

LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2022



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**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
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YEAR ENDED SEPTEMBER 30, 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Lakeland Downtown Development Authority
Lakeland, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Lakeland Downtown Development Authority (Authority), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Authority, as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 Authority'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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

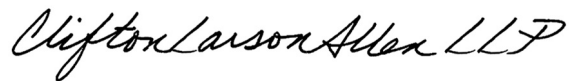
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 November 1, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
November 1, 2023

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Management of Lakeland Downtown Development Authority (the Authority) offers readers of the Authority's financial statements, the Management's Discussion and Analysis (MD&A). MD&A presents a narrative overview and analysis of the financial activities for the Authority for the fiscal year ended September 30, 2022. Readers are encouraged to read the MD&A in conjunction with the Authority's audited financial statements and other supplementary information. The analysis will provide the reader with the following information:

A brief discussion of the financial statements, including how they relate to each other and the significant differences in information they provide.

Condensed current and prior year financial information and a comparative analysis to discuss the reasons for significant changes and factors that significantly affected current year operations.

An analysis of individual fund financial information, including the reasons for significant changes in fund balances or net position.

An analysis of significant variations between original and final budget amounts and the actual budget results.

A description of currently known facts, decisions or conditions that are expected to have a significant effect on the financial position or results of operations.

Because the information contained in the MD&A is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the Authority's basic financial statements found on pages 10 through 25.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities at the close of September 30, 2022, by \$1,009,705 (net position). Of this total amount, \$881,425 (unrestricted net position) may be used to meet the Authority's ongoing obligations to taxpayers and creditors.
- The Authority's total net position increased by \$140,045.
- At the close of September 30, 2022, the Authority's general fund (governmental fund) reported an ending fund balance of \$928,600. Of this total amount, \$868,600 is available for spending at the Authority's discretion (unassigned fund balance).
- The Authority approved a millage rate of 1.8439 for the year ended September 30, 2022.

BASIC FINANCIAL STATEMENTS – AN OVERVIEW

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. These audited financial statements also contain required supplementary information in addition to the basic financial statements.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Government-Wide Financial Statements

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

The *statement of net position* presents information on all of the Authority's assets, liabilities, and deferred inflows and outflows of resources with the residual measure reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported in a manner similar to the approach used by private-sector business in that revenue is recognized when earned or established criteria are satisfied, and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the year, and expenses are reported even though they may not have used cash during the current fiscal year.

Both of the government-wide financial statements distinguish functions of the Authority 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). The governmental activities of the Authority include all of the Authority's services including its revitalization and preservation of property values and prevention of deterioration of the central business district. Ad valorem taxes provide most of the resources that support these activities.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund Financial Statements

Funds are a group of self-balancing accounts. Funds are used to account for specific activities of the Authority, rather than reporting on the Authority as a whole. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority are in one category: governmental funds.

Governmental Funds

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

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

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

The Authority only has one fund, the general fund, and it is considered a major fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The basic governmental fund financial statements can be found on pages 12 through 16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 to 25 of this report.

Additional information about the Authority, which may be of interest to the reader, is found under the Independent Auditors' Report to Management on page 28.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section presents condensed financial information from the government-wide financial statements that compares the current year to the prior year. The analysis highlights economic factors that significantly affected operating results during the year.

The following is a summary of the information presented in the statement of net position on page 9 of this report.

	<u>2022</u>	<u>2021</u>	Increase (Decrease)
ASSETS			
Total Noncapital Assets	\$ 971,657	\$ 906,025	\$ 65,632
Net Capital Assets	<u>81,105</u>	<u>7,295</u>	<u>73,810</u>
Total Assets	<u>1,052,762</u>	<u>913,320</u>	<u>139,442</u>
 LIABILITIES			
Total Liabilities, Short-Term	<u>43,057</u>	<u>43,660</u>	<u>(603)</u>
 NET POSITION			
Net Investment in Capital Assets	70,280	7,295	62,985
Restricted for Physical Environment	58,000	79,800	(21,800)
Unrestricted	<u>881,425</u>	<u>782,565</u>	<u>98,860</u>
 Total Net Position	<u><u>\$ 1,009,705</u></u>	<u><u>\$ 869,660</u></u>	<u><u>\$ 140,045</u></u>

Net position increased due to revenues exceeding expenses by \$140,045. The net increase in total assets and total net position reflects an increase in the Authority's net cash position arising from the excess of revenues over expenditures.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Six percent (6%) or \$58,000 of the net position represents resources that are subject to external restrictions on how they may be used and are reported as a restricted net position. Seven percent (7%) or \$70,280 of the net position represents net investment in capital assets.

The remaining eighty-seven (87%), or \$881,425, represents unrestricted funds which may be used to meet the Authority's ongoing obligations to taxpayers and creditors.

The following is a summary of the information presented in the Statement of Activities on page 11 of this report.

	<u>2022</u>	<u>2021</u>	Increase (Decrease)
PROGRAM REVENUES			
Farmers Curb Market	\$ 173,989	\$ 164,137	\$ 9,852
First Friday	<u>85,805</u>	<u>61,055</u>	<u>24,750</u>
Total Program Revenues	<u>259,794</u>	<u>225,192</u>	<u>34,602</u>
GENERAL REVENUES			
Property Taxes	377,052	338,046	39,006
Interest	1,072	2,038	(966)
Other Income	<u>31,972</u>	<u>2,069</u>	<u>29,903</u>
Total General Revenues	<u>410,096</u>	<u>342,153</u>	<u>67,943</u>
 Total Revenues	 669,890	 567,345	 102,545
PROGRAM EXPENSES			
Downtown Development	<u>529,845</u>	<u>514,697</u>	<u>15,148</u>
CHANGE IN NET POSITION	140,045	52,648	87,397
Net Position - Beginning of Year	<u>869,660</u>	<u>817,012</u>	<u>52,648</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,009,705</u></u>	<u><u>\$ 869,660</u></u>	<u><u>\$ 140,045</u></u>

Governmental Activities

Governmental activities' change in net position for 2022 was an increase of \$140,045 as compared to an increase of \$52,648 for the prior year. The main reasons for the increase from prior year are as follows:

- Total general revenues increased by \$67,943, representing an approximate twenty percent (20%) increase due to increases in property taxes and other income.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Financial Analysis of the Government's Funds

Governmental Funds

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

As of the end of the current fiscal year, the Authority's governmental funds (the general fund) reported ending fund balances of \$893,378, an increase of \$66,235 in comparison with the previously reported balance in the prior year. Of this total, \$868,600 for the general fund constitutes unassigned fund balance, which is available for spending at the Authority's discretion. The remainder of fund balance is nonspendable or restricted by enabling legislation or contract and can only be spent on the purposes for which it is intended.

Activity during the current fiscal year included the following key components:

- Total governmental funds revenues increased by \$67,323, due and increase in property taxes and other income.

Capital Assets and Liabilities

Capital Assets increased over prior year due to capital asset additions of \$78,723 and no disposals, net of depreciation.

Short-term liabilities are consistent with the prior year.

BUDGET VARIANCES IN THE GENERAL FUND

The variations between the original budget and the final budget are to account for the following:

An increase in Farmer's Curb Market revenue of \$43,536 due to additional vendors.

An increase in Farmer's Curb Market expenses of \$43,536 due to increase in performance.

The significant variations between final budget and actual amounts were as follows:

Marketing and Development expenses were under the budgeted amount by \$54,011 as a result of having expenses related to capital purchases being reclassified to capital outlay.

Downtown Farmers Curb Market expenses were under the budgeted amount by \$41,881 as a result of having expenses related to capital purchases being reclassified to capital outlay.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority approved a millage rate of 2.000 for the year ended September 30, 2023.

These factors were considered in preparing and amending the Authority's budget for the 2023 fiscal year and are expected to influence the Authority's fiscal year 2023 financial statements.

REQUESTS FOR INFORMATION

This report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Julie Townsend, Executive Director, Lakeland Downtown Development Authority, 117 N. Kentucky Ave., Lakeland, Florida 33801.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

ASSETS

Cash:

Unrestricted	\$ 911,657
Restricted	<u>58,000</u>
Total Cash	969,657

Other Current Assets

2,000

Capital Assets:

Furniture, Fixtures, and Equipment	99,423
Less: Accumulated Depreciation	<u>(18,318)</u>
Total Capital Assets	<u>81,105</u>

Total Assets 1,052,762

LIABILITIES

Accounts Payable and Accrued Expenses	23,073
Unearned Revenue	<u>19,984</u>
Total Liabilities	<u>43,057</u>

NET POSITION

Net Investment in Capital Assets	70,280
Restricted	58,000
Unrestricted	<u>81,425</u>
Total Net Position	<u><u>\$ 1,009,705</u></u>

See accompanying Notes to Basic Financial Statements.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022**

	Program Revenues			Net Revenue / (Expense) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Total
Governmental Activities:				
Downtown Development	\$ 529,845	\$ 259,794	\$ -	\$ (270,051)
GENERAL REVENUES				
Property Taxes				377,052
Other Income				31,972
Interest				1,072
Total General Revenues				410,096
CHANGE IN NET POSITION				
				140,045
Net Position - Beginning of Year				869,660
NET POSITION - END OF YEAR				
				\$ 1,009,705

See accompanying Notes to Basic Financial Statements.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>General Fund</u>
ASSETS	
CASH	
Unrestricted	\$ 911,657
Restricted	58,000
Total Cash	<u>969,657</u>
OTHER ASSETS	<u>2,000</u>
Total Assets	<u><u>\$ 971,657</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 23,073
Unearned Revenue	19,984
Total Liabilities	<u>43,057</u>
FUND BALANCE	
Nonspendable	2,000
Restricted:	
Arts on the Park	58,000
Unassigned	868,600
Total Fund Balance	<u>928,600</u>
Total Liabilities and Fund Balance	<u><u>\$ 971,657</u></u>

See accompanying Notes to Basic Financial Statements.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Total Fund Balance - Governmental Funds \$ 928,600

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

Capital assets used in governmental activities are not financial resources and
therefore are not reported in the fund financial statements.

81,105

Total Net Position - Governmental Activities

\$ 1,009,705

See accompanying Notes to Basic Financial Statements.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>General Fund</u>
REVENUES	
Property Taxes	\$ 377,052
Other Income	31,972
Interest	1,072
Downtown Farmers Curb Market	173,989
First Friday	85,805
Total Revenues	669,890
EXPENDITURES	
Downtown Development:	
Salaries and Benefits	145,005
Travel, Conferences, and Meetings	2,077
Tax Collector	8,791
Property Appraiser	5,116
Insurance	500
Building Lease and Utilities	24,870
Accounting and Legal	15,045
Marketing and Development	85,364
Telephone	1,704
Computer Services	3,000
Office Supplies	1,050
Repairs and Maintenance	34,986
Printing	368
Memberships and Subscriptions	4,210
Downtown Farmers Curb Market	112,155
First Friday	53,350
Tax Increment Financing	5,691
Container Gardens and Streetscape Maintenance	9,500
Valet Program	2,905
Miscellaneous	9,245
Total Downtown Development	524,932
Capital Outlay	78,723
Total Expenditures	603,655
EXCESS OF REVENUES OVER EXPENDITURES	66,235
Fund Balances - Beginning of Year	862,365
FUND BALANCES - END OF YEAR	\$ 928,600

See accompanying Notes to Basic Financial Statements.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022**

Net Change in Fund Balances - Governmental Funds	\$ 66,235
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Capital Assets Acquired in the Current Year	78,723
Depreciation Expense Recorded in the Current Year	<u>(4,913)</u>

Change in Net Position - Governmental Activities	<u>\$ 140,045</u>
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See accompanying Notes to Basic Financial Statements.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

	Governmental Fund Types			Variance with Final Budget Positive (Negative)
	General Fund			
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Property Taxes	387,739	387,739	377,052	\$ (10,687)
Other Income	18,000	28,375	31,972	3,597
Interest	500	500	1,072	572
Downtown Farmer's Curb Market	121,200	164,736	173,989	9,253
First Friday	62,610	62,610	85,805	23,195
Total Revenues	<u>590,049</u>	<u>643,960</u>	<u>669,890</u>	<u>25,930</u>
EXPENDITURES				
Downtown Development:				
Salaries and Benefits	144,754	144,754	145,005	(251)
Travel, Conferences, and Meetings	2,500	2,500	2,077	423
Tax Collector	8,950	8,950	8,791	159
Property Appraiser	7,750	7,750	5,116	2,634
Insurance	500	500	500	-
Building Lease and Utilities	26,640	26,640	24,870	1,770
Accounting and Legal	14,400	14,400	15,045	(645)
Marketing and Development	129,000	139,375	85,364	54,011
Telephone	2,400	2,400	1,704	696
Computer Services	3,000	3,000	3,000	-
Office Supplies	1,000	1,000	1,050	(50)
Repairs and Maintenance	45,000	45,000	34,986	10,014
Printing	500	500	368	132
Memberships and Subscriptions	4,500	4,500	4,210	290
Downtown Farmer's Curb Market	110,500	154,036	112,155	41,881
First Friday	57,810	57,810	53,350	4,460
Tax Increment Financing	7,500	7,500	5,691	1,809
Container Gardens and Streetscape Maintenance	10,000	10,000	9,500	500
Valet Program	4,800	4,800	2,905	1,895
Miscellaneous	8,545	8,545	9,245	(700)
Total Downtown Development	<u>590,049</u>	<u>643,960</u>	<u>524,932</u>	<u>119,028</u>
Capital Outlay	-	-	78,723	(78,723)
Total Expenditures	<u>590,049</u>	<u>643,960</u>	<u>603,655</u>	<u>40,305</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>66,235</u>	<u>\$ (66,235)</u>
Fund Balances, Budgetary Basis - Beginning of Year		<u>862,365</u>	<u>862,365</u>	
FUND BALANCES, BUDGETARY BASIS - END OF YEAR		<u>\$ 862,365</u>	<u>\$ 928,600</u>	

See accompanying Notes to Basic Financial Statements.

LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

To assist the reader in interpreting the basic financial statements, the following is a summary of significant policies. The policies are considered essential and should be read in conjunction with the basic financial statements. The accounting policies of Lakeland Downtown Development Authority (the Authority) conform to accounting principles generally accepted in the United States of America as applicable to government entities. The Authority's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity

Lakeland Downtown Development Authority was established by an Act of the Florida State Legislature, Chapter 77-588, effective July 25, 1977, to make it possible for the City of Lakeland to revitalize and preserve property values and prevent deterioration of the central business district. The purpose of the Act was to create a special independent tax district to provide the means whereby property owners within the district benefitting directly will bear the costs thereof.

The Act provides for the administration of the district, defines the boundaries and authorizes the district to levy an ad valorem tax of not more than two mills against properties within the district to finance its operations. A millage of 1.8439 was approved for the 2021-2022 fiscal year.

Basic Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements.

Government-Wide Financial Statements

The required government-wide financial statements are the statement of net position and the statement of activities, which report information on all of the activities of the Authority. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported in one category. This represents all of the Authority's services including its revitalization and preservation of property values and prevention of deterioration of the central business district. Ad valorem taxes provide most of the resources that support these activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment, including depreciation. The Authority does not allocate indirect costs such as finance, personnel, legal, etc. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by grant agreements, such as federal grants (if any). Fund financial statements provide more detailed information about the Authority's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide financial statements. Non-major funds by category are summarized into a single column. The Authority only has one fund, the general fund, and it is considered major.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The General Fund is the Authority's primary operating fund. It accounts for all financial resources.

Measurement Focus and Basis of Accounting

The Authority's fiscal year ends on September 30 in conformity with state statutes requiring a uniform fiscal year for local governments and special districts.

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

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Imposed nonexchange resources (property taxes, fines) are reported as deferred inflows if received before the tax is levied or before the date when use is first permitted. Government mandated nonexchange transactions (grants) and voluntary nonexchange transactions (donations) resources are reported as liabilities until the eligibility requirements are met and as deferred inflows if received before time requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers ad valorem taxes revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The Authority's practice is to use restricted resources first, then unrestricted resources, when both are available for use to fund an activity.

Cash, Cash Equivalents, and Investments

The Authority does not have a written investment policy; however, the Authority follows Florida Statutes 218.415(17) which allows local governments electing not to adopt a written investment policy to invest or reinvest any surplus public funds in their control or possession in:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool,
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a national recognized rating agency,
- Interest-bearing time deposits or savings accounts, or
- Direct obligations of the U.S. Treasury.

Restricted Cash

The Authority holds cash that is restricted for streetscape maintenance and Arts on the Park, and it follows the policy of first applying restricted resources when an expense is incurred for the purposes for which both restricted and unassigned assets are available. The restriction constraints are either: (1) externally imposed by creditors, guarantors, contributions, laws, or regulations of other governments; or (2) imposed by law or through constitutional provisions or enabling legislation.

LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Capital Assets and Depreciation

General capital assets are capitalized and reported on the government-wide statement of net position. The related depreciation on those assets, if any, is recorded as an expense on the statement of activities. In the Governmental Fund statements, there are no capitalized assets on the fund balance sheet since they do not provide current financial resources. They are only reported as an expenditure on the statement of revenues, expenditures and changes in fund balance for the year that they are purchased.

Capital assets are defined by a board resolution as tangible property or improvements with an individual cost of \$2,500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost, if purchased or constructed. Contributed assets are recorded at acquisition value as of the date received. Material additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance that do not improve or extend the life of the respective assets are expensed as incurred.

Current year information relative to changes in general capital assets are described in Note 3.

Depreciation for Office Equipment and Equipment are provided over the estimated useful lives of the respective assets on the straight-line basis. Depreciation for Leasehold Improvements is provided over the shorter of the estimated useful life or the lease term. The following useful lives are used in calculating depreciation:

Leasehold Improvements	Lease Term
Office Equipment	2 to 10 Years
Equipment	5 to 15 Years

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 the 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes 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 will not be recognized as an outflow of resources (expense). In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lessee Arrangement

The Authority determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the Authority's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Authority's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the Authority will exercise that option.

The Authority recognizes payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

Equity Classifications

Government-Wide Statements

The difference between (a) assets and deferred outflows of resources, and (b) liabilities and deferred inflows of resources is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation, and is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding balances of any debt (net of premiums/discounts) or other forms of borrowing used to finance those assets.

Restricted Net Position – Consists of liquid assets which have third party (statutory, bond covenant or granting agency) limitations on their use. The Authority would typically use restricted assets first, as appropriate opportunities arise.

Unrestricted Net Position – Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

Government-Wide Statements (Continued)

When both restricted and unrestricted net position is available for use, it is the Authority's practice to use restricted net position first, as appropriate, and then unrestricted net position as they are needed.

Fund Statements

The Authority classifies amounts in its fund balance pursuant to GASB Statement No. 54, *Fund Balance Reporting Governmental Fund-type Definitions*, which establishes a hierarchy that is based primarily on the extent to which the Authority is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. Spendable resources are to be shown as restricted, committed, assigned and unassigned as considered appropriate in the Authority's circumstances. The following classifications describe the relative strength of the spending constraints:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – includes fund balance amounts that are constrained for specific purposes that are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation. Current restricted fund balance is comprised of funding for which the use was restricted by the donor. Effectively, restriction may be changed or lifted only with the consent of resource providers.

Committed – includes fund balance amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the Authority's highest level of decision-making authority), or contractual obligations, which can be entered into by the Executive Director (official to whom the Board of Directors has delegated such authority). Commitments may be changed or lifted by the Authority taking the same formal action that imposed the constraint originally. Action must be taken prior to the fiscal year-end.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Authority's policy, only the board may assign amounts for specific purposes.

Unassigned – includes residual positive fund balance within the General Fund that has not been classified within the other above-mentioned categories.

The Authority would first use committed, then assigned, and lastly unassigned amounts.

The Authority does not have a formal minimum fund balance policy.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition – Property Taxes

Under Florida Law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The Authority's board establishes the tax levy of the Authority prior to October 1 of each year and the Polk County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, the County, independent districts and the County School Board tax requirements. State statutes permit the Authority to levy property taxes at a rate of up to 2.0000 mills. The Authority's millage rate in effect for the fiscal year ended September 30, 2022, was 1.8439.

All taxes are due and payable on November 1 (levy date) of each year and unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment as follows: 4% in November, 3% in December, 2% in January, 1% in February. The taxes paid in March are without discount. Delinquent taxes on real and personal property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property.

Property tax revenues are recognized when they become available. "Available" includes those property tax receivables expected to be collected within 60 days after year end.

Budgets and Budgetary Accounting

The Lakeland Downtown Development Authority's Board annually adopts a comprehensive appropriated budget for the operating fund of the Authority. Budgetary control is maintained at a line-item level. The budget is prepared for the general fund on a basis consistent with accounting principles generally accepted in the United States of America.

Unused appropriations for all of the above annually budgeted funds lapse at the end of year. The Authority does not maintain an encumbrance system. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. Budget over expenditures is not contrary to applicable laws governing the entity.

Subsequent Events

The Authority's building lease agreement ended September 30, 2022. The Authority entered into a new building lease agreement commencing subsequent to year end on October 1, 2022 for three years.

LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Authority adopted the requirements of the guidance effective October 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 DEPOSITS

At September 30, 2022, the District's carrying amount was \$969,657 and bank balance was \$975,136, consisting entirely of demand deposits. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Authority's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Authority's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Authority has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3 CHANGES IN GENERAL CAPITAL ASSETS

A summary of changes in General Capital Assets follows:

	Balance - October 1, 2021	Additions	Deletions	Balance - September 30, 2022
Leasehold Improvements	\$ 13,414	\$ -	\$ -	\$ 13,414
Office Equipment	7,286	-	-	7,286
Equipment	-	78,723	-	78,723
Total General Capital Assets	20,700	\$ 78,723	\$ -	99,423
Less: Accumulated Depreciation				
Leasehold Improvements	(6,372)	(1,341)	-	(7,713)
Office Equipment	(7,033)	(177)	-	(7,210)
Equipment	-	(3,395)	-	(3,395)
Total Accumulated Depreciation	(13,405)	(4,913)	-	(18,318)
Net General Capital Assets	<u>\$ 7,295</u>	<u>\$ 73,810</u>	<u>\$ -</u>	<u>\$ 81,105</u>

Depreciation expense for the year ended September 30, 2022, was \$4,913.

NOTE 4 RETIREMENT PLAN

The Authority adopted a defined contribution SIMPLE IRA plan in 2015. An employee is eligible to participate in the plan after attaining age 21 and over a year of service with at least 1,000 hours. The Authority must match an employee's contribution up to 3% of annual gross salary. A local broker administers the plan trust, and the assets of the plan are not considered part of the Authority's reporting entity. Participation is voluntary and the employee determines the amount of contribution. The Authority can elect to contribute to the plan on an annual basis. Pension costs are accrued and funded on a current basis and all required contributions for the year were made. There are no unfunded costs due to the nature of the plan. Contributions to the plan by the Authority as of the year ended September 30, 2022, were \$2,510.

NOTE 5 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage and surety bonds in amounts management feels is adequate to protect and safeguard the assets of the Authority. There have been no significant reductions in coverage nor have there been any settlements in excess of coverage in any of the prior three years.

NOTE 6 CONCENTRATIONS

The District received a substantial portion of its revenues from property tax distributions. Property Tax distributions can be impacted by the mileage rate and, consequently, changes in that funding may affect the District's operations. For the year ended September 30, 2022, the Polk County Tax Collector distributed \$368,261, net of commission, to the Authority.



**INDEPENDENT AUDITORS' 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***

Board of Directors
Lakeland Downtown Development Authority
Lakeland, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund, of the Lakeland Downtown Development Authority (Authority), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 1, 2023.

Report on Internal Control Over Financial Reporting

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

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

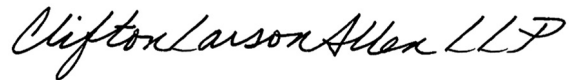
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Lakeland, Florida
November 1, 2023



INDEPENDENT AUDITORS' REPORT TO MANAGEMENT

Board of Directors
Lakeland Downtown Development Authority
Lakeland, Florida

Report on the Financial Statements

We have audited the financial statements of the Lakeland Downtown Development Authority (Authority), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated November 1, 2023.

Auditors' 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 Auditors' 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* and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated November 1, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to the financial statements.

Financial Condition

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 Authority 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 Authority did not meet any of the conditions described in the Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.566(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority'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 10.544(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connections with our audit, we did not have any such recommendations.

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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported (We do not express an opinion or provide any assurance on the following information):

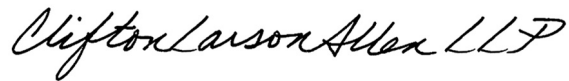
- a. The total number of district employees compensated in the last pay period of the district's fiscal year as: five.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as: twenty.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$169,195.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as: \$30,930.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as: See page 16 of the financial statements.

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 members of the Authority Board, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Lakeland, Florida
November 1, 2023