments. The following table discloses composite credit ratings by investment type for the Agency as rated by Moody's or Standard & Poor's (Fitch for LGIP) at September 30, 2023:

Investment Type	Rating at September 30, 2023			
	Reported Value	AAAm	P-1	Aaa/AAA/Aa A/AA/A-1
U.S. Treasury Notes	\$ 3,932,392	\$ -	\$ -	\$ 3,932,392
U.S. Sponsored Agencies	10,590,636	-	920,722	9,669,914
Corporate Bonds	3,128,913	-	-	3,128,913
Money Market Mutual Funds	42,929	42,929	-	-
<b>Total Investments with Credit Risk</b>	17,694,870	<u>\$ 42,929</u>	<u>\$ 920,722</u>	<u>\$ 16,731,219</u>
Demand Deposits	<u>29,486,709</u>			
<b>Total Agency Portfolio</b>	<u>\$ 47,181,579</u>			

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**(B) Receivables and Other Assets, net**

Receivables at fiscal year-end for the Agency's governmental individual major funds are as follows:

<b>Governmental</b>	<b>NW CRA</b>	<b>East CRA</b>	<b>Total</b>
Leased assets	\$ 762,301	\$ 74,498	\$ 836,799
Total	\$ 762,301	\$ 74,498	\$ 836,799

**Mortgages**

The Northwest Community Redevelopment District (the Northwest District) provided qualified individuals with loans/grants to build new homes at the Canal Point (10 year amortization period), Sabal Chase (30 year amortization period), and Ortanique Estates (30 year amortization period) subdivisions which were reported as community redevelopment expenses/expenditures. In addition, the Northwest District also provided similar grants for various infill housing projects during the current fiscal year. The Northwest District has placed a mortgage lien on these new homes with a covenant that the owner must reside at the property for the respective period of time in order to remain eligible for the grant. The Northwest District's reasonable assumption is that the homeowner will reside at the home for the stipulated period. The Northwest District maintains a memorandum record of the outstanding mortgage amounts related to these grants. These amounts are reduced ratably over the 10 year period as it relates to the grants for the Canal Point subdivision and the infill housing projects. Should the homeowner move, sell or refinance, the Northwest District is paid a prorated amount of the initial grant. After the 10 year period the amounts relating to these mortgages are forgiven. As it relates to the Sabal Chase and Ortanique Estates grants, these amounts are not amortized over the 30 year period. After the 30 year period the amounts relating to these mortgages are forgiven. During fiscal year 2023, no one defaulted on the terms of the grants and consequently, the Northwest District did not receive any repayments related to these grants. At September 30, 2023 the unamortized amount outstanding related to these grants was \$428,328. Due to the reasonable assumption made above of expected homeowner residence for the grant period, a receivable has not been recorded.

**Assets Held for Resale and Redevelopment**

The Agency acquires and develops property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling it to private sector purchasers meeting certain criteria. Since these properties are acquired with the express intent of resale and development, they are reported at lower of cost/donated value or net realizable value. Assets donated from the City or other related entities are recorded at the carrying value of the donor entity. Donated assets from other sources are recorded at lower of cost/donated value or net realizable value. The cost basis of assets held for resale and development include costs incurred to acquire the asset and prepare the asset for resale and development, such as purchase price, closing fees, surveys, lot clearing, demolition, judgments levied through suits, costs of

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construction, permits etc. These assets include land, land improvements and buildings. Upon the sale of these assets, a gain or loss is recognized. When the net realizable amount is less than the carrying amount, a loss would be recognized. Gains are recorded as a gain from sale of capital assets in the government-wide statements and proceeds from sale of capital assets in the fund financial statements and losses are recorded as economic environment expenses/expenditures.

Assets held for resale and redevelopment activity for the fiscal year ended September 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets held for resale and redevelopment	<u>\$ 39,113,052</u>	<u>\$ 1,155,855</u>	<u>\$ 971,427</u>	<u>\$ 39,297,480</u>

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**(C) Capital Assets and Construction Commitments**

Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

	<u>Beginning Balance*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Construction in progress*	\$ 5,382,313	\$ 8,262,672	\$ 3,278,927	\$ 10,366,058
Capital assets, being depreciated or amortized:				
Improvements other than buildings	355,604	3,203,928	-	3,559,532
Machinery and equipment	197,740	74,999	5,407	267,332
Land - RTU	54,298	-	-	54,298
Buildings - RTU	490,187	-	-	490,187
Total capital assets being depreciated	<u>1,097,829</u>	<u>3,278,927</u>	<u>5,407</u>	<u>4,371,349</u>
Less accumulated depreciation and amortization for:				
Improvements other than buildings	59,503	22,713	-	82,216
Machinery and equipment	185,123	7,448	5,407	187,164
Land - RTU	14,484	13,670	-	28,154
Buildings - RTU	84,319	84,319	-	168,638
Total accumulated depreciation and amortization	<u>343,429</u>	<u>128,150</u>	<u>5,407</u>	<u>466,172</u>
Total capital assets being depreciated and amortized, net	<u>754,400</u>	<u>3,150,777</u>	<u>-</u>	<u>3,905,177</u>
Governmental activities capital assets, net	<u>\$ 6,136,713</u>	<u>\$ 11,413,449</u>	<u>\$ 3,278,927</u>	<u>\$ 14,271,235</u>

\*Beginning balance for construction in progress was restated by increase of \$1,928,707 to \$5,382,313 for a prior period adjustment for construction funded by the Agency. See additional information in Note III A Prior Period Adjustment.

Depreciation and amortization expense was charged to functions/programs of the Agency as follows:

<b>Governmental activities:</b>	
Economic environment	\$ <u>128,150</u>
Total depreciation and amortization expense - governmental activities	\$ <u><u>128,150</u></u>

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The Agency has active construction projects as of September 30, 2023. Significant projects that were ongoing as of September 30, 2023 for governmental activities with significant commitments, were as follows:

Project	Expended through September 30, 2023	Remaining Commitments
CRA Dixie/Atl Infrastructure	\$ 5,701,279	\$ 11,598,721
	<u>\$ 5,701,279</u>	<u>\$ 11,598,721</u>

**(D) Leases**

A lease is defined as a contractual agreement that conveys control of the right-to-use (RTU) of another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The Agency may be the lessee or the lessor in nonfinancial assets with lease contracts that include land, buildings, building improvements, vehicles, machinery and equipment.

In compliance with GASB Statement No. 87, *Leases*, when the Agency is the lessor, the Agency recognized accrued interest payable as a lessee and recognized lease receivable, accrued interest receivable, deferred inflows of resources related to leases, lease revenues and interest received from leases as a lessor. When the Agency is the lessee, the Agency recognized the RTU assets with related accumulated amortization, lease liabilities, lease expense and amortization expense.

The Agency has a variety of variable payment clauses within its lease arrangements. Components of variable payments that are fixed in substance are included in the measurement of the lease liability, while variable payments based on the usage of the underlying asset are excluded from this liability.

Contracts with maximum terms of 12 months or less, those with termination clauses by either party without notice periods or leases that transfer ownership of the underlying assets, are excluded from GASB Statement No. 87.

**Agency as Lessor**

The Agency owns various buildings and land parcels that it leases to third parties. As of September 30, 2023, the value of the lease receivable was \$836,799. The value of the deferred inflow of resources was \$780,162. The Agency recognized lease revenue of \$283,925 during the fiscal year. The leases have interest rates ranging from 0.43% - 1.42%.

Classification	Term Range in Months	Lease Receivable as of Commencement Date	Lease Receivable as of September 30, 2023
Buildings	24-120	\$ 1,217,541	\$ 755,201
Land	60	100,765	81,598
Total lease receivable		<u>\$ 1,318,306</u>	<u>\$ 836,799</u>

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**Receipts Forecast**

<b>Year Ending September 30</b>	<b>Governmental Activities</b>		
	<b>Principal and Interest Expected to Maturity</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 231,212	\$ 19,739	\$ 250,951
2025	177,185	13,458	190,643
2026	134,099	9,300	143,399
2027	96,758	6,164	102,922
2028	102,872	3,053	105,925
2029-2032	94,673	1,492	96,165
Total	<u>\$ 836,799</u>	<u>\$ 53,206</u>	<u>\$ 890,005</u>

**Agency as Lessee**

As of September 30, 2023, the Agency was a lessee on various leases related to Governmental Activities for the use of various parcels of land and buildings expiring between the fiscal years ending 2024 and 2029. As of September 30, 2023, the value of the lease liability is \$284,933. The Agency is required to make annual payments ranging from \$237 to \$40,063 through the terms of the leases. The leases have interest rates ranging from 0.332% to 1.48%. The value of the right to use asset as of September 30, 2023 of \$544,485 with accumulated amortization of \$196,792 and is included on the Capital Assets activity table as right-to-use (RTU) land and buildings.

Total future minimum lease payments under lease agreements are as follows:

<b>Year Ending September 30</b>	<b>Governmental Activities</b>		
	<b>Principal and Interest</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 43,416	\$ 7,677	\$ 51,093
2025	43,620	6,336	49,956
2026	46,479	4,943	51,422
2027	49,449	3,461	52,910
2028	50,294	1,958	52,252
2029	51,675	405	52,080
Total	<u>\$ 284,933</u>	<u>\$ 24,780</u>	<u>\$ 309,713</u>

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**(E) Unearned/Unavailable Revenue**

Unearned/Unavailable revenue at fiscal year end for the Agency’s governmental individual major funds are as follows:

<b>Governmental Activities</b>	<u><b>NW CRA</b></u>	<u><b>East CRA</b></u>	<u><b>Total</b></u>
Unearned revenue:			
Prepaid Rent	\$ 4,500	\$ -	\$ 4,500
Total unearned revenue	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ 4,500</u>
Unavailable revenue:			
Deferred Lease Revenue	\$ 661,371	\$ 118,791	\$ 780,162
Total unavailable revenue	<u>\$ 661,371</u>	<u>\$ 118,791</u>	<u>\$ 780,162</u>

**(F) Advances to/from City**

The composition of advances from City as of September 30, 2023, is as follows:

<u><b>Advances From City</b></u>	<u><b>Amount</b></u>
General Fund	<u>\$ 846,131</u>

This amount represents a long-term payable to the Agency to cover the purchase of two (2) properties that would enable the development of a 30 acre Commerce Park at the northeast quadrant of Atlantic Boulevard and Interstate 95. The loan has a fixed annual interest rate of 2.91%, amortized over a 20 year term.

The annual requirements to pay on the advance from the City to the NW CRA District Fund are as follows:

	<u><b>Principal</b></u>	<u><b>Interest</b></u>	<u><b>Total</b></u>
2024	\$ 353,829	\$ 26,562	\$ 380,391
2025	364,125	16,266	380,391
2026	128,177	5,670	133,847
	<u>\$ 846,131</u>	<u>\$ 48,498</u>	<u>\$ 894,629</u>

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**(G) Long-term Obligations**

Summarized below is the Agency's debt issued to finance the acquisition of properties for community development and capital projects, which were outstanding at September 30, 2023.

**Governmental Activities Debt:**

- On April 23, 2013 the Pompano Beach Community Redevelopment Agency Board authorized the issuance of tax increment revenue bonds – Series 2013A and B (collectively known as the Series 2013 bonds). The Series 2013 bonds were subsequently issued on June 20, 2013. The Series 2013A bonds were issued at a fixed rate of 3.48%, with a final maturity of February 1, 2030, for the purpose of refunding and redeeming the Agency's outstanding tax increment revenue bonds, Series 2010A, which bore an interest rate of 5.13% and had an outstanding balance of \$9,055,000. As a result of the refunding the Series 2010A bonds are considered fully refunded and the outstanding balance has been removed from the financial statements. The Series 2013B bonds were issued at a fixed interest rate of 2.83% and a final maturity of February 1, 2030, to finance the cost of community projects in the East District Redevelopment Area and to cover related costs of issuance in the original aggregate principal amount of \$5,000,000. This Bond and the interest hereon is payable solely from and secured by a lien upon a pledge of the Pledged Tax Increment Revenues.

At September 30, 2023, the Agency had \$6,825,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax increment revenues were \$1,097,213 and \$4,899,547, respectively. At September 30, 2023, total principal and interest remaining on the bonds is \$7,689,693 payable through February 2030.

- On June 28, 2022 the Pompano Beach Community Redevelopment Agency Board authorized the issuance of tax increment revenue bonds – Series 2022. The Series 2022 were subsequently issued on July 6, 2022. The Series 2022 bonds were issued at a fixed rate of 3.00%, with a final maturity of August 1, 2037. The Series 2022 Bonds were issued in order to finance the improvements to Dixie Highway from SW 2nd Street to NE 10th Street and along Atlantic Boulevard from NW 7th Avenue to Cypress Road within the public rights-of-way. This Bond and the interest hereon is payable solely from and secured by a lien upon a pledge of the Pledged Tax Increment Revenues.

At September 30, 2023, the Agency had \$14,220,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax increment revenues were \$1,261,250 and \$6,068,046, respectively. At September 30, 2023, total principal and interest remaining on the bonds is \$17,622,600 payable through August 1, 2037.



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**Changes in long-term liabilities**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Direct borrowings and direct placements					
Bonds payable:					
Tax increment revenue bonds-East District	\$ 7,670,000	-	\$ 845,000	\$ 6,825,000	\$ 875,000
Tax increment revenue bonds-NW District	15,000,000	-	780,000	14,220,000	835,000
Total bonds payable	22,670,000	-	1,625,000	21,045,000	1,710,000
Lease liability	411,256	-	126,323	284,933	43,416
Total long-term liabilities	<u>\$ 23,081,256</u>	<u>\$ -</u>	<u>\$ 1,751,323</u>	<u>\$ 21,329,933</u>	<u>\$ 1,753,416</u>

**Direct borrowings and direct placements**

The Agency's outstanding liabilities from direct borrowings and direct placements related to governmental activities was \$21,329,933 as of September 30, 2023.

The Series 2013 tax increment revenue bonds are secured by a lien on tax increment revenues generated within the Agency's East District's Redevelopment Area on parity with the 2013A Bonds. The bond resolution contains events of default provisions such as payment defaults; and breaches of bond covenant, agreements and provisions in the bonds. The occurrence of a material adverse effect and certain bankruptcy events provides the bondholders the authority to pursue action in court to enforce collection, however it is not construed as granting the Bondholder to any lien on any real property of the City.

The Series 2022 tax increment revenue bonds are secured solely by the Pledged Revenues generated within the Agency's Northwest District Redevelopment Area. The bond resolution contains events of default provisions such as payment defaults; and breaches of bond covenant, agreements and provisions in the bonds. The occurrence of a material adverse effect and certain bankruptcy events provides the bondholders the authority to pursue action in court to enforce collection, however it is not construed as granting the Bondholders a lien on any real property of the City.

The Agency has no lines of credit. The annual requirements to pay principal and interest on the bonds at September 30, 2023 are as follows:

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Bonds:**

**Governmental Activities**  
**Direct Borrowings and Direct Placement Activities**

	Northwest (NW) CRA District - Series 2022 Tax Increment Revenue Bond			East CRA District - Series 2013 Tax Increment Revenue Bond			Total Governmental Activities
	Principal	Interest	Subtotal NW District	Principal	Interest	Subtotal East District	
2024	\$ 835,000	\$ 426,600	\$ 1,261,600	\$ 875,000	\$ 222,285	\$ 1,097,285	\$ 2,358,885
2025	855,000	401,550	1,256,550	905,000	191,313	1,096,313	2,352,863
2026	885,000	375,900	1,260,900	940,000	159,210	1,099,210	2,360,110
2027	910,000	349,350	1,259,350	975,000	125,889	1,100,889	2,360,239
2028	935,000	322,050	1,257,050	1,005,000	91,437	1,096,437	2,353,487
2029 - 2032	5,125,000	1,171,500	6,296,500	2,125,000	74,559	2,199,559	8,496,059
2034 - 2037	4,675,000	355,650	5,030,650	-	-	-	5,030,650
	\$ 14,220,000	\$ 3,402,600	\$ 17,622,600	\$ 6,825,000	\$ 864,693	\$ 7,689,693	\$ 25,312,293

**(H) Incremental Property Tax Revenue**

The Agency's Northwest District's primary sources of revenue are tax-increment funds (TIF) and Project Funds. The TIF is computed by applying the respective operating tax rates for the City multiplied by the increased value of property located within the boundaries of the redevelopment areas of the Agency in excess of the base property value, minus 5%. The City is required to fund this amount annually without regard to tax collections or other obligations to the Northwest District. Broward County, North Broward Hospital District and Children's Services Council contribute a fixed amount annually to Project Funds until 2025, as approved in Resolution No. 2018-47.

The Agency's East District's primary source of revenue is tax-increment funds (TIF). This revenue is computed by applying the respective operating tax rates for the City, the County and the North Broward Hospital District, multiplied by the increased value of property located within the boundaries of the redevelopment areas of the Agency in excess of the base property value, minus 5%. The City, the County and the North Broward Hospital District are required to fund this amount annually without regard to tax collections or other obligations to the East District.

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**(III) OTHER INFORMATION**

**(A) Prior Period Adjustment**

The October 1, 2022 beginning net position was restated due to the transfer of construction in progress from the City to the Agency for projects that were funded by the Agency and previously listed and capitalized on the City's financial statements.

		<b>Government-Wide Governmental Activities</b>
Net position-beginning	\$	67,160,499
Capital asset adjustment		1,928,707
Net position-beginning, as restated	\$	69,089,206

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**(B) Deposits to and withdrawals from the Agency**

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Agency for the fiscal year ended September 30, 2023:

	NW CRA	
	Deposits	Withdrawals
Sources of deposits:		
Tax increment revenues	\$ 6,068,046	
Investment earnings (loss)	1,400,206	
Facility rentals & concessions	115,051	
Grants/Contributions	1,500,000	
Miscellaneous	156,588	
Purpose of withdrawals:		
Debt service - principal		\$ 906,323
Debt service - interest		530,230
Professional services		754,094
Reimbursement for services		1,207,871
Administrative and overhead		207,188
Rentals and leases		22,497
Insurance premiums		37,091
Economic development		1,691,804
Advertising		647
Supplies		2,872
Capital outlay		6,821,415
Miscellaneous		51,180
<b>Total</b>	<b>\$ 9,239,891</b>	<b>\$ 12,233,212</b>

	East CRA	
	Deposits	Withdrawals
Sources of deposits:		
Tax increment revenues	\$ 4,899,547	
Investment earnings (loss)	281,257	
Facility rentals & concessions	82,947	
Miscellaneous	25,025	
Purpose of withdrawals:		
Debt service - principal		\$ 845,000
Debt service - interest		252,213
Professional services		320,018
Reimbursement for services		211,988
Administrative and overhead		52,692
Rentals and leases		4,594
Insurance premiums		11,963
Economic development		126,572
Supplies		2,974
Miscellaneous		4,069
Capital outlay		1,441,257
<b>Total</b>	<b>\$ 5,288,776</b>	<b>\$ 3,273,340</b>

REQUIRED SUPPLEMENTARY INFORMATION  
(unaudited)

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach, Florida)  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS**  
**NORTHWEST COMMUNITY REDEVELOPMENT DISTRICT FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 6,105,462	\$ 6,105,462	\$ 6,068,046	\$ (37,416)
Intergovernmental	1,500,000	1,500,000	1,500,000	-
Charges for services	77,120	77,120	115,051	37,931
Investment earnings (loss)	12,500	12,500	1,400,206	1,387,706
Miscellaneous	20,000	20,000	156,588	136,588
Total revenues	<u>7,715,082</u>	<u>7,715,082</u>	<u>9,239,891</u>	<u>1,524,809</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	3,513,691	4,431,796	4,666,310	(234,514)
Debt service:				
Principal	1,123,824	1,123,824	906,323	217,501
Interest & other charges	517,818	517,818	530,230	(12,412)
Capital outlay	20,440,000	43,611,985	18,421,396	25,190,589
Total expenditures	<u>25,595,333</u>	<u>49,685,423</u>	<u>24,524,259</u>	<u>25,161,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,880,251)</u>	<u>(41,970,341)</u>	<u>(15,284,368)</u>	<u>26,685,973</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	1,475,000	1,475,000	-	(1,475,000)
Transfers in	1,261,250	1,261,250	-	(1,261,250)
Transfers out	(1,261,250)	(1,261,250)	-	1,261,250
Total other financing sources (uses)	<u>1,475,000</u>	<u>1,475,000</u>	<u>-</u>	<u>(1,475,000)</u>
Net change in fund balance	<u>\$(16,405,251)</u>	<u>\$(40,495,341)</u>	<u>(15,284,368)</u>	<u>\$ 25,210,973</u>
<b>FUND BALANCE - BEGINNING</b>			<u>69,494,951</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 54,210,583</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
 (A Component Unit of the City of Pompano Beach, Florida)  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS  
 EAST COMMUNITY REDEVELOPMENT DISTRICT FUND  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 4,872,733	\$ 4,872,733	\$ 4,899,547	\$ 26,814
Charges for services	117,378	117,378	82,947	(34,431)
Investment earnings (loss)	32,100	32,100	281,257	249,157
Miscellaneous	-	-	25,025	25,025
Total revenues	<u>5,022,211</u>	<u>5,022,211</u>	<u>5,288,776</u>	<u>266,565</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	1,445,920	1,576,422	838,859	737,563
Debt service:				
Principal	845,000	845,000	845,000	-
Interest & other charges	252,213	252,213	252,213	-
Capital outlay	<u>3,171,663</u>	<u>7,307,374</u>	<u>1,486,552</u>	<u>5,820,822</u>
Total expenditures	<u>5,714,796</u>	<u>9,981,009</u>	<u>3,422,624</u>	<u>6,558,385</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(692,585)</u>	<u>(4,958,798)</u>	<u>1,866,152</u>	<u>6,824,950</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Net change in fund balance	<u>\$ (692,585)</u>	<u>\$ (4,958,798)</u>	<u>1,866,152</u>	<u>\$ 6,824,950</u>
<b>FUND BALANCE - BEGINNING</b>			<u>8,930,586</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 10,796,738</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

**POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Pompano Beach)  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
(Unaudited)  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Budgetary Information**

The Agency is required to establish a budgetary system and an approved annual budget for the Northwest District Fund and East District Fund. The Agency's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board.

The Agency adopts an annual budget for each District. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except the budgets for each district includes encumbrances as the equivalent of expenditures. A budgetary comparison schedule is presented for each District. Expenditures may not exceed the budget and are controlled at the fund level.

Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board. The reported budgetary data represents the final approved budget after amendments adopted by the Board.

Adjustments necessary to convert the Northwest District and East District Fund's results of operations and change in fund balances at September 30, 2023 from the accounting principles generally accepted in the United States of America ("GAAP") basis of accounting to the budget basis are as follows:

	<u>Revenues/ Other Financing Sources</u>	<u>Expenditures/ Other Financing Uses</u>	<u>Change in Fund Balances</u>
<b><u>Northwest Community Redevelopment District</u></b>			
GAAP Basis	\$ 9,239,891	\$ 12,233,212	\$ (2,993,321)
Encumbrances	-	12,291,047	(12,291,047)
Budgetary Basis	<u>\$ 9,239,891</u>	<u>\$ 24,524,259</u>	<u>\$ (15,284,368)</u>
<b><u>East Community Redevelopment District</u></b>			
GAAP Basis	\$ 5,288,776	\$ 3,273,340	2,015,436
Encumbrances	-	149,284	(149,284)
Budgetary Basis	<u>\$ 5,288,776</u>	<u>\$ 3,422,624</u>	<u>\$ 1,866,152</u>



COMPLIANCE REPORT  
and  
MANAGEMENT LETTER

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 and CRA Director  
Pompano Beach Community Redevelopment Agency  
Pompano Beach, 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 each major fund of the City of Pompano Beach Community Redevelopment Agency (the "Agency") as of and for the year ended September 30, 2023, 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 2, 2024.

### Report on 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 were not identified.

## Report on 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  
April 2, 2024

## INDEPENDENT AUDITOR'S REPORT TO AGENCY MANAGEMENT

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

### Report on Financial Statements

We have audited the financial statements of the Pompano Beach Community Redevelopment Agency (a component unit of the City of Pompano Beach, Florida) (the "Agency"), as of and for the year ended September 30, 2023, and have issued our report thereon dated April 2, 2024.

### 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 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 April 2, 2024, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Pompano Beach Community Redevelopment Agency (a component unit of the City of Pompano Beach, Florida) was established May 5, 1988 by the City of Pompano Beach Council Ordinance No. 88-23, pursuant to the laws of the State of Florida. The Agency does not have any component units.

CPAs + Trusted Advisors

### **Financial Condition and Management**

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 for the Agency. 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 City of Pompano Beach, Florida. This information can be found in the City of Pompano Beach, Florida's Annual Comprehensive Financial Report for the year ended September 30, 2023.

### **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 Board of Directors and CRA Director 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  
April 2, 2024

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES AND SECTIONS 163.387(6)  
AND 163.387(7), FLORIDA STATUTES

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

We have examined City of Pompano Beach Community Redevelopment Agency (a component unit of the City of Pompano Beach, Florida) (the "Agency") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2023. Management is responsible for the Agency's compliance with those specific requirements. Our responsibility is to express an opinion on the Agency's compliance with those 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 the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the 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, 2023.

This report is intended solely for the information and use of the State of Florida Auditor General, the Board of Directors and CRA Director 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  
April 2, 2024