

**DANIA BEACH COMMUNITY
REDEVELOPMENT AGENCY**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended September 30, 2020

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Chair and Members of the Board of
The Dania Beach Community Redevelopment Agency

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Dania Beach Community Redevelopment Agency (the 'Agency') as of and for the year ended September 30, 2020, 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; 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 each major fund of the Dania Beach Community Redevelopment Agency as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–9 and 27–28 respectively 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2021, on our consideration of the 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 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 Agency's internal control over financial reporting and compliance.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

June 14, 2021

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020

As management of the Dania Beach Community Redevelopment Agency (CRA), we offer readers this overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2020. The CRA's financial statements are designed to provide readers with easy to understand information and analysis of the CRA's financial activities based on currently known facts, decisions and conditions. This section is specifically designed to assist the reader in focusing on significant financial issues, changes in the CRA's financial position, and material deviations from the approved budget, and also to identify issues and concerns. We encourage the reader to consider the information presented here in conjunction with the information provided in the letter of transmittal which can be found at the beginning of this report.

Financial Highlights

The following are highlights of financial activity for the fiscal year ended September 30, 2020:

- The CRA's total assets exceeded liabilities at the close of fiscal year 2020 by approximately \$222k (net position), reflecting an increase of \$68k over the prior year. Total unrestricted net position increased to \$164k and is available for spending at the CRA's discretion. Although the CRA's total net position increased, general revenues decreased by approximately \$210k due to a reduction in investment earnings and miscellaneous revenues.
- At the close of fiscal year 2020, the CRA reported an ending fund balance of \$791k. This balance represents a slight increase of \$16k from the prior year. Fund balance of the CRA is planned for future economic and business development uses.

The CRA reported a negative operating balance for budgetary purposes of approximately \$1.2m for fiscal year 2020, because it relies primarily from funding by the City. Revenue sources were \$167k reflecting a negative variance of \$141k from the budget plan, primarily due to the Covid-19 pandemic which curtailed many revenue producing activities including Dania After Dark and the Arts and Seafood Festival. Expenditures for the year were \$1.3m before transfers and other financing sources, reflecting a positive variance of approximately \$916k from the budget plan, again due to the Covid-19 pandemic. The CRA does not receive tax increment financing (TIF); instead, it receives most of its funding from the City of Dania Beach (City) for its operating needs, as well as capital purchases, debt repayments, and allocation of administrative costs supporting CRA programs. The CRA completed the fiscal year with a net positive variance after transfers of \$16k compared with the budget plan.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2020

	Government-Wide Statements	Governmental Funds Statements
Scope	Entire CRA	Specific activities of the CRA
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon after, no capital assets included

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The focus of the government-wide financial statements is on the overall financial position and activities of the CRA. Reporting is similar to that of a private-sector business. The CRA's government-wide financial statements include the statement of net position and the statement of activities.

The Statement of Net Position provides information on the assets held and liabilities owed by the CRA. Assets and liabilities are reported using the accrual basis of accounting, meaning assets are recorded when the City acquires ownership, and liabilities are reported when they are incurred, regardless of when cash is received or paid. The difference between the CRA's total assets and total liabilities is net position. This statement combines and consolidates the entity's current financial resources (short-term spendable resources) with capital assets and long-term financial obligations.

The Statement of Activities focuses on both the gross and net cost of various activities. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and the local taxing effort necessary to sustain each of those activities. The operations of the CRA are principally supported by the City.

These two statements report net position and the changes in net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

FUND FINANCIAL STATEMENTS

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

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

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020

governmental funds is reconciled on the page following the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

The CRA Board adopts the annual appropriated budget for the Community Redevelopment Agency. Budgetary comparison schedules have been provided to demonstrate compliance with the annually adopted budget.

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following schedule is a summary of the fiscal year 2020 Statement of Net Position with comparative information for fiscal year 2019. The following schedule presents net position, defined as the difference between the CRA's assets and liabilities, as a way to measure the CRA's financial health or position:

	Governmental Activities	
	2020	2019
Current and other assets	\$ 854,741	\$ 813,390
Capital assets	20,367	-
Total assets	875,108	813,390
Current liabilities	63,692	38,875
Long term liabilities:		
Due in less than one year	49,027	50,884
Due in more than one year	540,393	569,882
Total liabilities	653,112	659,641
Net position:		
Net investment in		
Capital assets	20,367	-
Restricted	37,700	37,700
Unrestricted	163,929	116,049
Total net position	\$ 221,996	\$ 153,749

The overall financial position of the CRA increased by \$68k to 222k during fiscal year 2020 compared to 2019. Unrestricted net position increased by \$48k. A change in net position over time is a good and useful indicator of financial position. Key elements of the reconciliation of the statements are that the government-wide statement of activities reports the issuance of debt as a liability, the purchases of capital assets as assets, which are then charged to expense over their useful lives through annual depreciation charges and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental fund statements report the issuance of debt as an other financing source of funds, the repayment of debt and the purchase of capital assets as expenditures, and changes in long-term liabilities are not reported in the fund financial statements.

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020

The CRA's capital assets are 9% of total net position. Capital assets include only equipment purchased in the current year, as there were no capital assets reported in prior fiscal years. The CRA uses capital assets to provide basic services to residents and foster a vibrant business climate.

The combined total unrestricted net position may be used to meet the CRA's ongoing obligations to its stakeholders and creditors. The CRA is able to report positive balances in all three categories of net position.

CHANGES IN NET POSITION

The following schedule is a summary of the fiscal year 2020 Statement of Activities compared to 2019.

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 15,241	\$ -
Grants	67,098	2,037,249
General revenues:		
Miscellaneous	71,740	276,093
Investment earnings	7,273	16,409
Total revenues	161,352	2,329,751
Expenses:		
General government	1,290,555	1,505,786
Total expenses	1,290,555	1,505,786
Increase (decrease) in net position before transfers	(1,129,203)	823,965
Transfers	1,197,450	1,157,927
Increase (decrease) in net position	68,247	1,981,892
Net position, beginning of year	153,749	(1,828,143)
Net position, end of year	\$ 221,996	\$ 153,749

GOVERNMENTAL ACTIVITIES

Governmental activities decreased the CRA's net position by a total of \$2m for the fiscal year, before transfers. Governmental revenues decreased by \$2.2m from the prior year, primarily due to a loan-to-grant conversion in FY2019 (described in further detail in Note 5 of the Notes to the Financial Statements) that significantly increased revenue that year, as well as a reduction in investment earnings and miscellaneous revenues in FY2020. Expenses decreased by a total of \$215k from the prior year. The CRA additionally supports a community garden which generated \$91k in revenues and \$223k in expenditures during fiscal year 2020 and \$314k and \$214k, respectively in 2019.

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DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020

FINANCIAL ANALYSIS OF THE CRA

The CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Community Redevelopment Agency Fund

The focus of the CRA fund 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 a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2020, the CRA fund reported an ending fund balance of \$0.8m, an increase of \$16k in comparison with the prior year. Approximately 95.2% or \$753k of the ending balance is unassigned, and available for spending at the CRA's discretion, with \$37k assigned by CRA management for properties held for sale.

Below is the analysis of the fund balance for fiscal year 2020:

	CRA Fund
Fund balances, September 30, 2019	\$ 774,515
Revenues	167,055
Expenditures	(1,347,971)
Other financing sources (uses)	1,197,450
Total Fund balance, September 30, 2020	791,049
Restricted	(37,700)
Unassigned fund balance	\$ 753,349

Revenues

The amount of CRA revenue by type, their percent of the total and the amount of change compared to the last three fiscal years are shown in the following schedule:

	Current Year 9/30/2020	1 year ago 9/30/2019	2 years ago 9/30/2018	3 years ago 9/30/2017	Change Over Past 3 Years	Change Percent
CRA Fund Revenues:						
Grants	67,098	64,091	28,111			
Interest	7,273	16,409	10,771	19,032	(11,759)	(61.79)%
Miscellaneous	92,684	276,093	115,156	95,115	(2,431)	(2.56)%
Total revenues	\$ 167,055	\$ 356,593	\$ 125,927	\$ 114,147	\$ (14,190)	(12.43)%

Expenditures

CRA Fund expenditures, their percent of the total and the amount of change compared to the last three fiscal years are shown in the following schedule:

	Current Year 9/30/2020	1 year ago 9/30/2019	2 years ago 9/30/2018	3 years ago 9/30/2017	Change Over Past 3 Years	Change Percent
CRA Fund Expenditures:						
General government	1,347,971	1,537,132	1,004,531	1,066,572	281,399	26.38%
Total expenditures	\$ 1,347,971	\$ 1,537,132	\$ 1,004,531	\$ 1,066,572	\$ 281,399	26.38%

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2020

BUDGET INFORMATION

The CRA Board approves the original budget (adopted budget) in September prior to the beginning of the fiscal year. The final budget (amended budget) reflects divisional changes made administratively and approved by the CRA Executive Director, prior year encumbrances and departmental changes and supplemental appropriations approved by the CRA Board during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The CRA total capital assets as of September 30, 2020 amount to just over \$20k (net of accumulated depreciation), representing an increase from last year's balance. The CRA's investment in capital assets includes only equipment purchased in the current year, as there were no assets recognized in FY2019:

Capital Assets (Net of Depreciation)

	Governmental Activities	
	2020	2019
Equipment	20,367	-
	\$ 20,367	\$ -

Additional information on the CRA's capital assets can be found in the Note 4 of the Notes to the Financial Statements.

Long-Term Debt

As of September 30, 2020, the CRA had a total outstanding debt of approximately \$539k excluding compensated absences. This debt consists of a note payable. The CRA's debt total decreased by a net amount of \$41k during 2020 due to the regular pay down of existing debt:

	Governmental Activities	
	2020	2019
Notes payable	538,960	580,418
Compensated absences	50,460	40,348
	\$ 589,420	\$ 620,766

Additional information on the CRA's debt and other long-term liabilities can be found in the Note 5 of the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Community Redevelopment Agency will continue its successful initiatives to pursue economic development opportunities, including development of affordable housing, revitalization and stabilization of our neighborhoods business support, expansion, and attraction, energizing our business corridors, community events, and generally improving the quality of life of residents and the success of businesses.

Since the CRA does not receive tax increment financing, it relies on financial support from the City to provide program funding and administrative/operational expenses. Broward County also provides support through other mechanisms, such as loans and grants. The CRA received a five-year interest free loan from the County of over \$5 million tied to specific projects. 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.

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020

As the CRA and City have met development goals over time, much of this loan has been converted to a grant and CRA achievements (growth of the ad valorem tax base) are being evaluated to qualify for the conversion of the remaining \$539k balance. Additionally, the County recently awarded the CRA a \$1 million grant to assist with the cost of constructing a permanent public-space amenity associated with a mixed-use project. The CRA's sustainable urban farm, The PATCH, receives grant support from organizations that promote the production of healthy food, such as the U.S. Department of Agriculture (USDA) and Urban Health Partnerships (UHP).

The CRA is undertaking a new objective, generally described as wealth creation for our residents and businesses. At the heart of this initiative is the creation of an Innovation Ecosystem. The Ecosystem will have a range of resources to support entrepreneurs and early-stage ventures, including education, location & events, mentorship, incubation & acceleration, funding, and talent.



The CRA has already formalized collaborative agreements with key partner agencies to begin the creation of our Ecosystem, including: Florida International University (FIU), the U.S. Department of Energy - Mission-To-Market (M2M) program, Broward SCORE, the Broward Alliance of Entrepreneur Resource Organizations (AERO), Broward County Public Schools (BCPS) - Broward Technical Colleges, and the National Development Council (NDC). The first courses of the Dania Beach Business Academy will be offered during the summer of 2021 – the “Education” component of our Ecosystem.

CONTACTING THE CRA'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the CRA's finances and to demonstrate the CRA's accountability. Questions concerning any information provided in this report or requests for additional information should be addressed to the Finance Department, 100 West Dania Beach Boulevard, Dania Beach, FL 33004.

BASIC FINANCIAL STATEMENTS

These basic financial statements provide a summary overview of financial position of all funds and the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that follow in the next section.

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DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION
September 30, 2020

	Governmental Activities
ASSETS:	
Cash, cash equivalents and investments	\$ 792,999
Receivables:	
Franchise, utility and other taxes	13,500
Due from other governmental agencies	10,542
Property held for resale	37,700
Capital assets being depreciated, net	20,367
Total assets	875,108
LIABILITIES:	
Due to the City of Dania Beach	2,024
Accounts payable and accrued liabilities	61,593
Deposits	75
Non-current liabilities:	
Due within one year:	
Compensated absences	7,569
Current portion of long-term debt	41,458
Due in more than one year:	
Compensated absences	42,891
Long-term debt	497,502
Total liabilities	653,112
NET POSITION:	
Net investment in capital assets	20,367
Restricted:	
Property held for sale	37,700
Unrestricted	163,929
Total net position	\$ 221,996

See Notes to the Basic Financial Statements.

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
Year Ended September 30, 2020

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities
Primary government:				
Community redevelopment	\$ 1,271,017	\$ 15,241	\$ 67,098	\$ (1,188,678)
Interest on long-term debt	19,538	-	-	(19,538)
Total governmental activities	<u>\$ 1,290,555</u>	<u>\$ 15,241</u>	<u>\$ 67,098</u>	<u>\$ (1,208,216)</u>
General revenues:				
Unrestricted investment earnings				7,273
Miscellaneous				71,740
Transfers				<u>1,197,450</u>
Total general revenues and transfers				<u>1,276,463</u>
Change in net position				68,247
Net position - beginning				<u>153,749</u>
Net position - ending				<u>\$ 221,996</u>

See Notes to the Basic Financial Statements.

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

	<u>Total Governmental Funds</u>
ASSETS:	
Current assets	
Cash, cash equivalents and investments	\$ 792,999
Receivables, net:	
Customer / other, net	13,500
Due from other governmental agencies	10,542
Property held for sale	37,700
Total assets	<u>\$ 854,741</u>
LIABILITIES AND FUND BALANCES:	
Liabilities	
Accounts payable and accrued liabilities	\$ 61,593
Due to the City of Dania Beach	2,024
Deposits	75
Total liabilities	<u>63,692</u>
Fund balance	
Restricted:	
Property held for sale	37,700
Unassigned	753,349
Total fund balance	<u>791,049</u>
Total liabilities and fund balance	<u>\$ 854,741</u>

See Notes to the Basic Financial Statements.

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2020

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	791,049
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		20,367
Long-term liabilities are not due and payable in the current period and therefore, are not reported at the fund level		
Long-term debt	(538,960)	
Compensated absences	(50,460)	(589,420)
	(589,420)	(589,420)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	221,996

See Notes to the Basic Financial Statements.

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	<u>Total Governmental Funds</u>
REVENUES	
Investment earnings	\$ 7,273
Grants	67,098
Miscellaneous	92,684
Total revenues	<u>167,055</u>
EXPENDITURES	
Current:	
Community redevelopment	1,286,975
Debt service:	
Principal	41,458
Interest	19,538
Total expenditures	<u>1,347,971</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(1,180,916)</u>
OTHER FINANCING SOURCES (USES):	
Transfers in	1,546,884
Transfers out	<u>(349,434)</u>
Total other financing sources (uses)	<u>1,197,450</u>
Net Change in Fund Balance	16,534
FUND BALANCE	
BEGINNING OF YEAR	<u>774,515</u>
FUND BALANCE	
END OF YEAR	<u>\$ 791,049</u>

See Notes to the Basic Financial Statements.

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	16,534
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.		22,630
Provision for depreciation on governmental capital assets is included in the governmental activities in the statement of net position.		(2,263)
Principal payments on long-term debt are reported as expenditures in governmental funds, but as a reduction of long-term liabilities in the statement of net position.		41,458
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:		
Change in compensated absences		(10,112)

Change in net position - Governmental Activities	\$	68,247

See Notes to the Basic Financial Statements.

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 1 – ORGANIZATION AND OPERATIONS

The Dania Beach Community Redevelopment Agency (the "CRA") 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 CRA, 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 CRA entered into an interlocal agreement with Broward County which, subjected the CRA to the requirement of the County's Redevelopment Capital Program. The CRA Trust Fund was then legally established under City Ordinance 2006-017 in accordance with Florida Statutes Section 163.387 to allow the CRA 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 CRA. The County does not provide any funding to the CRA which is funded entirely through Non-Ad Valorem Appropriations. In 2008, the CRA 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 CRA Executive Board and is governed and operated under the rules and procedures of the City Commission.

The financial statements of the CRA have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity:

The financial statements were prepared in accordance with government accounting standards which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of the financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations 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. In evaluating the CRA as a reporting entity, management has addressed all potential component units for which the CRA may or may not be financially accountable and, as such, be includable within the CRA's financial statements. The CRA is financially accountable for a component unit if it appoints a voting majority of the organization's board, and it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits, or impose specific financial burdens on the CRA. No such component units were determined to exist.

Governmental-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 non-fiduciary activities of the CRA. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. 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 fines and forfeitures and 2) grants and contributions that are restricted to meeting the operational or capital requirements of

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a particular function or segment. Taxes (if any) and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds,

Measurement focus, basis of accounting, and financial statement presentation:

Measurement focus is commonly used to describe the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

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 revenues as soon as all eligibility requirements imposed by the provider have been met.

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. "Measurable" means the amount of the transaction can be determined. 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 CRA considers receivables collected within 60 days after the year-end to be available and recognizes them as revenues of the current year. 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.

Intergovernmental revenues and investment earnings 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. In applying the susceptible to accrual concept to intergovernmental revenues, recognition occurs when all eligibility requirements are met. All other revenue items are considered to be measurable and available only when the CRA receives cash. Miscellaneous revenues consist of donations from developers and food sales from the CRA's Vegetable "Patch."

Other considerations for financial statement presentation:

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is CRA's policy to use restricted resources first, and then unrestricted resources as needed.

Assets, liabilities and net position or fund balance:

1. Deposits and investments:

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

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-term investments, except the State Board Investment Pool and the Florida Cooperative Liquid Assets Securities System Investment Pool (FLCLASS) are reported at cost, which approximates fair value. The State Board Investment Pool is recorded at the value of the pool shares (2A-7 Pool), which is fair value.

The nature of the CRA's investments is governed by the provisions of Florida Statutes Section 218. Under this statute, authorized investments are limited, unless otherwise authorized by law or ordinance, to the Local Government Surplus Funds Trust Fund, money market funds, direct or unconditionally guaranteed obligations of the United States Government, obligations of certain government agencies, interest bearing time deposits or savings accounts.

2. Receivables and payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds.

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

3. Restricted assets:

Certain assets of the CRA have been classified as restricted because their use is wholly restricted by certain grant agreements.

4. Capital assets:

Capital assets, which include land, buildings and improvements, furniture, fixtures and equipment, construction in progress, infrastructure (e.g. roads, bridges, sidewalks, and similar items) and utility systems are reported in the applicable governmental or business-type activities columns of the government-wide financial statements. The CRA defines capital assets as those with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. For infrastructure assets, the CRA defines capital assets with an initial cost of more than \$10,000 and an estimated useful life in excess of five years. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets, including works of art and similar items, and capital assets received through a concession arrangement are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as those projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Capital assets of the CRA are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	10 - 40 years
Infrastructure	20 - 30 years
Utility system	5 - 50 years
Furniture, fixtures, and equipment	3 - 10 years

5. Compensated absences:

It is the CRA's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. An employee may, either on an annual basis or upon termination, redeem a portion of these unused benefits. Vacation and sick pay benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported and recorded in governmental funds only if

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

they have matured; for example, as a result of employee resignation or retirement. When the liability is liquidated, it is expended in the fund.

6. Long-term obligations:

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

7. Equity classification:

Government-Wide

Equity is classified as Net Position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by:
 - 1) External groups such as creditors, grantors, contributors or laws or regulations of other governments, or
 - 2) Law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Equity

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to observe constraints imposed upon the use of resources reported in governmental funds. The classifications used in the governmental fund financial statements are as follows:

- a. 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 converted to cash (such as inventories and prepaid amounts) and items such as the long-term portion of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) or a permanent fund is an example of an amount that is legally or contractually required to be nonspendable.
- b. 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.
- c. Committed: This classification includes amounts that can be used only for the specific purposes pursuant to constraints imposed by the CRA Board usually through a resolution or ordinance, which are equally binding as the highest decision-making authority. The action may only be undone by the CRA Board in the same manner.
- d. Assigned: This classification includes amounts that have been identified by the CRA Board that should be assigned for a specific purpose or as required by certain funding sources. The CRA Treasurer, at the direction

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

of the CRA Board, is authorized to assign fund balances. The CRA Board may also assign fund balance. Assignments are generally temporary and no formal action is required to remove the assignment.

e. Unassigned: This classification includes the residual fund balance for the CRA. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the CRA. In other funds (if any) the unassigned classification should only be used to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The CRA spends restricted balances first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit doing this, such as grant agreements requiring matching spending. Additionally, the CRA would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

8. Deferred inflows and outflows of resources:

Governmental Funds report deferred inflows (below total liabilities) in connection with resources that have been received, but not yet earned. Deferred inflows at the government-wide level arise only when the CRA receives resources before it has a legal claim to them.

The statement of net position includes a separate section, listed below "Total Assets", for deferred outflow of resources. This represents the expenses of net position applicable to future periods and will not be recognized as expenditures until the future period to which it applies. The CRA does not report any deferred inflows or outflows at this time.

9. Use of estimates:

The preparation of financial statements in conformity with United States Generally Accepted Accounting Principles (US GAAP) requires that management make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosures of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. All such estimates are based on management's knowledge of current events and actions it may undertake in the future, and they may ultimately differ from actual results.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits:

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or 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.

Investments:

The CRA'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.

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS (continued)

The CRA is authorized to invest in obligations of the United States Treasury, its agencies, instrumentalities and the Local Government Surplus Funds Trust Fund administered by the State Board of Administration.

The CRA 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 CRA'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, 2020 there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the CRA's daily access to 100 percent of the account value.

The CRA also invests surplus funds in the Florida 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.

GASB 72 requires governments to disclose the fair value hierarchy for each type of asset or liability measured at fair value in the notes to the financial statements. The standard also requires that the CRA disclose a description of the valuation techniques used in the fair value measurement and any significant changes in valuation techniques. GASB 72 establishes a three-tier hierarchy:

- Level 1 Inputs** – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs** – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.
- Level 3 Inputs** – unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

As of September 30, 2020, the CRA had the following investments and maturities:

	Amortized Cost	Investment Maturities (in years)
		Less than 1
Florida PRIME	\$ 149,677	\$ 149,677
FLCLASS	164,156	164,156

Interest rate risk

The dollar weighted average days to maturity (WAM) of Florida PRIME and FLCLASS at September 30, 2020 is 48 and 51 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, 2020, is 63 and 82 days, respectively.

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS (continued)

Credit risk

The CRA'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 CRA 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. The Florida PRIME and FLCLASS funds are rated AAAM by Standard and Poor's Global Ratings.

Foreign Currency Risk

Florida PRIME, FLCLASS or FMIvT were not exposed to any foreign currency risk during the period October 1, 2019 through September 30, 2020.

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DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	Balance, Beginning of Year	Additions	Decreases	Balance, End of Year
Governmental Activities:				
Capital assets, being depreciated:				
Furniture, fixtures, and equipment	\$ -	\$ 22,630	\$ -	\$ 22,630
Total capital assets, being depreciated	-	22,630	-	22,630
<u>Less accumulated depreciation for:</u>				
Furniture, fixtures, and equipment	-	(2,263)	-	(2,263)
Total accumulated depreciation	-	(2,263)	-	(2,263)
Total capital assets, being depreciated, net	-	20,367	-	20,367
Governmental activities capital assets, net	\$ -	\$ 20,367	\$ -	\$ 20,367

Depreciation expense for the year ended September 30, 2020 was charged to functions/programs of the primary government as follows:

Community Redevelopment \$2,263

NOTE 5 – LONG-TERM DEBT

The following is a summary of changes in long-term debt of the CRA for governmental activities for the year ended September 30, 2020:

	Balance, Beginning of Year	Additions	Decreases	Balance, End of Year	Due Within One Year
Governmental Activities					
Notes payable	\$ 580,418	\$ -	\$ (41,458)	\$ 538,960	\$ 41,458
Total	580,418	-	(41,458)	538,960	41,458
Other liabilities:					
Compensated absences	40,348	10,112	-	50,460	7,569
Total long-term debt and liabilities	\$ 620,766	\$ 10,112	\$ (41,458)	\$ 589,420	\$ 49,027

DANIA BEACH COMMUNITY DEVELOPMENT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended September 30, 2020

NOTE 5 – LONG-TERM DEBT (continued)

Notes Payable - Governmental Funds

On February 21, 2006, the CRA 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 City and the CRA 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 CRA received the first draw in March 2009 in the amount of \$2,334,200 for the purchase of Land Parcel 109. The CRA 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 CRA 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, 2020, a portion of the above conditions were met, and have formally been indicated as such by the County. The remaining balance outstanding as of September 30, 2020 was \$538,960. The remaining principal of the debt will continue to be repaid until formal forgiveness has been granted in the same manner as the above.

Annual debt service requirements for the note payable is as follows:

Fiscal Year Ending September 30:	Principal	Interest	Total
2021	\$ 41,458	\$ 18,142	\$ 59,600
2022	41,458	16,746	58,204
2023	41,458	15,351	56,809
2024	41,458	13,955	55,413
2025	41,458	12,560	54,018
2026-2030	207,292	41,866	249,158
2031-2033	124,378	8,373	132,751
	\$ 538,960	\$ 126,993	\$ 665,953

NOTE 6 - TRANSFERS IN AND (OUT)

All transfers in and out of the CRA are between the City of Dania Beach.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Encumbrances

The CRA had \$95,600 of encumbered funds as of September 30, 2020.

NOTE 8 – CORONAVIRUS PANDEMIC

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and spread around the world, with resulting business and social disruption. On January 30, 2020 the coronavirus subsequently known as Covid-19 was declared a "Public Health Emergency of International Concern" by the World Health Organization. Congress subsequently passed the Coronavirus Aid, Relief and Economic Security Act (CARES Act) which was signed in to law on March 27, 2020. The CRA has not benefitted directly from this funding but the City had received \$199,743 to date, which was submitted through Broward County. The City is also expected to receive an estimated \$16.2m from the American Rescue Plan also signed in law in March 2021. This is expected to benefit the CRA indirectly through various infrastructure projects.

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2020

	Original	Final	Actual	Variance
REVENUES				
Investment earnings (loss)	\$ 16,500	\$ 16,500	\$ 7,273	\$ (9,227)
Intergovernmental	-	-	67,098	67,098
Miscellaneous	292,000	292,000	92,684	(199,316)
Total revenues	<u>308,500</u>	<u>308,500</u>	<u>167,055</u>	<u>(141,445)</u>
EXPENDITURES				
Community redevelopment	2,010,950	2,264,236	1,286,975	977,261
Principal	-	-	41,458	(41,458)
Interest	-	-	19,538	(19,538)
Total expenditures	<u>2,010,950</u>	<u>2,264,236</u>	<u>1,347,971</u>	<u>916,265</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,702,450)</u>	<u>(1,955,736)</u>	<u>(1,180,916)</u>	<u>774,820</u>
OTHER FINANCING SOURCES (USES):				
Appropriations of prior year reserves	505,000	758,286	-	(758,286)
Transfers in	1,546,884	1,546,884	1,546,884	-
Transfers out	(349,434)	(349,434)	(349,434)	-
Total other financing sources (uses)	<u>1,702,450</u>	<u>1,955,736</u>	<u>1,197,450</u>	<u>(758,286)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,534</u>	<u>\$ 16,534</u>

DANIA BEACH COMMUNITY REDEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2020

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

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

- (a) The Executive Director of the CRA submits to the CRA Executive Board (the Board) a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) Prior to October 1, the annual budget is legally adopted through passage of a resolution.
- (d) The Board, by motion may make supplemental appropriations to the budget. During the year ended September 30, 2020 there were \$115k in supplemental appropriations for expenditures which represented the rollover of encumbrances and funds from the prior year. The Board also approved appropriating the remaining funds from a grant received in the prior year for \$17k.
- (e) Formal budgetary integration is employed as a management control device for the CRA.
- (f) The annual budget for the CRA is legally adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).
- (g) The Executive Director of the CRA is authorized to transfer part or all of an encumbered appropriation balance within departments within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the Board. The Classification detail at which expenditures may not legally exceed appropriations is at the departmental level.

COMPLIANCE SECTION

**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 Chair and Members of the Board of
The Dania Beach Community Redevelopment Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Dania Beach Community Redevelopment Agency (the ‘Agency’), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency’s, basic financial statements, and have issued our report thereon dated June 14, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

June 14, 2021

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Chair and Members of the Board of
The Dania Beach Community Redevelopment Agency

We have examined the Dania Beach Community Redevelopment Agency’s (the ‘Agency’) compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2020. Management is responsible for the Agency’s compliance with those requirements. Our responsibility is to express an opinion on the Agency’s compliance based on our examination.

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

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020. This report 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, management, and the Agency Board, and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

June 14, 2021

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Chair and Members of the Board of
The Dania Beach Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Dania Beach Community Redevelopment Agency (the 'Agency'), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated May 27, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 14, 2021, 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 recommendations 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. All related disclosures have been made in the notes to the financial statements.

Financial Condition and Management

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

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

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

Special District Component Units

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

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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this letter

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

June 14, 2021