



**TOWN OF LAKE CLARKE SHORES
COMMUNITY REDEVELOPMENT AGENCY**



**FINANCIAL STATEMENTS WITH INDEPENDENT
AUDITOR'S REPORT THEREON**

FISCAL YEAR ENDED September 30, 2024

Town of Lake Clarke Shores Community Redevelopment Agency
Annual Financial Report
Fiscal Year Ended September 30, 2024
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the Town Council
Town of Lake Clarke Shores Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Town of Lake Clarke Shores Community Redevelopment Agency ("Agency"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Lake Clarke Shores Community Redevelopment 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 major fund of the Town of Lake Clarke Shores Community Redevelopment Agency, as of September 30, 2024, 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 Town of Lake Clarke Shores Community Redevelopment Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Lake Clarke Shores Community Redevelopment 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with generally accepted auditing standards 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 Town of Lake Clarke Shores Community Redevelopment 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 Town of Lake Clarke Shores Community Redevelopment Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 5 – 9 and 24 – 25 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2025, 2025 on our consideration of the Town of Lake Clarke Shores Community Redevelopment Agency’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Town of Lake Clarke Shores Community Redevelopment Agency’s internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

April 23, 2025

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Town of Lake Clarke Shores Community Redevelopment Agency Management Discussion and Analysis

The Management's Discussion and Analysis (MD&A) of the Town of Lake Clarke Shores Community Redevelopment Agency (the "CRA") is designed to provide an objective and easy to read analysis of the financial activities for the fiscal year ended September 30, 2024 based on currently known facts, decisions, and conditions. The MD&A provides a broad overview, short-term and long-term analysis of the CRA's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the CRA's financial activity and identify changes in the CRA's financial position and its ability to address the next year's challenges. Finally, the MD&A will identify any material deviations from the approved budget.

The Town of Lake Clarke Shores Community Redevelopment Agency was created in 2016 by the Town of Lake Clarke Shores under Chapter 163, Part III, of the Florida Statutes. The CRA is a dependent special district and a component unit of the Town of Lake Clarke Shores, Florida (the "Town"). The Town's elected Council members serves as the governing board of the CRA.

The CRA has presented its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

The information contained in this MD&A is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the footnotes and required supplementary information provided.

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$364,801 (*net position*).
- The CRA's total net position increased by \$130,251 in fiscal year 2024.
- The CRA's intergovernmental revenues increased 40% in fiscal year 2023-2024 compared to fiscal year 2022-2023 due to an increase in property taxes.

Overview of the Financial Statements

The CRA's financial statements are comprised of the 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements themselves.

Government-wide financial statements

The CRA's government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to private-sector business. In addition, the government-wide statements are prepared using the accrual basis of accounting. The Statement of Net Position presents information on the CRA's assets and liabilities, with the difference between them reported as net position.

Town of Lake Clarke Shores Community Redevelopment Agency Management Discussion and Analysis

The Statement of Activities (operating statement) presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in revenues are reported as soon as underlying events giving rise to the change occur regardless of the timing of related cash flows. The expenses are reported as incurred. Therefore, revenue and expenses for some items will only result in cash inflows/outflows in future fiscal periods.

Fund financial statements

The governmental fund financial statements provide readers with an overview of each fund and its related function in a traditional format. A fund is a grouping of related accounts that maintain control over resources that are segregated for specific activities or objectives. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements, and it is therefore useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The CRA adopts an annual appropriated budget. Budgetary comparison schedules provided demonstrate compliance with the budget and provides an analysis of significant budgetary variances (both original budget versus the final amended budget, if applicable).

Notes to the financial statements

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

Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a CRA's financial position. In the case of the CRA, assets exceeded liabilities by \$364,801 at the close of the most recent fiscal year.

Town of Lake Clarke Shores Community Redevelopment Agency Management Discussion and Analysis

The following table reflects the condensed statement of net position:

Statement of Net Position					
	Governmental Activities		Increase (Decrease)		
	2024	2023	Amount	Percent	
ASSETS					
Current and other assets	\$ 367,642	\$ 234,550	\$ 133,092	57%	
Total assets	367,642	234,550	133,092	57%	
Liabilities					
Current liabilities	2,841	-	2,841	-	
Total liabilities	2,841	-	2,841	-	
NET POSITION					
Restricted for:					
Community Redevelopment Agency	364,801	234,550	130,251	56%	
Total net position	\$ 364,801	\$ 234,550	\$ 130,251	56%	

The CRA's total net position increased by \$130,251.

Town of Lake Clarke Shores Community Redevelopment Agency Management Discussion and Analysis

Statement of Activities

The following table reflects the Statement of Activities for the current and prior year:

	Changes in Net Position		Increase (Decrease)	
	Governmental Activities 2024	2023	Amount	Percent
Revenues				
Program revenue:				
Investment earnings	\$ 13,387	\$ 1,987	\$ 11,400	574%
General revenue:				
Property taxes	147,296	105,046	42,250	40%
Total revenues	160,683	107,033	53,650	50%
Expenditures				
Community development	30,432	30,451	(19)	0%
Total expenditures	30,432	30,451	(19)	0%
excess of revenues over expenditures	130,251	76,582	53,669	70%
Net change in fund balance	130,251	76,582	53,669	70%
Fund balance, beginning of year	234,550	157,968	76,582	48%
Fund balance, end of year	\$ 364,801	\$ 234,550	\$ 130,251	56%

Financial Analysis of Governmental Funds

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The CRA's intergovernmental revenues increased 40% in fiscal year 2023-2024 compared to fiscal year 2022-2023 due to an increase in property taxes. Expenditures remained consistent in fiscal year 2023-2024 compared to fiscal year 2022-2023.

Governmental fund. The focus of the CRA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of an agency's net resources available for spending at the end of the fiscal year.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the CRA and were considered in developing the 2024-2025 fiscal year budget.

- The Town of Lake Clarke Shores Community Redevelopment Agency land area consists of 53.4 acres.

Town of Lake Clarke Shores Community Redevelopment Agency Management Discussion and Analysis

- During fiscal year 2024, taxable values in the project area increased by 9.99%.
- The millage rate for the Town of Lake Clarke Shores used in the calculation of the tax increment payment to the CRA was 6.1000 for fiscal year 2023–2024. The millage rate for Palm Beach County used in the calculation of the tax increment payment to the CRA was 4.5000. The millage rate for the Town of Lake Clarke Shores is 5.9950 for fiscal year 2024-2025. The millage rate for Palm Beach County is 4.5000 for fiscal year 2024-2025.

All of these factors were considered in preparing the Town’s budget for the fiscal year ending September 30, 2025.

Requests for Information

This financial report is designed to provide a general overview of the CRA’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Lake Clarke Shores, Attention: Emilie Pearson, Deputy Town Manager, 1701 Barbados Road, Lake Clarke Shores, Florida, 33406.

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Town of Lake Clarke Shores Community Redevelopment Agency
Statement of Net Position

<i>September 30, 2024</i>	Governmental Activities
<hr/>	
Assets	
Cash and cash equivalents	\$ 261,139
Investments	106,503
Total assets	\$ 367,642
<hr/>	
Liabilities	
Accounts Payable	\$ 2,841
Total Liabilities	2,841
Net position	
Restricted for:	
Community Redevelopment Agency	364,801
Total net position	\$ 364,801

The accompanying notes are an integral part of this financial statement.

**Town of Lake Clarke Shores Community Redevelopment Agency
Statement of Activities**

For the year ended September 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Community development	\$ 30,432	\$ -	\$ 13,387	\$ -	\$ (17,045)
Total governmental activities	\$ 30,432	\$ -	\$ 13,387	\$ -	\$ (17,045)

General revenues:

Property taxes	147,296
Total general revenues	147,296
Change in net position	130,251
Net position, beginning of year	234,550
Net position, end of year	\$ 364,801

The accompanying notes are an integral part of this financial statement.

**Town of Lake Clarke Shores Community Redevelopment Agency
Balance Sheet – Governmental Fund**

	Community Redevelopment Agency
<i>September 30, 2024</i>	
<hr/>	
Assets	
Cash and cash equivalents	\$ 261,139
Investments	106,503
Total assets	\$ 367,642
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Fund balance	
Liabilities	\$ 2,841
<hr/>	
Fund balance	
Restricted	364,801
Total fund balance	364,801
Total liabilities and fund balance	\$ 367,642
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The accompanying notes are an integral part of this financial statement.

**Town of Lake Clarke Shores Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Fund**

	Community Redevelopment Agency
<i>For the year ended September 30, 2024</i>	
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Revenues	
Property taxes	\$ 147,296
Investment earnings	13,387
Total revenues	160,683
<hr/>	
Expenditures	
Community development	30,432
Total expenditures	30,432
Excess of revenues over expenditures	130,251
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Net change in fund balance	130,251
Fund balance, beginning of year	234,550
Fund balance, end of year	\$ 364,801
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The accompanying notes are an integral part of this financial statement.

Town of Lake Clarke Shores Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Lake Clarke Shores Community Redevelopment Agency (the “Agency”), a component unit of the Town of Lake Clarke Shores, Florida (the “Town” and “Primary Government”), was created to promote the rehabilitation, conservation and/or redevelopment of the Community Redevelopment Area (the “Area”). The Agency was established by the Town of Lake Clarke Shores, Florida Town Council (“Town Council”) via Ordinance 2016-03 in July 2016. The Agency is a legal entity, separate, distinct, and independent of the Town. The Agency is governed by a board comprised of five commissioners, all of whom also serve as members of the Town Council. The Agency does not exercise control over other governmental agencies or authorities.

Revenue sources for the Agency consist primarily of Town and County increment financing from property taxes and grants. Any bond issue authorizations are approved by the Town Council and the legal liability for the general obligation portion of the Agency’s debt remains with the primary government.

The accompanying financial statements present only the operations of the Agency and are not intended to present the financial position and results of the Town of Lake Clarke Shores, Florida. Complete financial statements for the Town of Lake Clarke Shores, Florida may be obtained at the Town’s administrative offices located at:

1701 Barbados Road
Lake Clarke Shores, Florida 33406.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Agency. *Governmental Activities* are those which normally are supported by taxes and investment earnings.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements report information at a higher level of detail, focusing on separate reporting of individual major funds, rather than consolidating financial data into the broad category of governmental activities.

Town of Lake Clarke Shores Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The financial transactions of the Agency are reported in an individual fund within the Town's accounting system. The fund is accounted for by providing a separate, self-balancing set of accounts comprised of the assets, liabilities, reserves, fund equity, revenues and expenditures of the fund. For purposes of this report, the Agency's fund is classified as a major governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financed purchases are reported as other financing sources.

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

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund. Separate financial statements are provided for the governmental fund.

Town of Lake Clarke Shores Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The fund financial statements provide information about the Agency's fund. The emphasis of fund financial statements is on the major governmental fund.

The Agency reports the following major governmental fund:

The Town of Lake Clarke Shores Community Redevelopment Agency Fund ("Community Redevelopment") is used to account for tax increment revenues derived from taxable real property within the geographic boundaries of the community redevelopment area to finance development within that area.

Budgetary Information

The Agency has elected, as permitted by Section 2400: Budgetary Reporting of the GASB Codification, to disclose all budgetary information in the notes to the required supplementary information.

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

Cash and Cash Equivalents

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Deposits available within various funds of the Primary Government were consolidated for investment purposes. Substantially all deposits of the Primary Government at September 30, 2024, were invested using the pooled investment concept. Interest earned was allocated monthly to the Agency based on its month ending cash and investment balances in proportion to the Primary Government.

Investments for the Agency are reported at fair value (generally based on quoted market prices) except for certificates of deposit which are stated at cost; and the Agency's positions in the Florida Municipal Investment Trust (FMVIT), which are local government investment pools that meet all of the specified criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the Town's position in the pool is equal to the value of the pooled shares.

Capital Assets

The Agency's investments in capital assets are transferred to the Town, as the Agency's enabling legislation and Plan do not facilitate the care, maintenance, and ownership of capital assets. This investment in capital assets includes land, buildings, improvements, and infrastructure in designated areas of the Town which have been specifically identified for redevelopment initiatives.

Town of Lake Clarke Shores Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between the Agency and the Primary Government for goods provided or services rendered.

Interfund transactions (transactions between the Agency and the Primary Government) are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers.

Categories and Classification of Net Position and Fund Balance

Net position flow assumption – Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions - Sometimes the Agency will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Agency itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Town of Lake Clarke Shores Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Revenues and Expenditures/Expenses

Property taxes– The Agency receives, from the Town of Lake Clarke Shores and Palm Beach County, a portion of the property taxes collected by each within the 53-acre Agency project area. These tax increment financing (TIF) payments are established under Section 163.357, Florida Statutes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued, April 23, 2025 and determined there were no events that occurred that required disclosure.

Town of Lake Clarke Shores Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

The Agency implemented the following standards during the current year.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting the beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in the accounting principle or error corrections should be presented in the required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 20, 2024, and all reporting periods thereafter. There were no significant impacts of implementing this Statement.

Town of Lake Clarke Shores Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2024, \$250,000 of the Agency's bank balances is covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Agency pursuant to Section 280.08, Florida Statutes.

The investment program is established in accordance with the Agency's investment policy, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the Agency to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969; direct obligations of the United States Government; obligations of the different agencies of the Federal Government; registered money market funds and accounts of state qualified public depositories; repurchase agreements; and securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

The Florida Municipal Investment Trust (FMIvT). The FMIvT is a Local Government Investment Pool (LGIP) and is considered an external investment pool for reporting purposes. The Agency owns shares in one or more FMIvT portfolios. The Agency's investments are the FMIvT portfolios, not the individual securities held within each FMIvT portfolio. The fair value of the Agency's position in the pool is equal to the value of the pooled shares or net asset value.

Town of Lake Clarke Shores Community Redevelopment Agency Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Agency's access to 100 percent of their account value in the external investment pool.

Deposits available within the Town's various funds were consolidated for investment purposes. Interest earned was allocated monthly to the Agency based on its month ending cash and investment balances in proportion to the Primary Government.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution, a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the Agency places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Agency's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months.

Credit risk – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The Agency's investment policy and the investment policy for the Town, limit investments to securities with specific ranking criteria.

Foreign currency risk – The Agency's investments are not exposed to foreign currency risk and the Agency's investment policy does not address foreign currency risk.

Concentration risk – Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The Agency's investment policy does not address concentration risk.

**Town of Lake Clarke Shores Community Redevelopment Agency
Notes to Financial Statements**

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

At September 30, 2024, the Agency had the following investments:

Investment type	Fair Value	Weighted Average to Maturity (WAM)	Rating	Agency
Florida Municipal Investment Trust	\$ 106,503	4.4 years	AAAf	Fitch
Total investments excluded from fair value hierarchy	\$ 106,503			

Governmental Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Agency is bound to observe constraints imposed upon the use of the resources in the governmental funds. The Agency has \$364,801 in restricted fund balance at September 30, 2024.

Note 3: RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town purchases separate commercial insurance coverage for workers' compensation, liability, and property damage that covers the Agency. Coverage for workers' compensation and automobile claims are limited to the maximum liability exposure the Town faces under Florida statutes. The Agency had no settled claims in excess of insurance coverage during the last three fiscal years.

Note 4: CONTINGENCIES

During the ordinary course of its operation, the Agency is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Agency, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Agency or results of activities.

**Town of Lake Clarke Shores Community Redevelopment Agency
Budgetary Comparison Schedule**

<i>For the year ended September 30, 2024</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 150,234	\$ 150,234	\$ 147,296	\$ (2,938)
Investment earnings	250	250	13,387	13,137
Total revenues	150,484	150,484	160,683	10,199
Expenditures				
Department:				
Community Development	150,484	150,484	30,432	120,052
Total expenditures	150,484	150,484	30,432	120,052
Deficiency of revenues under expenditures	-	-	130,251	130,251
Other financing sources				
Transfers out	(110,000)	(110,000)	-	110,000
Net other financing sources	(110,000)	(110,000)	-	110,000
Net change in fund balances	(110,000)	(110,000)	130,251	240,251
Fund balances, beginning of year	234,550	234,550	234,550	-
Fund balances, end of year	\$ 124,550	\$ 124,550	\$ 364,801	\$ 240,251

The accompanying notes to the required supplementary information are an integral part of this schedule

Town Of Lake Clarke Shores Community Redevelopment Agency Budgetary Notes To Required Supplementary Information

NOTE 1: BUDGETARY INFORMATION

The Agency adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- a) Prior to the first day of August of each year, the Agency manager prepares a proposed budget for the next succeeding fiscal year and submits it to the council. The recommended budget includes proposed expenditures and the sources of receipts to finance them.
- b) Complete copies of the proposed budget are made available for public inspection. Public hearings are conducted to obtain taxpayers' comments.
- c) The budget is enacted through passage of an ordinance and becomes the basis for the millage levied by the council.
- d) The Agency manager is authorized to transfer budgeted amounts of the Agency's General Fund between line items within a department within \$2,500; however, any revisions that alter the total expenditures of any department must be approved by the council. Expenditures may not exceed legal appropriations at the department level. All appropriations lapse at year end.
- e) Formal budgetary integration is employed as a management control device, during the year, for the General Fund and all major, special revenue funds (if any).
- f) Budgets are legally adopted on a basis consistent with GAAP except for transfers, debt service, capital outlay, and certain intragovernment amounts.
- g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

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

Honorable Mayor and Members of the Town Council
Town of Lake Clarke Shores Community Redevelopment Agency

We have audited, 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, the financial statements of the Town of Lake Clarke Shores Community Redevelopment Agency, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Lake Clarke Shores Community Redevelopment Agency’s basic financial statements, and have issued our report thereon dated April 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Lake Clarke Shores Community Redevelopment 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 Town of Lake Clarke Shores Community Redevelopment Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Lake Clarke Shores Community Redevelopment 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 or significant deficiencies may exist that were not identified.

Honorable Mayor and Members of the Town Council
Town of Lake Clarke Shores Community Redevelopment Agency
Page Two

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Lake Clarke Shores Community Redevelopment Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 23, 2025



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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Mayor and Members of Town Council
Town of Lake Clarke Shores Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Town of Lake Clarke Shores Community Redevelopment Agency, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 23, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Reports on the examination conducted in accordance with *AICPA Professional Standards* and AT-C section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 23, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. No recommendations were made in the preceding 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 legal authority for the Town of Lake Clarke Shores Community Redevelopment Agency is disclosed in the footnotes. The Town of Lake Clarke Shores Community Redevelopment Agency has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town of Lake Clarke Shores Community Redevelopment Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the Town of Lake Clarke Shores Community Redevelopment 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 Town of Lake Clarke Shores Community Redevelopment Agency. It is management's responsibility to monitor the Town of Lake Clarke Shores Community Redevelopment Agency's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Specific Information (UNAUDITED)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Town of Lake Clarke Shores Community Redevelopment Agency reported below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Town of Lake Clarke Shores Community Redevelopment Agency reported:

- | | |
|---|----------------|
| a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as | None |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as | None |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. | None |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. | None |
| e. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes: | Page 24 |

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Town of Lake Clarke Shores Community Redevelopment Agency reported:

- a. The millage rate or rates imposed by the Town on the Agency's behalf. 6.1000
The millage rate or rates imposed by the County. 4.5000

- b. The total amount of ad valorem taxes collected on behalf of the Agency. \$ 61,488
The total amount of ad valorem taxes collected the County on behalf of the Agency. \$ 85,808

- c. The total amount of outstanding bonds issued by the Town on behalf of the Agency and the terms of such bonds as None

Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, Rules of the Auditor General, does not need to be presented since the Town of Lake Clark Shores Community Redevelopment Agency did not impose any special assessments.

Property Assessed Clean Energy (PACE) (Unaudited) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Agency did not operate a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the Agency's geographical boundaries during the fiscal year under audit.

Additional Matters

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

Purpose of this Letter

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

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida
April 23, 2025

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INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 163.387 (7) AND SECTION 163.387(8), FLORIDA STATUTES

To the Honorable Mayor and Members of Town Council
Town of Lake Clarke Shores Community Redevelopment Agency

We have examined the Town of Lake Clarke Shores Community Redevelopment Agency’s (the “Agency”) compliance with the requirements of Section 163.387(7) and Section 163.387(), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2024. Management is responsible for the Agency’s compliance with the specified requirements. Our responsibility is to express an opinion on the Agency’s compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Agency complied with the requirements of Section 163.387(7) and Section 163.387(8), Florida Statutes, *Redevelopment Trust Fund*, for the year ended September 30, 2024, in all material respects, except as outlined above.

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

April 23, 2025



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

To the Honorable Mayor and Members of Town Council
Town of Lake Clarke Shores, Florida

We have examined the Town of Lake Clarke Shores Community Redevelopment Agency’s (the “Agency”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2024. Management is responsible for the Agency’s compliance with the specified requirements. Our responsibility is to express an opinion on the Agency’s compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Agency complied with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2024, in all material respects.

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 23, 2025