

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

Basic Financial Statements
For the Year Ended September 30, 2021



Dania Beach Community Redevelopment Agency

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Dania Beach Community Redevelopment Agency
Dania Beach, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Agency, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

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

Other Reports Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2022, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



KEEFE MCCULLOUGH

Fort Lauderdale, Florida
May 4, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



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

Financial Highlights

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

- The Agency's total assets exceeded its liabilities at September 30, 2021 by \$ 1,632,784 (net position).
- The governmental activities revenue totaled \$ 1,034,527 primarily resulting from \$ 638,960 in operating and capital grants.
- Net transfers in from the City of Dania Beach (the "primary government") were \$ 1,650,137 for the current year compared to \$ 1,197,450 in the prior year.
- At the end of the year, the Agency reported a fund balance of \$ 1,614,680, an increase of \$ 823,631 from the previous fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

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

The statement of net position presents financial information of all of the Agency's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. The change in net position over time may be an indicator of whether the Agency's financial health is improving or deteriorating.

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 7 and 8 of this report.

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

**Dania Beach Community Redevelopment Agency
Management’s Discussion and Analysis (Unaudited)
September 30, 2021**

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

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

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

Notes to the financial statements: The notes to the financial statements provide additional information essential to a complete understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 23 of this report.

Government-wide Overall Financial Analysis

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

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

Dania Beach Community Redevelopment Agency Net Position		
	2021	2020
Current assets	\$ 1,668,294	\$ 854,741
Capital assets	18,104	20,367
Total assets	1,686,398	875,108
Long-term liabilities outstanding	-	589,420
Other liabilities	53,614	63,692
Total liabilities	53,614	653,112
Net position:		
Net investment in capital assets	18,104	20,367
Restricted	37,700	37,700
Unrestricted	1,576,980	163,929
Total net position	\$ 1,632,784	\$ 221,996

**Dania Beach Community Redevelopment Agency
Management’s Discussion and Analysis (Unaudited)
September 30, 2021**

Governmental Activities: Governmental activities for the year ended September 30, 2021 increased the Agency’s net position by \$ 1,410,788, as reflected in the table below:

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 5,846	\$ 15,241
Grants	638,960	67,098
General revenues:		
Investment earnings	1,250	71,740
Miscellaneous	388,471	7,273
Total revenues	<u>1,034,527</u>	<u>161,352</u>
Expenses:		
Community redevelopment	<u>1,273,876</u>	<u>1,290,555</u>
Total expenses	<u>1,273,876</u>	<u>1,290,555</u>
Excess before transfers	(239,349)	(1,129,203)
Transfers (net)	<u>1,650,137</u>	<u>1,197,450</u>
Change in net position	1,410,788	68,247
Net Position, Beginning of Year	<u>221,996</u>	<u>153,749</u>
Net Position, End of Year	<u>\$ 1,632,784</u>	<u>\$ 221,996</u>

Capital Assets

The Agency’s investment in capital assets, less accumulated depreciation, for its governmental activities as of September 30, 2021 amount to \$ 18,104, which consists of furniture, fixtures and equipment.

Agency Budgetary Highlights

Revenues were \$ 121,753 less than the final budget projections. This was due to lot sales that did not occur. Expenditures were \$ 1,624,148 less than the final budget projections. This can be attributed to various redevelopment initiatives which were budgeted but did not occur.

Economic Factors and Next Year’s Budgets

The City's Community Redevelopment Agency continues its initiatives to pursue economic development opportunities in support of its goals and objectives. The Agency does not receive tax increment financing (TIF) and is funded nearly entirely by transfer from the City's General Fund. In lieu of a TIF, Broward County provides support through other mechanisms, including loans and grants. Previously, the Agency received a five-year interest free loan from the County of over \$ 5 million tied to certain development goals. The funds were used for construction of a four-level parking garage adjacent to City Hall and the County Library in the downtown “City Center” area. As the Agency and City have met development goals over time, nearly all of this loan has been converted to a grant and the remaining \$ 539k has been forgiven as of September 30, 2021. Additionally, the County awarded the Agency a \$ 1 million grant for public improvements at the Soleste residential project on the corner of Federal Highway and Dania Beach Boulevard.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 100 West Dania Beach Boulevard, Dania Beach, FL 33004.

FINANCIAL STATEMENTS



Dania Beach Community Redevelopment Agency
Statement of Net Position
September 30, 2021

	Governmental Activities
Assets:	
Cash, cash equivalents and investments	\$ 1,606,552
Receivables, net:	
Customer/other, net	13,500
Due from other government agencies	10,542
Property held for sale	37,700
Capital assets:	
Depreciable (net of accumulated depreciation)	<u>18,104</u>
Total assets	<u>1,686,398</u>
Liabilities:	
Accounts payable and accrued liabilities	51,853
Due to primary government	1,686
Deposits	<u>75</u>
Total liabilities	<u>53,614</u>
Net Position:	
Net investment in capital assets	18,104
Restricted for:	
Property for sale	37,700
Unrestricted	<u>1,576,980</u>
Total net position	<u>\$ 1,632,784</u>

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

Dania Beach Community Redevelopment Agency
Statement of Activities
For the Year Ended September 30, 2021

Functions/Programs:	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Governmental activities:					
Economic environment	\$ <u>1,273,876</u>	\$ <u>5,846</u>	\$ <u>100,000</u>	\$ <u>538,960</u>	\$ <u>(629,070)</u>
Total primary government	\$ <u>1,273,876</u>	\$ <u>5,846</u>	\$ <u>100,000</u>	\$ <u>538,960</u>	<u>(629,070)</u>
General revenues:					
Investment earnings					1,250
Miscellaneous					388,471
Net transfers from primary government					<u>1,650,137</u>
Total general revenues and transfers					<u>2,039,858</u>
Change in net position					1,410,788
Net position - October 1					<u>221,996</u>
Net position - September 30					\$ <u><u>1,632,784</u></u>

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

Dania Beach Community Redevelopment Agency
Balance Sheet - Governmental Fund
September 30, 2021

Assets:

Cash, cash equivalents and investments	\$ 1,606,552
Receivables, net:	
Customer/other, net	13,500
Due from other government agencies	10,542
Property held for sale	<u>37,700</u>
Total assets	<u>\$ 1,668,294</u>

Liabilities:

Accounts payable and accrued liabilities	\$ 51,853
Due to primary government	1,686
Deposits	<u>75</u>
Total liabilities	<u>53,614</u>

Fund Balances:

Restricted for:	
Property held for sale	37,700
Committed for:	
Community redevelopment	<u>1,576,980</u>
Total fund balance	<u>1,614,680</u>
Total liabilities and fund balance	<u>\$ 1,668,294</u>

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

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

Fund Balance - Total Governmental Fund \$ 1,614,680

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

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

Governmental capital assets	\$ 22,630	
Less: accumulated depreciation	<u>(4,526)</u>	<u>18,104</u>

Net Position of Governmental Activities \$ 1,632,784

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

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

Revenues:	
Grants	\$ 100,000
Investment earnings	1,250
Charges for services	5,846
Miscellaneous	<u>388,471</u>
Total revenues	<u>495,567</u>
Expenditures:	
Community redevelopment	<u>1,322,073</u>
Total expenditures	<u>1,322,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(826,506)</u>
Other Financing Sources (Uses):	
Transfers in	2,022,424
Transfers out	<u>(372,287)</u>
Total other financing sources (uses)	<u>1,650,137</u>
Net change in fund balance	823,631
Fund Balance - October 1	<u>791,049</u>
Fund Balance - September 30	<u>\$ <u>1,614,680</u></u>

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

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

Net Change In Fund Balance - Total Governmental Fund	\$ 823,631
<p>Amount reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>	
Current year provision for depreciation	(2,263)
Forgiveness of debt	538,960
<p>Certain items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Change in compensated absences	<u>50,460</u>
Change in Net Position of Governmental Activities	\$ <u><u>1,410,788</u></u>

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

Note 1 - The Financial Reporting Entity

The Dania Beach Community Redevelopment Agency (the "Agency") located in Broward County, Florida, was established after the Board of County Commissioners of Broward County (the "Board"), adopted Resolution No. 2002-275 on March 19, 2002 and subsequently resolution 2002-423 in which a 525 acre area within the City was designated as a limited authority Agency, which acknowledged that a slum or blighted area exists in a geographic area as described by the City of Dania Beach (the "City"), in its finding of necessity for redevelopment in accordance with the provisions of Part III of Chapter 163, Florida Statutes (the "Act") as amended. In 2004 the Agency entered into an interlocal agreement with Broward County which, subjected the Agency to the requirement of the County's Redevelopment Capital Program. The Agency Trust Fund was then legally established under City Ordinance 2006-017 in accordance with Florida Statutes Section 163.387 to allow the Agency to partake in the Redevelopment Capital Program. Pursuant to the Resolution, the Board delegated to the City Commission the authority to exercise the redevelopment power conferred upon the Board within the Redevelopment Area in accordance with the Act, to enable the City Commission to declare the need to create and delegate power to the Agency. The County does not provide any funding to the Agency which is funded entirely through Non-Ad Valorem Appropriations. In 2008, the Agency area was expanded by a further 824 acres under Resolution 2008-185 of the City Commission and subsequently incorporated into the inter-local agreement with the County due to the existence of an additional blighted area. The Dania Beach Commission acts as the Agency Executive Board and is governed and operated under the rules and procedures of the City Commission.

As defined by generally accepted accounting principles, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the application of these criteria, the Agency was evaluated and determined to be a component unit of the City of Dania Beach, Florida. Although it is legally separate from the City, the Agency's sole purpose is to finance and redevelop the City's designated redevelopment areas and is considered evidence of the City's obligation to provide continuing financial support to the Agency. Consequently, the Agency is reported in the City of Dania Beach's financial statements using the blended method.

Additionally, as a result of evaluating the above criteria, management has determined that no units exist for which the Agency is financially accountable and which would require their inclusion in the Agency's basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

Financial Statements - Fund Financial Statements: The fund financial statements provide information about the Agency's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Agency has one major governmental fund:

Community Redevelopment Agency Fund - To account for proceeds and disbursements associated with the acquisition of property or establishment of community development programs within the designated redevelopment area.

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

The Agency follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Each year the Agency Manager submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following October 1.
- b. Two public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of a resolution and adopted by the Board of Commissioners.
- d. The budget is adopted on a basis consistent with generally accepted accounting principles.

Deposits and Investments: Cash and cash equivalents are considered to be demand deposits, money market accounts and other short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the Agency are generally carried at estimated fair value, which is based on quoted market prices and other pricing models. Unrealized gains and losses in estimated fair value are recognized.

Due to/from primary government: During the course of operations, transactions occur which result in amounts owed to a particular fund by another fund at the primary government, other than for goods provided or services rendered. These amounts are due within a year.

Capital assets: Capital assets, which include furniture, fixtures and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one. All assets are depreciated using the straight-line method of depreciation. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at acquisition value at the date of acquisition.

The cost of normal maintenance and repair that does not add to the value of the asset or materially extend asset life is not capitalized. The estimated useful lives of the Agency's capital assets are as follows:

Furniture, fixtures, and equipment	3-10 years
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Note 2 - Summary of Significant Accounting Policies (continued)

Net position/fund balance: Net position in the government-wide is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is the difference between the cost of capital assets, less accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets plus unspent debt proceeds.

Restricted consists of net position with constraints placed on their use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted indicates that portion of net position that is available to fund future operations. When both restricted and unrestricted resources are available for use, it is the Agency's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

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

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Agency classifies prepaid items and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.

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

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Agency Board of Commissioners (the "Board"). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

Assigned: This classification includes amounts that are constrained by the Agency's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the Agency Manager through the budgetary process. This classification also includes the remaining positive fund balance for all of the Agency's governmental funds.

The Agency would typically use restricted fund balances first, followed by committed fund balances, and then assigned fund balances.

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

Use of estimates: The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Date of management review: Subsequent events have been evaluated by management through May 4, 2022, which is the date the financial statements were available to be issued.

Note 3 - Deposits and Investments

Deposits: GASB Statement No. 40, *Deposit and Investment Risk Disclosures* requires governments to disclose deposits and investments exposed to custodial credit risk. For deposits, this is the risk that, in the event of the failure of a depository financial institution, a government may not be able to recover deposits nor be able to recover collateral securities that are in the possession of an outside party.

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

At September 30, 2021, the carrying amount of the Agency's deposits was \$ 918,073.

Investments: As of September 30, 2021, the carrying value of the Agency's cash, cash equivalents and investments, was as follows:

	<u>Cash</u>	<u>Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
Cash, cash equivalents and investments	\$ 918,073	\$ 318,806	\$ 369,673	\$ 1,606,552

Note 3 - Deposits and Investments (continued)

As of September 30, 2021, the Agency’s investment maturities and credit ratings were as follows:

	Market Value	Investment Maturities (in years)		S&P Credit Rating
		Less than 1	Greater than 1	
FLCLASS	\$ 208,483	\$ 208,483	\$ -	AAAm
Florida Prime	161,190	161,190	-	AAAm
	<u>\$ 369,673</u>	<u>\$ 369,673</u>	<u>\$ -</u>	

The Agency's investment policy follows the guidance defined in Florida Statutes Chapter 218.415. The parameters defined in the statutes attempt to promote the maximization of net investment earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed. The Agency is authorized to invest in obligations of the United States Treasury, its agencies, instrumentalities, and the Local Government Surplus Funds Trust Fund administered by the State Board of Administration.

The Agency invests surplus funds in the Local Government Surplus Funds Trust Fund ("Florida PRIME"). Florida PRIME is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7-like pool. The Agency’s investment in the Florida PRIME is reported at amortized cost in accordance with GASB 79 "Certain External Investment Pools and Pool Participants." As a result, the Florida PRIME investment is exempt from GASB 72 fair value hierarchy disclosures. As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Agency's daily access to 100 percent of the account value.

The Agency also invests surplus funds in the Florida Cooperative Liquid Assets Securities System ("FLCLASS"). FLCLASS which is an independent local government investment pool supervised by a Board of Trustees comprised of eligible Participants of the FLCLASS program. The Agency’s investment in the FLCLASS is reported at amortized cost, as a result, the FLCLASS investments are exempt from GASB 72 fair value hierarchy disclosures as of September 30, 2021.

Interest rate risk: The dollar weighted average days to maturity (WAM) of Florida PRIME and FLCLASS at September 30, 2021 is 49 and 47 days, respectively. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME and FLCLASS at September 30, 2021, is 64 and 84 days, respectively.

Credit risk: The Agency’s investment policy limits risk by restricting authorized investments to the following: Florida Local Government Surplus Funds (SBA), direct obligations of the United States or its agencies and instrumentalities, interest bearing time deposits or savings accounts, repurchase agreements, commercial paper, bankers’ acceptances, state and/or local government taxable and/or tax-exempt debt, mutual funds and intergovernmental investment pools.

Note 3 - Deposits and Investments (continued)

Credit risk: The Agency's investment policy mitigates credit risk by limiting investments to the safest types of securities by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the Agency will do business. Further, the policy diversifies the investment portfolio so that potential losses on individual securities will be minimized. In addition, Florida state law limits investments in bonds, stocks or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, unless the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service.

Foreign currency risk: Florida PRIME and FLCLASS were not exposed to any foreign currency risk during the fiscal year ending September 30, 2021.

Note 4 - Deposits and Withdrawals

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

Sources of deposits:	
Grants	\$ 100,000
Miscellaneous	388,471
Charges for services	5,846
Investment earnings	1,250
Transfers in	<u>2,022,424</u>
Total sources	<u>\$ 2,517,991</u>
Purpose of withdrawals:	
Administrative	\$ 604,659
Professional services	274,110
Operations	109,971
Miscellaneous	333,333
Transfers out	<u>372,287</u>
Total withdrawals	<u>\$ 1,694,360</u>

Dania Beach Community Redevelopment Agency
Notes to Financial Statements
September 30, 2021

Note 5 - Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Furniture, fixtures and equipment	\$ 22,630	\$ -	\$ -	\$ 22,630
Total capital assets, being depreciated	<u>22,630</u>	<u>-</u>	<u>-</u>	<u>22,630</u>
Less accumulated depreciation for:				
Furniture, fixtures and equipment	(2,263)	(2,263)	-	(4,526)
Total accumulated depreciation	<u>(2,263)</u>	<u>(2,263)</u>	<u>-</u>	<u>(4,526)</u>
Total capital assets, being depreciated, net	<u>20,367</u>	<u>(2,263)</u>	<u>-</u>	<u>18,104</u>
Governmental activities capital assets, net	\$ <u>20,367</u>	\$ <u>(2,263)</u>	\$ <u>-</u>	\$ <u>18,104</u>

Provision for depreciation was charged to functions as follows:

Governmental Activities:	
Community redevelopment	\$ <u>2,263</u>

Note 6 - Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the Agency for the year ended September 30, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Note payable	\$ 538,960	\$ -	\$ (538,960)	\$ -	\$ -
Compensated absences	50,460	-	(50,460)	-	-
Total long-term liabilities	<u>\$ 589,420</u>	<u>\$ -</u>	<u>\$ (589,420)</u>	<u>\$ -</u>	<u>\$ -</u>

Note 6 - Long-Term Liabilities (continued)

Notes Payable - On February 21, 2006, the Agency and the City entered in to an interlocal agreement with Broward County to fund specific projects totaling \$ 6,345,866 which was amended in March 2011 for an amount not to exceed \$ 6,038,899. Between March 2009 and September 2013, the Agency and the City entered into various loan agreements with the County under the interlocal agreement to borrow \$ 5,343,024 for eligible projects under the County Redevelopment Capital Program. The Agency received the first draw in March 2009 in the amount of \$ 2,334,200 for the purchase of Land Parcel 109. The Agency received its second draw in the amount of \$ 2,730,909 in September 2010 toward the construction of the Parking Garage Facility on Parcel 109. The loan was held to conditions requiring the Agency to complete the project within five years of the first draw and to demonstrate a net increase in the tax base of the Community Redevelopment Area. If the conditions are met the note is forgiven using a predetermined schedule. If the conditions are not met the note will be payable to the County over a fifteen-year period commencing at the end of the initial five-year interest free period (March 2019) with interest at the Municipal Market Data (MMD) "A" revenue bond rate in effect at the time repayment begins. As of September 30, 2021, the above conditions were met, and have formally been indicated as such by the County. The outstanding balance of \$ 538,960 was formally forgiven by the County during fiscal year 2021.

Note 7 - 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 and natural disasters for which the Agency carries property and liability insurance. The Agency has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded the insurance coverage for any of the last three years.

Note 8 - Transfers In/Out

Transfers in of \$ 2,022,424 represent contributions from the primary government. Transfers out of \$ 372,287 represent amounts paid by the Agency to the primary government for various administrative services provided by the primary government.

Note 9 - Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by vendors in the next year were as follows:

	<u>Amount Encumbered</u>
Community Redevelopment Agency Fund	\$ <u><u>8,638</u></u>

Note 10 - Risks and Uncertainties

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

REQUIRED SUPPLEMENTARY INFORMATION

Dania Beach Community Redevelopment Agency
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Grants	\$ 13,000	\$ 13,000	\$ 100,000	\$ 87,000
Investment earnings	-	-	1,250	1,250
Charges for services	-	-	5,846	5,846
Miscellaneous	585,820	604,320	388,471	(215,849)
Total revenues	<u>598,820</u>	<u>617,320</u>	<u>495,567</u>	<u>(121,753)</u>
Expenditures:				
Community redevelopment	<u>2,744,854</u>	<u>2,946,221</u>	<u>1,322,073</u>	<u>1,624,148</u>
Total expenditures	<u>2,744,854</u>	<u>2,946,221</u>	<u>1,322,073</u>	<u>1,624,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,146,034)</u>	<u>(2,328,901)</u>	<u>(826,506)</u>	<u>1,502,395</u>
Other Financing Sources (Uses):				
Appropriations of prior year reserves	495,897	678,764	-	(678,764)
Transfers in	2,022,424	2,022,424	2,022,424	-
Transfers out	<u>(372,287)</u>	<u>(372,287)</u>	<u>(372,287)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,146,034</u>	<u>2,328,901</u>	<u>1,650,137</u>	<u>(678,764)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 823,631</u>	<u>\$ 823,631</u>

INTERNAL CONTROLS AND COMPLIANCE

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

To the Board of Commissioners
Dania Beach Community Redevelopment Agency
Dania 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 major fund of the Dania Beach Community Redevelopment Agency (the "Agency") as of and for the year ended September 30, 2021, and the related notes to the financial statements which collectively comprise the Agency's basic financial statements and have issued our report thereon dated May 4, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
May 4, 2022

INDEPENDENT AUDITOR'S REPORT TO AGENCY MANAGEMENT

To the Board of Commissioners
Dania Beach Community Redevelopment Agency
Dania Beach, Florida

Report on Financial Statements

We have audited the financial statements of the Dania Beach Community Redevelopment Agency (a component unit of the City of Dania Beach, Florida) (the "Agency"), as of and for the year ended September 30, 2021, and have issued our report thereon dated May 4, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315 and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund*, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 4, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and 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. Dania Beach Community Redevelopment Agency (a component unit of the City of Dania Beach, Florida) was established as authorized in Florida Statute, Chapter 163, Part III, as amended. Dania Beach Community Redevelopment Agency was authorized under Resolution No. 2002-275.

Financial Condition

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

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

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Agency is required to report certain specific information, as the Agency is a dependent special district of the City of Dania Beach, Florida. This information can be found in the City of Dania, Florida's Annual Comprehensive Financial Report for the year ended September 30, 2021.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Commissioners 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
May 4, 2022

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

To the Board of Commissioners
Dania Beach Community Redevelopment Agency
Dania Beach, Florida

We have examined Dania Beach Community Redevelopment Agency (a component unit of the City of Dania 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, 2021. Management is responsible for the Agency's compliance with the specific requirements. Our responsibility is to express an opinion on the Agency's compliance with the specific requirements based on our examination.

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

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

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

This report is intended solely for the information and use of the State of Florida Auditor General, the Board of Commissioners 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
May 4, 2022