



The City of
LAUDERDALE LAKES
Florida




Community
Redevelopment
Agency
Financial Report

For Fiscal Year Ended September 30, 2021



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Lauderdale Lakes, FL 33319

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A Vibrant, Connected, Diverse and Safe Community



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



We Care

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INDEPENDENT AUDITOR'S REPORT

To the Board Chair and Members of the Board of Commissioners
Lauderdale Lakes Community Redevelopment Agency
Lauderdale Lakes, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities of the Lauderdale Lakes Community Redevelopment Agency (the "Agency"), a component unit of the City of Lauderdale Lakes, Florida (the 'City'), as of and for the year ended September 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Lauderdale Lakes Community Redevelopment Agency, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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; and Chapter 10.550, Rule of the Auditor General of the State of Florida. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-11 and 40-41 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 and other auditors 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 June 17, 2022, 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 the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
June 17, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



A Vibrant, Connected, Diverse and Safe Community



Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Management's Discussion and Analysis
September 30, 2021

The City of Lauderdale Lakes Community Redevelopment Agency (the "CRA") offers readers of its financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with the financial statements.

Financial Highlights

- The CRA total assets exceeded its liabilities by \$8,613,359, reflecting an increase of \$1,421,867 mainly due to increase in tax increment financing and miscellaneous revenue.
- As of the close of fiscal year 2021, the CRA's fund reported ending fund balance of \$8,613,359. Per GASB Statement No. 54, the fund balances are classified approximately as follows: \$ - is Non-Spendable and \$ - is Restricted for spending at CRA discretion.
- The CRA's governmental activities reflected \$ 1,740,077 in expenses and \$ 3,161,944 million in revenues and transfers. The CRA's governmental revenues exceeded expenses, providing a \$2,251,089 - increase in net position balance.
- The CRA remained current with all debt obligations and received payment from the City in the amount of \$210,000 which exceeded the amount specified in forbearance agreement of \$150,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT WIDE FINANCIAL STATEMENTS

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

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

The Statement of Activities presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. An important purpose of the design of the statement of activities is to show the financial reliance of the CRA's distinct activities or functions on revenues provided by the CRA's taxpayers.

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

FUND FINANCIAL STATEMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table provides a summary of the Agency's net position for the fiscal year ended September 30, 2021.

The largest portion of the CRA's net position reflects 15% investment in capital assets (e.g.; land, building, and equipment), less any related debt used to acquire those assets that are still outstanding. Capital assets are use to provide services to citizens; and thus, they are not available for future spending. The City's investment in its capital assets is reported net of related debt. The resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The overall financial position of the CRA increased by \$2,251,089 during fiscal year 2021. Restricted Net Position increased by \$1,421,867. A change in net position over time is a good and useful indicator of financial position. Key elements of the reconciliation of the statements are that government-wide statement of activities reports the issuance of debt as a liability, the purchases of capital assets as assets, which are then charged to expenses over their useful lives through annual depreciation charges and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental fund statements report the issuance of debt as other financing source of funds, the repayment of debt and the purchase of capital assets as expenditures, and changes in long-term liabilities are not reported in the fund financial statements.

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Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Statement of Net Position
Fiscal year 2021 compared to fiscal year 2020

	Governmental Activities	
	2021	2020
Current and other assets	\$ 9,375,373	\$ 8,596,109
Capital asset (net)	1,809,905	1,682,335
Total Assets	<u>11,185,278</u>	<u>10,278,444</u>
Current and other liabilities	1,498,140	\$ 2,106,538
Long term liabilities	2,165,106	2,900,963
Total liabilities	<u>3,663,246</u>	<u>5,007,501</u>
Net Position:		
Net Investment in capital assets	(1,091,327)	(1,920,549)
Restricted	-	-
Community Redevelopment	8,613,359	7,191,492
Total net position	<u>\$ 7,522,032</u>	<u>\$ 5,270,943</u>

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

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

For the Year Ended September 30, 2021:

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

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

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

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

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

The primary governmental revenue as reflected on the Statement of Activities is comprised of property taxes, of \$3,145,728 representing nearly 100 % of revenues for the CRA.-

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**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Management's Discussion and Analysis
September 30, 2021**

The following table that appears below reflects the CRA’s revenues and expenses for fiscal year 2021 compared to fiscal year 2020, with the resulting change in net position:

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Statement of Activities
Fiscal year 2021 compared to fiscal year 2020**

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Revenues:		
General revenues:		
Property taxes and tax increments	3,145,728	2,944,473
Unrestricted:		
Investment earnings	16,216	14,443
Miscellaneous	-	35,748
Total revenues	<u>3,161,944</u>	<u>2,994,664</u>
Expenses:		
General Government	736,209	729,093
Interest on long-term debt	174,646	208,624
Total expenses	<u>910,855</u>	<u>937,717</u>
Increase in net position before transfers	2,251,089	2,056,947
Other Financing Sources:		
Sale of Asset		1,434,633
Transfers	-	<u>(157,562)</u>
Increase in net position	2,251,089	3,334,018
Net position, October 1	5,270,943	1,936,925
Net position, September 30	<u>\$ 7,522,032</u>	<u>\$ 5,270,943</u>

Governmental activity: For fiscal year 2021, there was an increase in property taxes of \$201,255 or 6.40 %, of revenues . The increase was the result to an increase in assessed valuation of property within the City. The operating millage rate for fiscal year 2021 remained the same at 8.60 mills.

CRA Budgetary Highlights

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

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

**Lauderdale Lakes Community Redevelopment Agency
 (A Component Unit of the City of Lauderdale Lakes, Florida)
 Management's Discussion and Analysis
 September 30, 2021**

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

- The final revenue budget was \$3,364,674 Differences between estimated and actual revenues totaled \$202,730. These differences were mostly attributed to less than expected revenues from miscellaneous revenues.
- Actual expenditures were less than the final budget by \$7,743,397. The differences were mostly due to the reduction in expenditures of operating and capital assets expenditures
- The CRA did not have transfers out or use of fund balance to fund its operations.

Capital Assets and Debt Administration

Capital assets: The CRA’s investment in capital assets net of accumulated depreciation amount to \$1,809,905 compared to \$1,682,335 from the previous year.

Additional information on the CRA’s capital assets can be found in Note 4 starting on page 29 of this report.

**Lauderdale Lakes Community Redevelopment Agency
 (A Component Unit of City of Lauderdale Lakes, Florida)
 Capital Assets
 Fiscal year 2021 compared to fiscal year 2020**

	Governmental Activities	
	2021	2020
Capital assets, net of depreciation:		
Land	\$ 552,725	\$ 552,725
Machinery, equipment and vehicles	37,979	43,167
Infrastructure	1,219,201	1,086,443
Total	\$ 1,809,905	\$ 1,682,335

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**Lauderdale Lakes Community Redevelopment Agency
 (A Component Unit of the City of Lauderdale Lakes, Florida)
 Management's Discussion and Analysis
 September 30, 2021**

Debt administration: Presented below is a table showing the CRA’s total outstanding debt as of the end of fiscal years 2021 compared to 2020.

Additional information on the CRA’s long-term debt can be found in Note 6 starting on page 31 of this report.

**Lauderdale Lakes Community Redevelopment Agency
 (A Component Unit of City of Lauderdale Lakes Florida)
 Outstanding Debt
 September 30, 2021**

	Governmental Activities	
	2021	2020
Long-Term debt:		
SunTrust Line of Credit	2,167,028	2,643,642
Note Payable - CRA	734,204	959,242
Total	\$ 2,901,232	\$ 3,602,884

Economic Factors and Next Year’s Budget:

2022 Budget:

The fiscal year 2022 Budget reflects no increase in the operating millage rate of \$8.60 per \$1,000 of taxable value to the residents of the City. At the adopted rate, the CRA will generate \$4,086,576 in Tax increment Financing revenue, Operating revenue of \$220,500 and Appropriation of \$8,682,166, totaling \$13,189,242 . This is an increase of more than 100% from the revenue receipts of \$3,161,944 for fiscal year 2021.

In 2021, the CRA will continue to experience relief in its financial condition due to the improving economy, re-alignment of the CRA's resources, and strategic financial management and planning. As the CRA moves forward, it endeavors to seek opportunities to leverage its resources to benefit the residents of Lauderdale Lakes. The CRA continues its focus on implementation of the community’s vision for the future and the Redevelopment Plan to improve infrastructure, roadways, canals, streets, and stormwater drainage systems.

Requests for Information

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



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BASIC FINANCIAL STATEMENTS



A Vibrant, Connected, Diverse and Safe Community



Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Statement of Net Position
For the Year Ended September 30, 2021

	Governmental Activities
Assets:	
Advance from General Fund	\$ 698,031
Prepays	4,790
Restricted cash	8,672,552
Capital assets not being depreciated	552,725
Capital assets being depreciated	1,257,180
Total assets	<u>11,185,278</u>
Deferred Outflows of Resources:	
Liabilities:	
Accounts payable and accrued liabilities	23,776
Due within one year:	
Due to other funds	738,238
Bonds and notes	736,126
Due in more than one year:	
Bonds and notes	2,165,106
Total liabilities	<u>3,663,246</u>
Deferred Inflows of Resources:	
Net Position:	
Net investment in capital assets	(1,091,327)
Restricted for:	
Restricted	8,613,359
Total net position	<u>\$ 7,522,032</u>

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

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Statement of Activities
For the Year Ended September 30, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 736,209	\$ -	\$ -	\$ -	(736,209)
Interest and fiscal charges	174,646	-	-	-	(174,646)
Total governmental activities	\$ 910,855	\$ -	\$ -	\$ -	(910,855)
General revenues:					
Property taxes and tax increments					3,145,728
Unrestricted investment earnings					16,216
Total general revenues, special items, and transfers					3,161,944
Change in net position					2,251,089
Net position - beginning					5,270,943
Net position - ending					\$ 7,522,032

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

Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Balance Sheet
Governmental Funds
For the Year Ended September 30, 2021

	Total Governmental Funds
ASSETS	
Receivables (net of allowance for collectibles):	
Advance from General Fund	698,031
Prepaid items	4,790
Restricted cash	<u>8,672,552</u>
Total assets	<u>9,375,373</u>
 LIABILITIES	
Accounts payable and accrued liabilities	21,657
Due to other funds	738,238
Other liabilities	<u>2,119</u>
Total liabilities	<u>762,014</u>
 FUND BALANCES (DEFICIT)	
Nonspendable:	
Restricted for:	
Unassigned	<u>8,613,359</u>
Total fund balances (deficits)	<u>8,613,359</u>
 Total liabilities and fund balances (deficits)	 <u>\$ 9,375,373</u>

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

**Lauderdale Lakes Community Redevelopment Agency
 (A Component Unit of the City of Lauderdale Lakes, Florida)
 Reconciliation of the Fund Balance Sheet of Governmental Funds
 To the Statement of Net Position
 For the Year Ended September 30, 2021**

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

Total fund balances of governmental funds in the balance sheet	\$ 8,613,359
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	1,973,091
Less accumulated depreciation	(163,186)

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

Bonds and notes payable	<u>(2,901,232)</u>
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Net Position of Governmental Activities	<u>\$ 7,522,032</u>
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The accompanying notes to basic financial statements are an integral part of these statements.

Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2021

	Total Governmental Funds
REVENUES	
Property taxes and tax increments	\$ 3,145,728
Investment income	16,216
Total revenues	<u>3,161,944</u>
EXPENDITURES	
Current:	
General government	799,119
Capital outlay	64,660
Debt service:	
Principal	701,652
Interest and fiscal charges	174,646
Total expenditures	<u>1,740,077</u>
Net change in fund balances	1,421,867
Fund balances - beginning	<u>7,191,492</u>
Fund balances - ending	<u>\$ 8,613,359</u>

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

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes)
Reconciliation of the Statement of Revenue, Expenditures
And Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2021**

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

Net change in fund balances - total governmental funds \$ 1,421,867

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:

Plus increases in capital assets	132,980
Less current year provision for depreciation	(5,410)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.	701,652
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Change in Net Position of Governmental Activities	\$ 2,251,089
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The accompanying notes to basic financial statements are an integral part of these statements.



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NOTES TO THE BASIC FINANCIAL STATEMENTS



A Vibrant, Connected, Diverse and Safe Community



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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Financial reporting entity

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

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

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

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

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

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

Measurement focus, basis of accounting and financial statement presentation:

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

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Notes to the Financial Statements
For the Year Ended September 30, 2021**

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuation for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2021.

State statutes permit municipalities to levy property taxes at a rate up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Commission. The Broward County Property Appraiser then incorporates the City’s millage into the total tax levy, which includes the County, the County School Board, and other agency tax requirements. The millage rate assessed by the City for the year ended September 30, 2021 was 8.6 mills (\$8.6 per \$1,000 of taxable assessed valuation). Non ad valorem special assessments for the enterprise funds are separate and distinct from the ad valorem tax levy as these amounts are assessed to recover costs associated with providing services to the residents and businesses within the City.

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

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items in the governmental fund financial statements are classified as nonspendable fund balance. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets: Capital assets - property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. The CRA defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Capital assets are depreciated using the straight line method over the following estimated useful lives:

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

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Date of management review: Subsequent events were evaluated through June 17 , 2022 which is the date the financial statements were available to be issued.

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 2 – Deposits and Investments

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

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

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

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

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

The CRA had the following Cash and Cash Equivalents as of September 30, 2021:

	Restricted Cash and Cash Equivalents
Bank of America	\$ 8,427,329
Suntrust	245,223
Equity in Pool Cash	-
	<u>\$ 8,672,552</u>

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 3 - Receivables and Payables

The Agency did not have Receivables as of September 30, 2021. The Agency reported a total of \$23,776 in payables of which \$17,836 payable to vendors for goods and services purchased and \$5,940 were payroll related liabilities. Other interfund liabilities are disclosed in noted on Note 5 - Interfund Balances, Advances and Transfer.

Note 4 – Capital Assets

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

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets not being Depreciated:				
Land	\$ 552,725	\$ -	\$ -	552,725
Total capital assets not being depreciated	552,725	-	-	552,725
Capital Assets being Depreciated:				
Machinery, Equipment and Vehicles	146,796			146,796
Infrastructure	1,140,590	132,980	-	1,273,570
Total capital assets being depreciated	1,287,386	132,980	-	1,420,366
Total capital assets	1,840,111	132,980	-	1,973,091
Less Accumulated Depreciation:				
Machinery, Equipment and Vehicles	103,629	5,188		108,817
Infrastructure	54,147	222	-	54,369
Total accumulated depreciation	157,776	5,410	-	163,186
Total capital assets being depreciated, net	1,129,610	127,570	-	1,257,180
Governmental activities capital assets, net	<u>\$ 1,682,335</u>	<u>\$ 127,570</u>	<u>\$ -</u>	<u>\$ 1,809,905</u>

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

Community Redevelopment Agency	<u>\$ 5,410</u>
Total provision for depreciation Community Redevelopment Agency	<u>\$ 5,410</u>

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Notes to the Financial Statements
For the Year Ended September 30, 2021**

Note 5 – Interfund Balances, Advances and Transfers

Interfund Balances: The composition of interfund balances at September 30, 2021, is as follows:

Due from:	Community Redevelopment Agency	Total
General Fund	738,238	738,238
	\$ 738,238	\$ 738,238

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

Advances from Community Redevelopment Agency: The General Fund was previously the recipient of funds totaling \$2,568,031 from the CRA. The City and the CRA have entered into an agreement for repayment of these funds. The agreement requires annual payments of \$150,000 beginning January 2013 through January 2025, at which time the remaining balance is due. No interest is due on the outstanding obligation. As of September 30, 2021, the remaining balance to be paid by the General Fund to the CRA was \$698,031 and is reflected as an advance in the accompanying balance sheet– governmental funds. In an effort to extinguish the debt sooner than the agreement requires, during fiscal year 2021 the City elected to paid \$210,000 to the CRA which is \$60,000 in excess of the \$150,000 required annual payment.

Interfund Transfers: There were no funds transferred in lieu of services provided by the General Fund during fiscal year ended September 30, 2021.

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 6 – Long-Term Debt

The following schedule details the CRA’s long-term liability and obligation activity for the year ended September 30, 2021:

	<u>Balance October 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2021</u>	<u>Due Within One Year</u>
Bonds and notes payable:					
SunTrust Bank Line of Credit	\$ 2,643,642		\$ 476,614	\$ 2,167,028	\$ 501,514
Notes payable - CRA	959,242	-	225,038	734,204	234,612
Total long ther Debt	<u>\$ 3,602,884</u>	<u>\$ -</u>	<u>\$ 701,652</u>	<u>\$ 2,901,232</u>	<u>\$ 736,126</u>

Notes Payable:

SunTrust Bank Line of Credit, Series 2007

The CRA previously executed a line of credit agreement with SunTrust Bank for \$10,000,000 of which a total of \$6,296,815 was drawn upon. This line of credit bears interest at 5.10% per annum with principal and interest payable semi-annually through April 2025. As of September 30, 2021 the outstanding balance on the line-of-credit was \$2,167,028.

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	501,514	109,034
2023	527,418	82,715
2024	554,659	55,920
2025	583,437	25,000
	<u>\$ 2,167,028</u>	<u>\$ 272,669</u>

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 6 – Long-Term Debt (continued)

Sun Trust Bank Line of Credit, Series 2008

The CRA previously executed a line of credit agreement with SunTrust Bank for \$3,055,000. This line of credit bears interest at 4.52% per annum with semiannual principal and interest payments through December 2024. The line of credit was established to assist with CRA's portion of the joint project with Broward County for the construction of the Library and the Educational & Cultural Center. As of September 30, 2021 the outstanding balance on the line-of-credit was \$734,204.

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	234,612	28,466
2023	244,593	18,485
2024	254,999	8,080
	<u>\$ 734,204</u>	<u>\$ 55,031</u>

As of September 30, 2021, the CRA has complied with all significant loan covenants and restrictions.

Note 7 – Risk Management

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

Note 8 – Commitments, contingencies and uncertainties

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

The CRA is not a defendant in any lawsuits.

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 9 – Florida Retirement System

General Information: As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System (“FRS”) provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature. As of September 30, 2019, the FRS and HIS Plans are closed to new employees. The City’s net pension liability is related to all participating employees prior to January 1, 1996.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

https://www.dms.myflorida.com/workforce_operations/retirement/employers/contribution_rates

Pension Plan

Plan Description: The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided: City employees hired prior to January 1, 1996; participate in one of the State of Florida Retirement System (the “FRS”) plans. The FRS was established in 1970, by consolidating several employee retirement systems. All eligible employees, as defined by the State of Florida, who were hired after 1970 and those employed prior to 1970 that elect to be enrolled, are covered by the System.

Eligible members of the Investment Plan are vested after one year of service and are directed to choose their investment product with a third party administrator selected by the Florida State Board of Administration.

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentage of annual coverage payroll, as adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. Employer contribution rates are established by state law as a percentage of payrolls. Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature.

Employees participating in the Pension Plan have their benefits computed on the basis of age, average final compensation and service credit. Benefits under the Pension Plan vest after six years of service. Employees who retire at or after age 62, with ten years of credited service, are entitled to an annual retirement benefit, payable monthly for life. A post-retirement health insurance subsidy is also provided to eligible retired employees through the FRS defined benefits retirement plan.

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 9 – Florida Retirement System (Continued)

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions: Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively, were as follows:

Regular - 8.47% and 8.28%; Special Risk Administrative Support – 35.84% and 22.73%; Senior Management Service - 27.29% and 25.57%; Elected Officers' – 49.18% and 40.91%; and DROP participants - 16.98% and 15.32%.

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 9 – Florida Retirement System (Continued)

These employer contribution rates do not include 1.66% HIS Plan subsidy and the fee of .06 for administration of FRS plan for the periods October 1, 2020 through September 30, 2022.

The City's contributions, including employee contributions, to the Pension Plan totaled \$79,386 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2021, the City reported a liability of \$ 131,450 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The City's proportion of the net pension liability was based on a projection of the City's 2020-2021 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the City's proportion was .00174%, which was a decrease from .00004% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2021, the City recognized pension expense of \$87. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 22,531	\$ -
Change in assumptions	89,945	-
Net difference between projected and actual earnings on pension plan investments	-	458,597
Change in proportion and differences between City pension plan contributions and proportionate share of contributions	23,287	25,654
City pension plan contributions Subsequent to the measurement date	13,664	-
Total	\$ 149,427	\$ 484,251

City contributions subsequent to the measurement date of \$ 13,664 met pension/OPEB liability/collective net pension/OPEB liability but before the end of the employer's contributing entity's reporting period will be recognized as a reduction of the net pension/OPEB liability or collective net pension/OPEB liability in the subsequent fiscal period rather than in the current fiscal period.

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 9 – Florida Retirement System (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Deferred Inflows (Outflows), net
2022	78,380
2023	83,616
2024	73,712
2025	79,634
2026	33,146
Total	\$ 348,488

Actuarial Assumptions - The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation

Mortality rates were based on the PUB 2010 with Projection Scale MP-2018.

The actuarial assumptions that determined the total pension liability as of June 30, 2021 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	100.00%			
Assumed Inflation - Mean			2.4%	1.2%

(1) As outlined in the Pension Plan's Investment policy

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 9 – Florida Retirement System (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 6.80 percent. The Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City’s proportion share of the net pension liability to changes in the discount rate - The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.80 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
City's proportionate share of the net pension liability for FRS	\$ 587,853	\$ 131,450	\$ (6,910)

Pension Plan Fiduciary Net Position: Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

HIS Plan:

Plan Description: The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State- administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided: For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 30 and a maximum HIS payment of \$ 150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution for the period October 1, 2020 through September 30, 2021 was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City’s contributions to the HIS Plan totaled \$10,977 for the fiscal year ended September 30, 2021.

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 9- Florida Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2021 the City reported a liability of \$ 253,027 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportionate share of the net pension liability was based on the City's 2020-2021 fiscal year contributions relative to the 2018-2020 fiscal year contributions of all participating members. At June 30, 2021, the City's proportionate share was .00206%, which was an increase from .00021% from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$16,321. In addition the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,467	\$ 106
Change in assumptions	19,882	12,125
Net difference between projected and actual earnings on pension plan investments	264	-
Change in proportion and differences between City pension plan contributions and proportionate share of contributions	12,487	32,612
City pension plan contributions Subsequent to the measurement date	2,247	-
Total	\$ 43,347	\$ 44,843

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 9 – Florida Retirement System (Continued)

Contributions made to the HIS Plan after the measurement date of the net pension /OPEB liability/collective net pension/OPEB liability but before the end of the employer;s contributing entity's reporting period will be recognized as a reduction of the net pension?OPEB liability or collective net pension/OPEB liability in the subsequent fiscal period rather than the current fiscal period.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension rexpenses as follows:

Fiscal Year Ending September 30,	Deferred Inflows (Outflows), net
2022	3,743
2023	-
Total	\$ 3,743

Actuarial Assumptions: Actuarial valuations for the HIS program are conducted biennially. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.25%, average, including

Mortality rates were based on the Generational PUB-2010 with Projection ScaLE MP-2018.

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. The municipal rate used to determine total pension liability was decreased from 2.21% to 2.16%.

Discount Rate: The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long- term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate: The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unity of the City of Lauderdale Lakes, Florida)
Notes to the Financial Statements
For the Year Ended September 30, 2021**

Note 9 – Florida Retirement System (Continued)

	<u>1% Decrease</u> <u>1.16%</u>	<u>Current</u> <u>Discount Rate</u> <u>2.16%</u>	<u>1% Increase</u> <u>3.16%</u>
City's proportionate share of the net pension liability for HIS	\$ 292,524	\$ 253,027	\$ 220,668

The Summary of FRS Pension Expense/Expenditure, Deferred Outflows /Inflows of Resources related to the City Pension and Health Insurance Subsidy is as follows:

<u>Description FRS/HIS Pension</u>	<u>Total</u>
Deferred Outflows	176,863
Deferred Inflows	529,094
Net Pension Liability	384,477
Pension Expense	16,408

Note 10 – Defined Contribution Plans

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

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

The City Commission may amend the provisions of the plans, which are held in trust for the exclusive benefit of the participants and their beneficiaries. Consequently, the City has no fiduciary responsibility and does not include the plan assets in its financial statements. For fiscal year ending September 30, 2021, the City's contributions to both plans totaled \$563,504.

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REQUIRED SUPPLEMENTARY INFORMATION



A Vibrant, Connected, Diverse and Safe Community



Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Budgetary Comparison Schedule
Community Redevelopment Agency Fund
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 3,171,648	\$ 3,145,728	\$ 3,145,728	\$ -
Investment income	500	8,946	16,216	7,270
Miscellaneous	210,000	210,000	-	(210,000)
Total revenues	<u>3,382,148</u>	<u>3,364,674</u>	<u>3,161,944</u>	<u>(202,730)</u>
EXPENDITURES				
Current:				
Economic and physical	5,505,827	6,912,180	799,119	6,113,061
Capital outlay	1,702,500	1,702,500	64,660	1,637,840
Debt service:				
Principal	701,923	701,923	701,652	271
Interest	166,871	166,871	174,646	(7,775)
Total expenditures	<u>8,077,121</u>	<u>9,483,474</u>	<u>1,740,077</u>	<u>7,743,397</u>
Excess (deficiency) of revenues over expenditures	<u>(4,694,973)</u>	<u>(6,118,800)</u>	<u>1,421,867</u>	<u>7,540,667</u>
OTHER FINANCING SOURCES:				
Transfers in (out)	(160,000)	(160,000)	-	160,000
Appropriated Fund Balance	4,854,973	6,278,800	-	(6,278,800)
Total other financing sources	<u>4,694,973</u>	<u>6,118,800</u>	<u>-</u>	<u>(6,118,800)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,421,867</u>	<u>\$ 1,421,867</u>

**Lauderdale Lakes Community Redevelopment Agency
(A Component Unit of the City of Lauderdale Lakes, Florida)
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended September 30, 2021**

Note 1 – Budgetary Information

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

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

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

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



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COMPLIANCE SECTION



We Care

A Vibrant, Connected, Diverse and Safe Community



**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 Chair and Members of the Board of Commissioner
Lauderdale Lakes Community Redevelopment Agency
Lauderdale Lakes, 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 of the Lauderdale Lakes Community Redevelopment Agency (the “Agency”), a component unit of the City of Lauderdale Lakes, Florida (the ‘City’), as of and for the year ended September 30, 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 June 17, 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) to determine the 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, and grant agreements, 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 did not disclose any 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 17, 2022

**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 Board Chair and Members of the Board of Commissioners
Lauderdale Lakes Community Redevelopment Agency
Lauderdale Lakes, Florida

We have audited the financial statements of the Lauderdale Lakes Community Redevelopment Agency (the “Agency”), a component unit of the City of Lauderdale Lakes, Florida (the “City”) as of and for the year ended September 30, 2021, and have issued our report thereon dated June 17, 2022.

Auditor’s Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards, Schedule of Findings and Questioned Costs; the Independent Accountant’s Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General, and the management letter in accordance with the rules of the Auditor General of the State of Florida. Disclosures in those reports and schedule, which are dated June 17, 2022, should be considered in conjunction with this report.

Local Government Investment Policies

We have examined the Agency’s compliance with the requirements of Section 218.415, Florida Statutes, regarding the investment of public funds and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies, during the year ended September 30, 2020. Management is responsible for Agency’s compliance with those requirements. Our responsibility is to express an opinion on the Agency’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021. This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

June 17, 2022

Management Letter

To the Board Chair and Members of the Board of Commissioners
Lauderdale Lakes Community Redevelopment Agency
Lauderdale Lakes, Florida

Report on the Financial Statements

We have audited the financial statements of the Lauderdale Lakes Community Redevelopment Agency (the “Agency”), a component unit of the City of Lauderdale Lakes, Florida (the “City”), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 17, 2022.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor’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 17, 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 financial audit report. There were no such 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. The Lauderdale Lakes Community Redevelopment Agency was established by the City of Lauderdale Lakes, Florida, who was delegated by the Broward County Board of County Commissioners, the authority to exercise the powers of the Community Redevelopments Act by a resolution that passed September 2000. The Agency does not include any component units.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Lauderdale Lakes, Florida 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 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 findings.

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

June 17, 2022



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