

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2023**



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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, 2023, 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, 2023, 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.

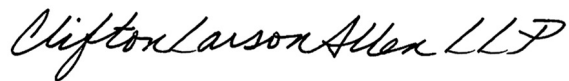
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**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 June 18, 2024 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  
June 18, 2024

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2023**

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, 2023. 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 26.

### **FINANCIAL HIGHLIGHTS**

- The assets of the Authority exceeded its liabilities at the close of September 30, 2023, by \$1,276,417 (net position). Of this total amount, \$1,148,773 (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 \$266,712.
- At the close of September 30, 2023, the Authority's general fund (governmental fund) reported an ending fund balance of \$1,206,773. Of this total amount, \$1,142,599 is available for spending at the Authority's discretion (unassigned fund balance).
- The Authority approved a millage rate of 2.000 for the year ended September 30, 2023.

### **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, 2023**

**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, 2023**

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 26 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 29.

**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>2023</u>	<u>2022</u>	Increase (Decrease)
<b>ASSETS</b>			
Total Noncapital Assets	\$ 1,261,841	\$ 971,657	\$ 290,184
Net Capital Assets	<u>171,725</u>	<u>81,105</u>	<u>90,620</u>
Total Assets	<u>1,433,566</u>	<u>1,052,762</u>	<u>380,804</u>
<b>LIABILITIES</b>			
Total Liabilities, Short-Term	55,068	43,057	12,011
Total Liabilities, Long-Term	<u>102,081</u>	<u>-</u>	<u>102,081</u>
Total Liabilities	<u>157,149</u>	<u>43,057</u>	<u>114,092</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	69,644	70,280	(636)
Restricted for Physical Environment	58,000	58,000	-
Unrestricted	<u>1,148,773</u>	<u>881,425</u>	<u>267,348</u>
Total Net Position	<u>\$ 1,276,417</u>	<u>\$ 1,009,705</u>	<u>\$ 266,712</u>

Net position increased due to revenues exceeding expenses by \$266,712. 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, 2023**

Four and a half percent (4.5%) 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. Five and a half percent (5.5%) or \$69,644 of the net position represents net investment in capital assets.

The remaining ninety (90%), or \$1,148,773, 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>2023</u>	<u>2022</u>	Increase (Decrease)
<b>PROGRAM REVENUES</b>			
Farmers Curb Market	\$ 189,228	\$ 173,989	\$ 15,239
First Friday	<u>90,519</u>	<u>85,805</u>	<u>4,714</u>
Total Program Revenues	<u>279,747</u>	<u>259,794</u>	<u>19,953</u>
 <b>GENERAL REVENUES</b>			
Property Taxes	565,753	377,052	188,701
Interest	24,993	1,072	23,921
Other Income	<u>57,284</u>	<u>31,972</u>	<u>25,312</u>
Total General Revenues	<u>648,030</u>	<u>410,096</u>	<u>237,934</u>
 Total Revenues	 927,777	 669,890	 257,887
 <b>PROGRAM EXPENSES</b>			
Downtown Development	656,987	529,845	127,142
Debt Service:			
Interest	<u>4,078</u>	<u>-</u>	<u>4,078</u>
Total Program Expenses	<u>661,065</u>	<u>529,845</u>	<u>131,220</u>
 <b>CHANGE IN NET POSITION</b>	 266,712	 140,045	 126,667
 Net Position - Beginning of Year	 <u>1,009,705</u>	 <u>869,660</u>	 <u>140,045</u>
 <b>NET POSITION - END OF YEAR</b>	 <u>\$ 1,276,417</u>	 <u>\$ 1,009,705</u>	 <u>\$ 266,712</u>

**Governmental Activities**

Governmental activities' change in net position for 2023 increased \$266,712 as compared to an increase of \$140,045 in the prior year. The main reasons for the increase from prior year are as follows:

- Total general revenues increased by \$237,934, representing an approximate fifty-eight percent (58%) increase due to increases in property taxes and other income.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2023**

**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 \$1,206,773, an increase of \$278,173 in comparison with the previously reported balance in the prior year. Of this total, \$1,142,599 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 \$257,887, due to an increase in property taxes and other income.

**Capital Assets and Liabilities**

Capital Assets increased over prior year due to applicable GASB 87 building lease addition of \$118,475 and no disposals, net of depreciation.

Short-term liabilities increased by \$12,011 due to an increase in advance vendor deposits for First Friday. Long-term liabilities increased \$102,081 due to the building lease.

**GENERAL FUND BUDGET**

The General Fund budget to actual statement is presented in the Basic Financial Statements. Variances between original and final budget amounts are due to changes in known vs. projected expenditures.

The budget is prepared on the modified accrual basis, revenues are recognized when they become both measurable and available to finance current expenditures. Revenues are considered measurable when they are earned and the amount can be reasonably estimated. Revenues are considered available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The actual net change in the fund balance of the General Fund compared to the final budget was a positive variance of \$207,931. General Fund revenues were \$5,378 more than the final budget amounts. Furthermore, actual expenditures in the General Fund functional areas were \$84,078 less than the final budget.

Capital outlay expenses were over the budgeted amount by \$118,475 as a result of entering into a applicable GASB 87 building lease agreement during the fiscal year.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2023**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Authority approved a millage rate of 2.000 for the year ended September 30, 2024.

These factors were considered in preparing and amending the Authority's budget for the 2024 fiscal year and are expected to influence the Authority's fiscal year 2024 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, 2023**

**ASSETS**

Cash:	
Unrestricted	\$ 1,195,167
Restricted	58,000
Total Cash	1,253,167
Other Current Assets	8,674
Capital Assets:	
Furniture, Fixtures, Equipment, and Right-To-Use Asset	217,898
Less: Accumulated Depreciation/Amortization	(46,173)
Total Capital Assets	171,725
Total Assets	1,433,566

**LIABILITIES**

Accounts Payable and Accrued Expenses	21,246
Unearned Revenue	33,822
Noncurrent Liabilities:	
Due Within One Year	
Lease	17,642
Due in More than One Year	
Lease	84,439
Total Liabilities	157,149

**NET POSITION**

Net Investment in Capital Assets	69,644
Restricted	58,000
Unrestricted	1,148,773
Total Net Position	\$ 1,276,417

See accompanying Notes to Basic Financial Statements.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2023**

		Program Revenues		Net Revenue / (Expense) and Change in Net Position
<b>FUNCTIONS/PROGRAMS</b>	Expenses	Charges for Services	Operating Grants and Contributions	Total
Governmental Activities:				
Downtown Development	\$ 656,987	\$ 279,747	\$ -	\$ (377,240)
Debt Service:				
Interest	4,078	-	-	(4,078)
Total Governmental Activities	661,065	279,747	-	(381,318)
<b>GENERAL REVENUES</b>				
Property Taxes				565,753
Other Income				57,284
Interest				24,993
Total General Revenues				648,030
<b>CHANGE IN NET POSITION</b>				266,712
Net Position - Beginning of Year				1,009,705
<b>NET POSITION - END OF YEAR</b>				<b>\$ 1,276,417</b>

See accompanying Notes to Basic Financial Statements.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<u>General Fund</u>
<b>ASSETS</b>	
<b>CASH</b>	
Unrestricted	\$ 1,195,167
Restricted	<u>58,000</u>
Total Cash	1,253,167
<b>OTHER ASSETS</b>	
	<u>8,674</u>
Total Assets	<u><u>\$ 1,261,841</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts Payable and Accrued Expenses	\$ 21,246
Unearned Revenue	<u>33,822</u>
Total Liabilities	55,068
<b>FUND BALANCE</b>	
Nonspendable	6,174
Restricted:	
Arts on the Park	58,000
Unassigned	<u>1,142,599</u>
Total Fund Balance	<u>1,206,773</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,261,841</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, 2023**

Total Fund Balance - Governmental Funds	\$ 1,206,773
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.	
Capital Assets	217,898
Less: Accumulated Depreciation/Amortization	(46,173)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Leases	<u>(102,081)</u>
Total Net Position - Governmental Activities	<u>\$ 1,276,417</u>

*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, 2023**

	<u>General Fund</u>
<b>REVENUES</b>	
Property Taxes	\$ 565,753
Downtown Farmers Curb Market	189,228
First Friday	90,519
Other Income	57,284
Interest	24,993
Total Revenues	927,777
<b>EXPENDITURES</b>	
Downtown Development:	
Salaries and Benefits	212,143
Downtown Farmers Curb Market	136,788
Marketing and Development	103,118
First Friday	66,190
Repairs and Maintenance	26,246
Accounting and Legal	15,707
Tax Collector	12,513
Miscellaneous	11,773
Container Gardens and Streetscape Maintenance	11,576
Property Appraiser	6,100
Leases and Utilities	5,955
Tax Increment Financing	5,123
Memberships and Subscriptions	4,446
Computer Services	4,275
Telephone	2,352
Travel, Conferences, and Meetings	2,054
Office Supplies	1,576
Insurance	827
Printing	370
Valet Program	-
Capital Outlay	118,475
Debt Service:	
Principal	16,394
Interest	4,078
Total Expenditures	768,079
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	159,698
<b>OTHER FINANCING SOURCES</b>	
Lease Proceeds	118,475
<b>NET CHANGE IN FUND BALANCE</b>	278,173
Fund Balance - Beginning of Year	928,600
<b>FUND BALANCE - END OF YEAR</b>	\$ 1,206,773

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, 2023**

Net Change in Fund Balances - Governmental Funds \$ 278,173

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	118,475
Depreciation Expense Recorded in the Current Year	(27,855)

Long-Term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Leases	(118,475)
Debt Service - Principal	<u>16,394</u>

Change in Net Position - Governmental Activities \$ 266,712

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Governmental Fund Types			
	General Fund			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 536,596	\$ 583,262	\$ 565,753	\$ (17,509)
Downtown Farmer's Curb Market	136,200	192,930	189,228	(3,702)
First Friday	74,500	88,451	90,519	2,068
Other Income	27,800	57,256	57,284	28
Interest	500	500	24,993	24,493
Total Revenues	<u>775,596</u>	<u>922,399</u>	<u>927,777</u>	<u>5,378</u>
<b>EXPENDITURES</b>				
Downtown Development:				
Salaries and Benefits	157,505	235,478	212,143	23,335
Downtown Farmer's Curb Market	129,700	150,344	136,788	13,556
Marketing and Development	139,800	140,320	103,118	37,202
First Friday	69,700	75,665	66,190	9,475
Repairs and Maintenance	75,000	143,517	26,246	117,271
Accounting and Legal	14,400	10,836	15,707	(4,871)
Tax Collector	8,950	12,514	12,513	1
Miscellaneous	6,523	10,759	11,773	(1,014)
Container Gardens and Streetscape Maintenance	12,000	12,000	11,576	424
Property Appraiser	6,588	6,588	6,100	488
Leases and Utilities	129,630	30,400	5,955	24,445
Tax Increment Financing	7,500	7,500	5,123	2,377
Memberships and Subscriptions	4,500	4,500	4,446	54
Computer Services	3,000	4,275	4,275	-
Telephone	2,500	2,500	2,352	148
Travel, Conferences, and Meetings	1,500	2,055	2,054	1
Office Supplies	1,000	1,576	1,576	-
Insurance	500	830	827	3
Printing	500	500	370	130
Valet Program	4,800	-	-	-
Capital Outlay	-	-	118,475	(118,475)
Debt Service:				
Principal	-	-	16,394	(16,394)
Interest	-	-	4,078	(4,078)
Total Expenditures	<u>775,596</u>	<u>852,157</u>	<u>768,079</u>	<u>84,078</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	70,242	159,698	(89,456)
<b>OTHER FINANCING SOURCES</b>				
Lease Proceeds	-	-	118,475	118,475
<b>NET CHANGE IN FUND BALANCE</b>	-	70,242	278,173	207,931
Fund Balance - Beginning of Year	<u>928,600</u>	<u>928,600</u>	<u>928,600</u>	<u>928,600</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 928,600</u>	<u>\$ 998,842</u>	<u>\$ 1,206,773</u>	<u>\$ 1,136,531</u>

See accompanying Notes to Basic Financial Statements.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**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 2.000 was approved for the 2022-2023 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, 2023**

**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, 2023**

**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, 2023**

**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 equipment is 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, 2023**

**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 as right-to-use assets and lease liabilities in the statements of net position.

Right-to-use 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. Right-to-use 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. Right-to-use 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, 2023**

**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, 2023**

**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 2.000 mills. The Authority's millage rate in effect for the fiscal year ended September 30, 2023, was 2.000.

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.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standards**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Authority adopted the requirements of the guidance effective October 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption. Implementation of this standard did not have an impact on the Authority's financial statements.

**NOTE 2 DEPOSITS**

At September 30, 2023, the Authority's carrying amount was \$1,253,167 and bank balance was \$1,260,856, 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.

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 3 CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance - October 1, 2022	Additions	Deletions	Balance - September 30, 2023
Capital Assets, Being Depreciated				
Leasehold Improvements	\$ 13,414	\$ -	\$ -	\$ 13,414
Office Equipment	7,286	-	-	7,286
Equipment	78,723	-	-	78,723
Total Capital Assets, Being Depreciated	99,423	-	-	99,423
Less: Accumulated Depreciation				
Leasehold Improvements	(7,713)	(1,341)	-	(9,054)
Office Equipment	(7,210)	(76)	-	(7,286)
Equipment	(3,395)	(6,692)	-	(10,087)
Total Accumulated Depreciation	(18,318)	(8,109)	-	(26,427)
Total Capital Assets, Being Depreciated, Net	81,105	(8,109)	-	72,996
Right-to-Use Lease Asset:				
Building	-	118,475	-	118,475
Less Accumulated Amortization:				
Building	-	(19,746)	-	(19,746)
Total Right-to-Use Leased Asset, Net	-	98,729	-	98,729
Capital Assets, Net	\$ 81,105	\$ 90,620	\$ -	\$ 171,725

Depreciation/amortization expense for the year ended September 30, 2023, was \$27,855.

**NOTE 4 LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended September 30, 2023.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Lease Liability	\$ -	\$ 118,475	\$ (16,394)	\$ 102,081	\$ 17,642

**LAKELAND DOWNTOWN DEVELOPMENT AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 5 LEASES**

During the year ended September 30, 2023, Lakeland Downtown Development Authority entered into a building lease in the amount of \$118,475. During the year ended September 30, 2023, Lakeland Downtown Development Authority's principal and interest payments on leases totaled \$20,472.

Total future minimum lease payments under the lease agreement is as follows:

	Principal	Interest
2024	\$ 17,642	\$ 3,442
2025	18,960	2,760
2026	20,344	2,027
2027	21,801	1,242
2028	23,334	400
Total Minimum Lease Payments	\$ 102,081	\$ 9,871

**NOTE 6 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, 2023, were \$2,666.

**NOTE 7 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 8 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, 2023, the Polk County Tax Collector distributed \$553,240, 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, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 18, 2024.

***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.

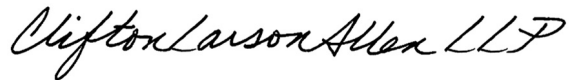
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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  
June 18, 2024



## MANAGEMENT LETTER

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, 2023, and have issued our report thereon dated June 18, 2024.

### 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 June 18, 2024, 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 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 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 Authority reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as: 6.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as: 62.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$241,849.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as: \$62,068.
- 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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Authority reported:

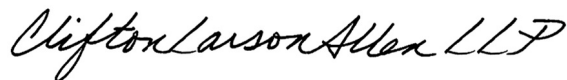
- a. The mileage rate or rates imposed by the district as: 2.000.
- b. The total amount of ad valorem taxes collected by or on behalf of the district as: \$565,753
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as: \$0.

**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  
June 18, 2024



## INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors  
Lakeland Downtown Development Authority  
Lakeland, Florida

We have examined the Lakeland Downtown Development Authority's (Authority) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Authority complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; during the year ended September 30, 2023.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Lakeland, Florida  
June 18, 2024



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