



COMMUNITY REDEVELOPMENT AGENCY

ANNUAL FINANCIAL REPORT

Fiscal Year Ended
September 30, 2016

FORT LAUDERDALE
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Fort Lauderdale, Florida)

REPORT ON BASIC FINANCIAL STATEMENTS

Fiscal Year Ended
September 30, 2016



FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

CRA BOARD OF COMMISSIONERS

John P. "Jack" Seiler, Chairman
Dean J. Trantalis, Vice Chair
Bruce G. Roberts, Commissioner – District I
Robert L. McKinzie, Commissioner – District III
Romney Rogers, Commissioner – District IV

ADMINISTRATION

Lee R. Feldman, ICMA-CM, Executive Director
John Herbst, City Auditor
Jeffrey A. Modarelli, Secretary
Cynthia A. Everett, General Counsel
Donald Morris, CRA Manager
Johnathan Brown, CRA Manager

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2016

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Table of Contents	i
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet - Governmental Funds	12
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund	
Balances of Governmental Funds to the Statement of Activities	15
Notes to the Financial Statements	17
Required Supplementary Information	
Budgetary Comparison Schedule - Budgetary Basis and Actual	
Governmental Funds for Year Ended September 30, 2016	34
Schedule of Agency's Proportionate Share of the Net Pension Liability	36
Schedule of Agency Contributions	37
Notes to Required Supplementary Information	38
Supplemental Audit Reports	
Independent Auditor's Report on Internal Control Over Financial Reporting and on	
Compliance and Other Matters Based on an Audit of Financial Statements	
Performed in Accordance with Government Auditing Standards	39
Schedule of Findings	41
Management Letter	43
Independent Accountant's Report on Compliance with Section 218.415	
Florida Statutes	44

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT

To the Chairman of the Board
Board of Commissioners and Executive Director
Fort Lauderdale Community Redevelopment Agency
Fort Lauderdale, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fort Lauderdale Community Redevelopment Agency (the "Agency"), a component unit of The City of Fort Lauderdale, Florida, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of September 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

In February 2015, the Governmental Accounting Standards Board issued Statement No. 72, "Fair Value Measurement and Application". As disclosed in Note 2, Statement No. 72 is effective for the Plan's fiscal year ending September 30, 2016. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion analysis, budgetary comparison schedule, schedule of Agency's proportionate share of the net pension liability, and schedule of Agency contributions on pages 3 to 8 and 34 to 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 14, 2017 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Crowe Horwath LLP

Fort Lauderdale, Florida
March 14, 2017

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2016

The Management's Discussion and Analysis section provides a narrative overview of the Fort Lauderdale Community Redevelopment Agency (CRA) financial activities for fiscal year ending September 30, 2016. This discussion is broken down into three components:

- An overview of the Agency.
- A brief overview of the financial statements, including how they relate to each other and the significant differences in information they provide.
- A concise, condensed financial report that summarizes the results of operations and a narrative financial analysis of the CRA's overall financial condition and results of operations, supported by additional consolidated information about specific services provided by the CRA.

OVERVIEW

The purpose of the Community Redevelopment Agency of the City of Fort Lauderdale, Florida (the "Agency") is to eliminate identified slum and blighted conditions within identified redevelopment areas pursuant to the redevelopment plans of the Agency.

The Agency's primary source of revenue is tax increment funds. The revenue for Central Beach and Northwest-Progresso-Flagler Heights is computed by applying the operating tax rate for the City of Fort Lauderdale (City), Broward County (County), North Broward Hospital District (HD), and the Children's Services Council (CSC), multiplied by the increased value of the property located within the boundaries of the redevelopment areas of the Agency, over the base property value, minus 5% for early payment. The Central City Area receives the City contribution only. The City, County, HD and CSC are required to fund this amount annually without regard to tax collections or other obligations.

Further, the Agency's policy is set by a board of directors comprised of five (5) members of the Commission of the City of Fort Lauderdale with the Mayor serving as the Chairman. The City Manager serves as the Executive Director of the Board. The Board is separate, distinct and independent from the governing body of the City of Fort Lauderdale. The Agency's management plan is executed by a small management staff led by two Community Redevelopment Agency Managers.

The Agency was established in 1989 by the City of Fort Lauderdale, Florida under the provisions of Section 163.330, Florida Statutes. Fort Lauderdale has three (3) CRA target areas. They are Central Beach Area which was established in 1989, Northwest-Progresso-Flagler Heights which was created in 1995, and Central City which was created in 2012.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency's basic financial statements are comprised of three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The nature of these three components of the report is described as follows:

Government-wide financial statements

There are two financial statements in this section that address the financial position and results of operations of the Agency taken as a whole: the Statement of Net Position and the Statement of Activities.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2016

These two financial statements are prepared using the "full accrual" method (basis) of accounting. This is the same accounting method used by most private-sector companies to determine whether they earn a profit in any given year, and to measure the net worth of the company as of the end of the year. Under the full accrual basis of accounting, some cash flows into the organization and some of the cash flows out of the organization are not considered operating revenues or operating expenses and accordingly do not appear on a profit and loss statement. For example, under the full accrual basis of accounting, the purchase of capital assets (e.g. equipment, land, buildings that have a useful life beyond one year) is not considered an operating expense when purchased.

The statement of net position is similar to a balance sheet in that it separately identifies the assets (what the Agency owns) from the liabilities (what the Agency owes) and the net difference between the two. Cash, receivables, land, buildings and equipment are examples of assets. Bonds, notes, and payables are examples of liabilities. The increase or decrease in net position from one year to the next indicates whether the Agency's financial position is improving or deteriorating.

The statement of activities explains how or why the net position have increased or decreased during the year. The statement of activities resembles a profit and loss statement because it compares the total expenses of the government to the total revenues, with the difference between the two, equaling the increase or decrease in net position over the course of the year.

Fund financial statements

Governmental Funds (beginning on page 12) are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the previous statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since 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. This comparison highlights the long-term impact of the Agency's near term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances offer a reconciliation to assist with this comparison.

The Agency maintains three (3) individual governmental funds. All governmental funds of the Agency are considered major funds and thus are reflected separately in the fund financial statements.

Notes to the financial statements

The third section of the basic financial statements is the notes to the financial statements. This section provides a further level of detail necessary to better understand the information provided within the government-wide financial statements and fund financial statements.

In addition to the three major types of data included in the basic financial statements (as defined on the preceding pages), this annual financial report also includes required supplementary information regarding the results of operations of the Agency.

Required supplementary information

Included in this section of the report are the Budgetary Comparison Schedule, Schedule of Agency's Proportionate Share of the Net Pension Liability and Schedule of Agency Contributions.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

CONDENSED FINANCIAL INFORMATION

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 condensed information is derived from the government-wide financial statements for the Fort Lauderdale Community Redevelopment Agency.

CONDENSED STATEMENT OF NET POSITION (in thousands)

	Governmental Activities		Increase/ (Decrease)	
	2016	2015	Amount	Percent
Assets and Deferred Outflows of Resources				
Current and Other Assets	\$ 72,863	\$ 66,252	\$ 6,611	9.98%
Capital Assets (Net)	27,717	24,026	3,691	15.36%
Deferred Outflows	290	528	(238)	0.00%
Total Assets and Deferred Outflows of Resources	<u>100,870</u>	<u>90,806</u>	<u>10,302</u>	<u>11.08%</u>
Liabilities and Deferred Inflows of Resources				
Current and Other Liabilities	1,321	1,317	4	0.31%
Long-Term Liabilities	7,181	7,891	(710)	-9.00%
Deferred Inflows	19	36	(17)	-45.74%
Total Liabilities and Deferred Inflows of Resources	<u>8,521</u>	<u>9,244</u>	<u>(723)</u>	<u>(723)</u>
Net Position				
Net Investment in Capital Assets	20,460	16,423	4,037	24.58%
Restricted	71,889	65,139	6,750	10.36%
Total Net Position	<u>\$ 92,349</u>	<u>\$ 81,562</u>	<u>\$ 10,787</u>	<u>13.23%</u>

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2016

CONDENSED CHANGES IN NET POSITION (in thousands)

	Governmental Activities		Increase/(Decrease)	
	2016	2015	Amount	Percent
Revenues				
Program Revenues:				
Operating Grants and Contributions	\$ 9,566	\$ 8,144	\$ 1,422	17.47%
Capital Grants and Contributions	160	1,434	(1,274)	-88.85%
General Revenues:				
Property Taxes	5,399	4,485	914	20.37%
Other Taxes	532	569	(37)	-6.57%
Other	140	152	(12)	-7.87%
Total Revenues	<u>15,797</u>	<u>14,784</u>	<u>1,013</u>	<u>6.85%</u>
Expenses				
Economic Environment	4,778	12,471	(7,693)	-61.69%
Interest on Long-Term Debt	232	115	117	100.94%
Total Expenses	<u>5,010</u>	<u>12,586</u>	<u>(7,576)</u>	<u>-60.20%</u>
Change in Net Position	10,787	2,198	8,589	390.86%
Beginning Net Position	81,562	79,364	2,198	2.77%
Ending Net Position	<u>\$ 92,349</u>	<u>\$ 81,562</u>	<u>\$ 10,787</u>	<u>13.23%</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS

For the fiscal year ended September 30, 2016, results of operations of the Agency viewed on a government-wide basis reflects relatively strong financial performance.

The Agency's statement of net position serves as a useful indicator of a government's financial position as of a specific point in time. The relative composition of assets versus liabilities as shown on this report is indicative of a healthy (versus a tenuous) financial position. This analysis is most easily accomplished by converting this data into ratios.

One such ratio reflects the ability of the government to meet immediate cash demands – the ratio of current assets to current liabilities:

A comparison of current assets to current liabilities as of September 30, 2016:

	2016	2015
Current and Other Assets	\$ 72,863,272	\$ 66,252,374
Current and Other Liabilities	1,321,195	1,317,153
Net Current Assets	<u>\$ 71,542,077</u>	<u>\$ 64,935,221</u>
Ratio	55.15	50.30

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2016

FUND FINANCIAL ANALYSIS

The fund financial statements for governmental funds provide information on the near-term outflows, inflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. The CRA Trust Funds balance at September 30, 2016 was \$72.3 million, an increase of \$6.9 million from the prior year balance of \$65.4 million. The Special Revenue Fund is used to account for the operating activities of the Agency. Operating revenues for FY2016 totaled \$15.2 million and operating expenditures totaled \$3.4 million.

A summary of the operations of the Special Revenue Fund (on a budget basis), including a comparison to the approved budget, is as follows:

	SPECIAL REVENUE FUND		
	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Property Taxes	\$ 5,399,483	\$ 5,398,882	\$ (601)
Intergovernmental Revenues:			
Broward County	7,070,378	7,070,378	-
North Broward Hospital District	1,865,066	1,865,066	-
Children's Services Council	631,213	631,213	-
Miscellaneous:			
Interest Income	67,444	67,445	1
Other Miscellaneous Revenues	127,139	139,738	12,599
Total Revenues	15,160,723	15,172,722	11,999
EXPENDITURES			
Current:			
Economic Environment	4,817,381	3,451,100	1,366,281
Total Expenditures	4,817,381	3,451,100	1,366,281
Excess of Revenues Over Expenditures	10,343,342	11,721,622	1,378,280
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(14,343,527)	(14,163,410)	(180,117)
Total Other Financing Sources and (Uses)	(14,343,527)	(14,163,410)	(180,117)
Net change in Fund Balance	\$ (4,000,185)	\$ (2,441,788)	\$ 1,198,163

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

For more detailed budget information, please see the Budgetary Comparison Schedule in Required Supplementary Information.

As noted earlier, the Agency has three specific redevelopment areas: the Central Beach Redevelopment Area, the Northwest-Progresso-Flagler Heights Redevelopment Area, and the Central City Redevelopment Area.

The following discussion addresses these redevelopment areas within the CRA fund:

1. The Central Beach Redevelopment Area

The Central Beach Redevelopment area is a special district whose mission is to eliminate slum and blight, stimulate redevelopment of the core area as a catalyst for the revitalization of the entire Central Beach area.

2. The Northwest-Progresso-Flagler Heights Redevelopment Area

The Northwest-Progresso-Flagler Heights Redevelopment area is a special district whose mission is to promote economic development in the blighted Northwest section of the city.

3. The Central City Redevelopment Area

The Central City Redevelopment area is a special district whose mission is to invigorate the existing businesses, attract new businesses and investment, and provide a neighborhood commercial center for the surrounding neighborhoods.

Capital Assets

The Agency's investment in capital assets, net of accumulated depreciation, for governmental activities increased by \$4.0 million in FY2016. Additional information about the Agency's capital assets can be found in Note 4 to these financial statements.

Debt Administration

During the current fiscal year, the Agency issued a Tax Increment Revenue Note, Series 2015 for \$7.6 million. Additional information about the Agency's long-term debt can be found in Note 6 to these financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Fort Lauderdale Community Redevelopment Agency's finances and was prepared by the Finance Department of the City. Requests for additional information should be addressed to the Finance Director at 100 North Andrews Avenue, Fort Lauderdale, Florida, 33301.

***BASIC FINANCIAL
STATEMENTS***

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
September 30, 2016

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 4,120,801
Investments	61,371,939
Accounts Receivable (Net)	2,356
Due from Other Governments	159,884
Properties Held for Resale	7,208,292
Capital Assets Not Being Depreciated	
Land	2,051,784
Construction in Progress	8,111,382
Capital Assets, Net of Accumulated Depreciation	
Buildings	281,599
Improvements	5,409,257
Infrastructure	11,833,667
Machinery, Equipment and Vehicles	29,268
Total Assets	100,580,229
DEFERRED OUTFLOWS OF RESOURCES	
Change in Pension Assumptions	32,126
Loss on Pension Investments	258,328
Total Deferred Outflows of Resources	290,454
LIABILITIES	
Accounts Payable	550,263
Accrued Liabilities	18,873
Accrued Interest Payable	95,853
Long-Term Liabilities:	
Due Within One Year	656,206
Due in More Than One Year	7,180,597
Total Liabilities	8,501,792
DEFERRED INFLOWS OF RESOURCES	
Difference Between Expected and Actual Experience	19,851
Total Deferred Inflows of Resources	19,851
NET POSITION	
Net Investment in Capital Assets	20,459,957
Restricted for:	
Redevelopment Projects	71,526,082
Debt Service	363,001
Total Net Position	\$ 92,349,040

The notes to the financial statements are an integral part of the financial statements

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES

For Fiscal Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government				
Economic Environment	\$ 4,778,296	\$ 9,566,657	\$ 159,884	\$ 4,948,245
Interest on Long-term Debt	231,387	-	-	(231,387)
Total Governmental Activities	\$ 5,009,683	\$ 9,566,657	\$ 159,884	4,716,858
General Revenues:				
Property Taxes				5,398,882
Interest Revenue				532,060
Miscellaneous				139,738
Total General Revenues				<u>6,070,680</u>
	Change in Net Position			10,787,538
	Net Position - Beginning			<u>81,561,502</u>
	Net Position - Ending			<u>\$ 92,349,040</u>

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

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

**BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2016**

	<u>Major Funds</u>			<u>Total CRA Funds</u>
	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
ASSETS				
Cash and Cash Equivalents	\$ 481,575	\$ 458,854	\$ 3,180,372	\$ 4,120,801
Investments	105,071	-	61,266,868	61,371,939
Accounts Receivable (Net)	2,356	-	-	2,356
Due from Other Governments	-	-	159,884	159,884
Properties Held for Resale	7,208,292	-	-	7,208,292
Total Assets	\$ 7,797,294	\$ 458,854	\$ 64,607,124	\$ 72,863,272
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 304,084	\$ -	\$ 246,179	\$ 550,263
Accrued Liabilities	18,873	-	-	18,873
Total Liabilities	322,957	-	246,179	569,136
Fund Balances:				
Restricted for:				
Redevelopment Projects	7,474,337	-	64,360,945	71,835,282
Debt Service	-	458,854	-	458,854
Total Restricted	7,474,337	458,854	64,360,945	72,294,136
Total Fund Balances	7,474,337	458,854	64,360,945	72,294,136
Total Liabilities and Fund Balances	\$ 7,797,294	\$ 458,854	\$ 64,607,124	\$ 72,863,272

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

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2016

Total fund balances of governmental funds		\$ 72,294,136
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 funds.		27,716,957
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities.		
Notes Payable	\$ (7,257,000)	
Net Pension Liability	(379,878)	
Net OPEB Obligation	(43,786)	
Compensated Absences and Longevity	(156,139)	
Accrued Interest Payable	(95,853)	(7,932,656)
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds:		
Investment Loss	\$ 258,328	
Expected vs Actual Experience	(19,851)	
Assumption Change	32,126	270,603
Total net position of governmental activities		\$ 92,349,040

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

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For Fiscal Year Ended September 30, 2016

	Major Funds			Total CRA Funds
	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
REVENUES				
Property Taxes	\$ 5,398,882	\$ -	\$ -	5,398,882
Intergovernmental Revenues				
Broward County	7,070,378	-	159,884	7,230,262
North Broward Hospital District	1,865,066	-	-	1,865,066
Children's Services Council	631,213	-	-	631,213
Interest Income	67,445	2,013	462,602	532,060
Other Miscellaneous	139,738	-	-	139,738
Total Revenues	15,172,722	2,013	622,486	15,797,221
EXPENDITURES				
Economic Environment	3,370,574	-	-	3,370,574
Debt Service				
Principal	-	346,000	-	346,000
Interest and Fiscal Charges	-	235,957	-	235,957
Capital Outlay	-	-	4,954,899	4,954,899
Total Expenditures	3,370,574	581,957	4,954,899	8,907,430
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,802,148	(579,944)	(4,332,413)	6,889,791
OTHER FINANCING SOURCES (USES)				
Transfers In	-	582,531	13,580,879	14,163,410
Transfers (Out)	(14,163,410)	-	-	(14,163,410)
Total Other Financing Sources (Uses)	(14,163,410)	582,531	13,580,879	-
Net Change in Fund Balances	(2,361,262)	2,587	9,248,466	6,889,791
Fund Balances - Beginning	9,835,599	456,267	55,112,479	65,404,345
Fund Balances - Ending	\$ 7,474,337	\$ 458,854	\$ 64,360,945	\$ 72,294,136

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

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For Fiscal Year Ended September 30, 2016**

Net change in fund balances of governmental funds **\$ 6,889,791**

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

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases exceed depreciation in the current year.

Capital Outlay	\$ 4,677,093	
Depreciation Expense	(985,814)	3,691,279

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable	\$ 4,570	
Change in Pension Expense	(74,740)	
Other Post-Employment Benefits	(7,536)	
Compensated Absences and Longevity Pay	(61,826)	(139,532)

The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts (except for issuance costs) are capitalized and amortized in the statement of activities. This amount is the repayment of the principal of long-term debt.

346,000

Change in net position of governmental activities **\$ 10,787,538**

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

THIS PAGE INTENTIONALLY LEFT BLANK

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fort Lauderdale Community Redevelopment Agency's (the Agency) financial statements are prepared in accordance with United States Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

The Fort Lauderdale Community Redevelopment Agency was established in 1989 by the City of Fort Lauderdale, Florida (the City) under the provisions of Section 163.330, Florida Statutes. The City has created a total of three (3) Community Redevelopment Areas; Central Beach (1989), Northwest-Progresso-Flagler Heights (1995), and Central City (2012).

The board of directors of the Agency is comprised of five (5) members of the City Commission of the City and is separate, distinct, and independent from the governing body of the City.

For financial reporting purposes, the Agency is a component unit of the City and is thus included in the City's comprehensive annual financial report as a blended component unit. This report is not a complete presentation of the City of Fort Lauderdale.

B. Government-wide and Fund Financial Statements, and their underlying Basis of Accounting

The Agency's basic financial statements are presented in two separate and distinct formats. These consist of government-wide statements and fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Agency does not have any business-type activities and has only governmental activities. The accounts of the Agency are reported as special revenue funds, capital projects and debt service funds.

Government-wide Statements In the Government-wide Statement of Net Position, the government activities are presented on a consolidated basis. This statement is prepared using the *economic resources* measurement focus, meaning all assets and liabilities (including capital assets and long-term debt) are included in the Statement of Net Position. This accounting methodology is more consistent with the methodology used for business accounting in the private sector than "traditional" governmental accounting methodology.

Within this statement, the net position of the Agency (assets and deferred outflows of resources minus liabilities and deferred inflows resources) is reported in two separate components – net investment in capital assets and restricted net position.

The Government-wide Statement of Activities reports the degree to which the gross expenses, including depreciation, of the significant governmental functions provided by the Agency, are financed by the program revenues and the operating and capital grants directly related to the costs of providing each function. The statement then reports the extent to which the resulting net costs of these functions (gross expenses less directly-related program revenues and grants) are financed by general revenues of the Agency (i.e. taxes, interest income, etc.) This statement is prepared using the *full accrual* basis of accounting, which determines the timing of the recording of revenues and expenses. Under this basis of accounting, revenues are recorded when earned, and expenses are recorded when an obligation is incurred.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

Fund Financial Statements These statements report information at a higher level of detail, focusing on separate reporting of individual major funds, rather than consolidating financial data into the broad category of governmental activities.

The financial transactions of the Agency are reported in individual funds within the City's accounting system. Each fund is accounted for by providing a separate, self-balancing set of accounts comprised of the assets, liabilities, reserves, fund equity, revenues and expenditures of each fund. For purposes of this report, all of the Agency's funds are classified as major governmental funds.

Governmental Funds Within the fund financial statements, the accounting policies applied to governmental funds is intended to capture only those transactions that will occur in the short-term, and the ability to finance those activities as needed. The financial focus applied to governmental funds is called the modified accrual basis of accounting. Revenues are susceptible to accrual in the accounting period in which they become available and measurable, which generally means those revenues that are collected within 60 days after year end. The Agency accrues an asset equal to the value of all material revenue to which it is entitled. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Within governmental fund types, assets and liabilities are recorded using the *flow of current financial resources* measurement focus, meaning only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources".

The governmental fund types utilized by the Agency are broken down as follows:

Special Revenue Fund – account for the proceeds of specific revenue sources from tax increment and property taxes that are legally restricted to expenditures for community redevelopment.

Debt Service Fund – account for resources that are restricted to payment of principal, interest and other expenditures on long-term debt.

Capital Projects Fund – account for financial resources segregated for the acquisition or construction of major capital facilities and redevelopment area improvements.

C. Budget Policy and Budgetary Data

The City prepares an annual operating budget for the Fort Lauderdale Community Redevelopment Agency. These budgets are prepared on the modified accrual basis of accounting.

The level of control (level at which expenditures may not exceed budget) is the department. The Executive Directory is authorized to transfer budgeted amounts within departments of any fund. The CRA Board must approve any revisions that alter the total expenditures of any department.

Annual budgets are adopted for all governmental funds except the capital project funds. The original and final budgets, as presented, include re-appropriated encumbrances of the prior year. The budgets have been adopted on a basis consistent with GAAP with the following exceptions: Budgetary expenditures include GAAP expenditures adjusted for encumbrances at September 30, 2016. Unencumbered balances of appropriations lapse at year-end.

As of September 30, 2016, there were no material violations of budgetary requirements.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

D. Deposits and Investments

The Agency considers cash on hand, cash with fiscal agents, demand deposits, certificates of deposit and bank repurchase agreements as cash and cash equivalents. Each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty. Investments are stated at fair value. Income from investments held by the individual funds is recorded in the respective fund as it is earned.

E. Receivables

Receivables are reported net of allowances for uncollectible accounts where applicable.

F. Properties Held for Resale

Inventories in the governmental funds are composed of land held for redevelopment or resale and are stated at cost.

G. Unrestricted and Restricted Assets

In cases in which both unrestricted and restricted assets are available to finance an expense or program, the Agency's policy is to utilize restricted assets first whenever possible.

H. Capital Assets

Capital assets, including land, buildings, improvements other than buildings, infrastructure (that is, roads, bridges, street lighting and other similar items) and equipment, are reported in the governmental activities column in the government-wide financial statements. The Agency defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are stated at cost or estimated historical cost. Contributions of capital assets received from federal, state or local sources are recorded as contributions when received and are stated at acquisition value. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

Depreciation of capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40-50 years
Improvements	20-50 years
Infrastructure	15-50 years
Machinery, Equipment and Vehicles	3-15 years

The Agency follows the requirements of GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" regarding potential impairment of capital assets.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

I. Tax Increment Revenues

The Agency's primary source of revenue is tax increment funds. The tax increment is made up of property taxes contributed by the City, County, North Broward Hospital District and the Children's Services Council to the Community Redevelopment Trust Fund. The tax increment is calculated annually based on increases to property values within the designated CRA districts using the year in which they were established as the "base year". For example, if an unimproved property was valued at \$10,000 in the base year and a new house is built on the property tomorrow, the new value of the property is \$25,000. The incremental difference in value (new assessed value – base year value) is \$15,000. Taxes collected on the property will be split amongst the City, County and various agencies. The CRA receives all taxes assessed on the incremental increase of \$15,000. Revenues generated by improvements in the CRA districts are to be reinvested in the district to continue to spur redevelopment.

Substantially all governmental fund revenues are accrued. Property taxes, which are levied annually based on the value of real property and tangible personal property as assessed on January 1 and are payable from November through the following March, are recognized in the same fiscal period in which payment is due.

The property tax calendar for 2016 is as follows:

Lien date	November 1, 2016
Levy date	November 1, 2016
Due dates	November 1, 2016 through March 31, 2017
Delinquent date	April 1, 2017
Tax certificate sale	On or before June 1, 2017

Contributions to the CRA must be made by January 1st or there is a 5% penalty.

In the Government-wide Statement of Activities, revenue that is derived directly from the program itself or from outside sources, if restricted to a specific program, is called program revenue. Program revenue is classified as either operating grants or capital grants. Operating grant revenues come from other government entities to support the operation costs of particular functions and also from the earnings of permanent funds that are legally restricted to a particular function. Capital grants come from other government entities for the purpose of constructing or purchasing capital assets.

J. Use of Estimates

Management has made estimates and assumptions relating to the reporting of assets and liabilities in conformity with GAAP. Actual results may differ.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

K. 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 represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA reports change in pension assumptions and loss on pension investments. Changes in pension plan assumptions are deferred and amortized over the expected remaining service lives of employees that are provided with pensions through the pension plan (active employees and inactive employees). Loss on pension investments are deferred and amortized over five years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that period. The CRA has one item that qualifies for reporting in this category, certain amounts related to pensions must be deferred. Differences between expected and actual experience are deferred and amortized over the expected remaining service lives of employees that are provided with pensions through the pension plan (active employees and inactive employees).

L. Fund Balance

In the governmental funds, fund balances are reported as nonspendable if they are not in spendable form or are legally or contractually required to be maintained intact. In addition, fund balances are reported as restricted to specific purposes based upon the extent to which the Agency is bound to honor constraints placed on those funds.

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbered amounts for specific purposes are reported within the applicable restricted, committed or assigned fund balance classifications.

Net position of the government-wide fund is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets consists of capital assets reduced by the outstanding debt issued to acquire, construct or improve those assets, less any unspent debt proceeds. Restricted net position has regulatory or third party limitations on its use.

The governmental fund balance in detail as of September 30, 2016 is as follows:

	<u>Governmental Funds</u>
Fund Balances:	
Restricted for:	
Redevelopment Projects	\$ 71,835,282
Debt Service	<u>458,854</u>
Total Fund Balance	<u><u>\$ 72,294,136</u></u>

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

M. Compensated Absences and Longevity

Agency employees are granted sick, vacation, and longevity pay in varying amounts based on length of service, date of hire, and employee group. Compensatory time is granted to employees in lieu of overtime pay at the employees' request. Sick leave payments to terminated employees are based on length of service and usage on a last in, first out basis. Unused vacation pay and compensatory time are paid upon an employee's termination. Longevity pay is paid to eligible employees annually based on length of service. Accumulated compensated absences and longevity are recorded as expenses in the government-wide fund financial statements when earned. Expenditures for accumulated compensated absences and longevity have been recorded in the governmental funds only for amounts payable to employees who have terminated as of the end of the fiscal year.

N. Net OPEB Obligation

The Agency participates in the City's other post-employment benefit plan. The Agency has an allocated portion of the City's total net OPEB obligation. However, the amount of the obligation is not considered material and therefore, the Agency has not included related note disclosure or required supplementary information.

O. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the General Employees' Retirement System (GERS) and additions to/deductions from the GERS plan net position has been determined on the same basis as they are reported by the GERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – DEPOSITS AND INVESTMENTS

The Agency maintains a pooled cash and investment fund for the Agency's operating, debt service, and capital funds. The Agency has elected to follow the City's investment policy. As of September 30, 2016, the total cash and investments for the Agency, was \$65,492,740.

In accordance with Section 218.415, Florida Statutes, the City's Investment Policy applies to all cash and investments held or controlled by the City and shall be identified as "general operating funds" of the City with the exception of the City's pension and cemetery funds. The policy was adopted on September 4, 2001 and subsequently amended on October 1, 2013, which applies to the CRA.

Permitted investments, asset allocation limits, issuer limits, credit rating requirements and maturity limits are detailed in the policy in order to protect the City's cash and investments. The current policy allows for the purchase of the following investments: U.S. government securities, U.S. government agency securities, federal instrumentalities, interest-bearing time deposits or saving accounts, repurchase agreements, commercial paper, corporate notes, bankers' acceptances, state or local government taxable or tax-exempt debt, City of Fort Lauderdale debt obligations, registered investment companies (money market mutual funds), and intergovernmental investment pools.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

A. Cash and Cash Equivalents

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution; a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The City's investment policy requires that public deposits be held in a State Qualified Public Depository as defined in Section 280.02, Florida Statutes. At September 30, 2016, \$2,424,605 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institutions' trust department, but not in the Agency's name.

B. Investments

Fair Value Measurement

The Agency categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At September 30, 2016, the CRA's investments totaled \$64,217,456. The CRA has the following fair value measurements as of September 30, 2016:

US Treasury securities of \$20.4 million are valued using quoted market prices (Level 1 inputs)

Federal Instrumentalities of \$18.3 million are valued using a pricing matrix model (Level 2 inputs)

Corporate bonds of \$22.3 million are valued using a pricing matrix model (Level 2 inputs)

State and Local Government bonds of \$3.2 million are valued using a pricing matrix model (Level 2 inputs)

Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Credit Risk

GASB Statement No. 40 (GASB 40), "Deposit and Investment Risk Disclosures", requires that governments provide information about the credit risk associated with their investments by disclosing the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

Corporate Obligations

Corporate obligations issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum "Aa" by Moody's Investor Service and a minimum "AA" by Standard & Poor's. As of September 30, 2016, \$22,271,506 of the CRA's investments was in corporate obligations. These issues met or exceeded the minimum rating requirements at the time of purchase.

Federal Instrumentalities

Although the City's investment policy states no rating requirement for federal instrumentalities, all investments of this type were rated AA+ by Standard & Poor's or Aaa by Moody's Investor Service. This portfolio held \$18,298,565 in this type of investment.

Custodial Credit Risk - Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party to the transaction, a government may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

All investments were held with third-party custodians as required by the City's investment policies. The amounts in excess of FDIC insurance limits are uncollateralized.

Concentration of Credit Risk

GASB 40, requires disclosure of investments in any one issuer that represent five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools, and other pooled investments. Per this disclosure requirement, none of CRA's investments were with any one single issuer that represents 5% or more of all of the CRA's portfolios which total \$3,210,873.

In addition, the City's investment policy establishes limits on portfolio composition, both by investment type and by issuer. The CRA's investments did not exceed these limits during the year ended September 30, 2016. As of September 30, 2016, the CRA's portfolios consisted of the following:

<u>Community Redevelopment Agency Portfolio</u>	<u>Amount</u>	<u>Percent of Portfolio</u>
Corporate Bonds	\$ 22,271,506	34.68%
Federal Instrumentalities		
Federal Home Loan Bank	4,584,041	7.14
Federal Home Loan Mortgage Corp	1,699,163	2.65
Federal National Mortgage Association	12,015,361	18.71
State/Local Government Municipal Bonds	3,234,920	5.04
U.S. Government Securities	20,412,465	31.79

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

Interest Rate Risk

Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The CRA manages its portfolios' exposures to declines in fair value due to rising interest rates by limiting individual investments to maturities of ten (10) years or less from the date of purchase. Also, the overall "weighted average maturity" shall be less than three (3) years. This portfolio uses "weighted average maturity" as measurement of interest rate risk. The following table illustrates the interest rate risk for debt investments:

Community Redevelopment Agency Portfolio	Amount	Weighted Average Maturity
Corporate Bonds	\$ 22,271,506	2.22
Federal Instrumentalities		
Federal Home Loan Bank	4,584,041	0.98
Federal Home Loan Mortgage Corp	1,699,163	1.48
Federal National Mortgage Association	12,015,361	2.66
State/Local Government Municipal Bonds	3,234,920	1.81
U.S. Government Securities	20,412,465	1.91

NOTE 3 – INTER-FUND TRANSFERS

The composition of inter-fund transfers for the year ended September 30, 2016 was as follows:

	<u>Transfers In</u>			
	<u>Special Revenue</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Transfers Out</u>				
Governmental Funds				
Special Revenue Funds	\$ -	\$ (582,531)	\$ (13,580,879)	\$ (14,163,410)
Debt Service Funds	582,531	-	-	582,531
Capital Projects Funds	13,580,879	-	-	13,580,879
	<u>\$ 14,163,410</u>	<u>\$ (582,531)</u>	<u>\$ (13,580,879)</u>	<u>\$ -</u>

The Agency transfers funds from the Special Revenue Fund to the debt service fund to meet debt service requirements. Transfers to the capital projects funds of \$13,580,879 provides funding for specific projects within the Community Investment Program.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

NOTE 4 – CAPITAL ASSETS

A. Capital Activity

Capital assets of the Agency as of September 30, 2016, consisted of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,051,784	\$ -	\$ -	\$ 2,051,784
Construction in progress	4,782,360	4,677,093	1,348,071	8,111,382
Total capital assets not being depreciated	<u>6,834,144</u>	<u>4,677,093</u>	<u>1,348,071</u>	<u>10,163,166</u>
Capital assets being depreciated				
Buildings	395,999	-	-	395,999
Improvements	4,968,217	1,348,071	-	6,316,288
Infrastructure	15,017,812	-	-	15,017,812
Equipment	45,642	-	-	45,642
Total capital assets being depreciated	<u>20,427,670</u>	<u>1,348,071</u>	<u>-</u>	<u>21,775,741</u>
Less accumulated depreciation for:				
Buildings	105,600	8,800	-	114,400
Improvements	649,926	257,105	-	907,031
Infrastructure	2,466,196	717,949	-	3,184,145
Equipment	14,414	1,960	-	16,374
Total accumulated depreciation	<u>3,236,136</u>	<u>985,814</u>	<u>-</u>	<u>4,221,950</u>
Total capital assets being depreciated, net	<u>17,191,534</u>	<u>362,257</u>	<u>-</u>	<u>17,553,791</u>
Net Capital Assets	<u>\$ 24,025,678</u>	<u>\$ 5,039,350</u>	<u>\$ 1,348,071</u>	<u>\$ 27,716,957</u>

B. Depreciation Expense

Included in the government-wide Statement of Activities is depreciation expense for the year ended September 30, 2016, distributed to governmental functions as follows:

Governmental Activities:	
Economic Environment	<u>\$ 985,814</u>
Total depreciation expense - governmental activities	<u>\$ 985,814</u>

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

NOTE 5 – RISK FINANCING ACTIVITIES

The Agency 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 City has established a self-insurance fund that is used to account for and finance both uninsured and insured risks of loss. Coverage is provided for workers' compensation, employment practices, public officials' liability, general liability, automobile liability, and certain medical benefits. The City has obtained insurance coverage for workers' compensation claims in excess of \$1.0 million for employees with statutory limits per occurrence. Property insurance has been purchased for City structures with a standard peril deductible of \$50,000, a named windstorm deductible of \$5,000,000 per loss on both the utility and non-utility property programs, and a flood deductible of either \$50,000 or \$5,000 per location, depending on the location. Commercial, specific, stop-loss insurance is also purchased for medical benefits claims in excess of \$250,000. The City also has insurance coverage for employment practices liability with a \$150,000 deductible, public officials' liability coverage with a \$100,000 deductible and a \$4.0 million combined coverage limit for both policies. Settlements have not exceeded the retention for each of the past ten fiscal years.

The Agency participates in the City's self-insurance program and made insurance premium payments in the amount of \$9,006. There is no insurance claims payable at September 30, 2016. Refer to the City of Fort Lauderdale, Florida Comprehensive Annual Financial Report (CAFR) for additional disclosures. The CAFR is located on the city's website at www.fortlauderdale.gov/departments/finance/financial-reports.

NOTE 6 – LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions of the Agency for the year ended September 30, 2016.

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due within One Year
Tax Increment Revenue Notes, Series 2015	\$ 7,603,000	\$ -	\$ 346,000	\$ 7,257,000	\$ 628,000
Net Pension Liabilities	526,316	-	146,438	379,878	-
Net OPEB Liabilities	36,250	23,046	15,510	43,786	-
Compensated Absences and Longevity	94,313	166,607	104,781	156,139	28,206
	<u>\$ 8,259,879</u>	<u>\$ 189,653</u>	<u>\$ 612,729</u>	<u>\$ 7,836,803</u>	<u>\$ 656,206</u>

On April 9, 2015, the Agency issued CRA Tax Increment Revenue Note, Series 2015 for \$7,603,000. The proceeds were used to pay for costs related to the design and construction of the North Loop of the WAVE modern streetcar project, which is located in the Northwest-Progresso-Flagler Heights area of the Agency. The Series 2015 note provides for semi-annual interest payments at a rate of 3.17% and annual principal payments until maturity in 2025. As of September 30, 2016, the Agency's liability for the note totaled \$7,257,000.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

The requirement to repay all long-term debt outstanding as of September 30, 2016 is summarized in the following table:

Year Ending September 30	Governmental Activities	
	Tax Increment Note	
	Principal	Interest
2017	\$ 628,000	\$ 220,093
2018	648,000	199,869
2019	669,000	178,994
2020	690,000	157,454
2021	712,000	146,517
2022-2026	3,910,000	452,866
	<u>\$ 7,257,000</u>	<u>\$ 1,355,793</u>

NOTE 7 – PENSION PLAN

A) Defined Benefit Plan – Plan Description and Funding Policies

Substantially all full-time employees of the Agency are provided with pensions through the City of Fort Lauderdale General Employees' Retirement System (the Plan) – a single employer defined benefit pension plan administered by the City of Fort Lauderdale, Florida. The Plan issues a publicly available financial report that can be obtained at www.citypension.com or by writing the Board of Trustees:

Board of Trustees of the City of Fort Lauderdale General Employees' Retirement System
316 NE Fourth Street, Suite 2
Fort Lauderdale, FL 33301

The benefit provisions and all other requirements are established and may be amended by City ordinance.

The plan provides for retirement benefits as well as death and disability benefits at three different tiers depending on when the members entered the Plan:

The General Employees' Retirement System is a single-employer defined benefit plan administered by an eight-member board of trustees, which covers City employees, except police and firefighters. Through collective bargaining with the general, supervisory and professional City employees, a new single-employer defined contribution pension plan was established for Teamster Union employees hired on or after October 1, 2007, Supervisory Union employees hired on or after November 7, 2007, and all other Non-Union employees hired on or after February 20, 2008. The General Employees Retirement System was then closed to new entrants.

Under the vesting provisions of the plan, employees are entitled to 100% of normal retirement benefits after 5 years of service. Members who terminate prior to vesting are entitled to a refund of employee contributions plus interest at 3% per year. Employees are eligible to retire after 30 years of service, regardless of age, or at age 55 with 5 years of service. Members who continue in employment past normal retirement may either accrue larger pensions or freeze their accrued benefit and enter the Deferred Retirement Option Plan (DROP). Each participant in the DROP has an account credited with benefits not received plus interest. Participation in the DROP must end no later than 36 months after normal retirement. Certain employees hired on or after October 1, 1983 electing reduced benefits are entitled to 100% of normal retirement benefits after 10 years of service beginning at age 65. These benefit provisions and all other requirements are established by City ordinance.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

Contributions

The Agency is to contribute such amounts as are necessary to maintain the actuarial soundness of the Plan and to provide the Plan with assets sufficient to meet the benefits to be paid to the members. All members who participate are required to contribute 4% to 6% of their covered salary to the Plan.

For the fiscal year ended September 30, 2016, the Agency was required to make contributions of \$130,976 or 26.68% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of September 30, 2015. The Agency contributed \$130,976 to the Plan during fiscal year 2016.

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – At September 30, 2016, the Agency reported a liability of \$379,878 or 0.91% as its proportionate share of the City's net pension liability.

For the year ended September 30, 2016, the Agency recognized pension expense of \$205,714. At September 30, 2016, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 19,851
Changes in Assumptions	32,126	-
Net Difference Between Projected and Actual Earnings on Pension Investments	258,328	-
Total	<u>\$ 290,454</u>	<u>\$ 19,851</u>

Net deferred outflows and inflows of resources at September 30, 2016, related to pensions will be recognized in pension expense in future periods as follows:

Year Ended September 30:	
2017	\$ 103,345
2018	99,796
2019	95,433
2020	<u>(27,971)</u>
	<u>\$ 270,603</u>

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

Actuarial assumptions - The total pension liability was determined by an actuarial valuation and measurement date as of September 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Inflation	3.00%
Salary Increases	4.00% to 9.50% depending on age, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale AA.

The investment return assumption change from 7.55% to 7.50% is reflected in the 2015 Actuarial Valuation Report

The actuarial assumptions used in the September 30, 2016 valuation were based on the results of an actuarial experience study dated November 1, 2012 for the period from October 1, 2001 to September 30, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	40.0%	6.5%
International Equity	15.0%	3.3%
Emerging Markets Equity	12.0%	7.1%
Private Equity	5.0%	11.8%
Real Estate & Timber	10.0%	7.1%
Fixed Income	15.0%	2.7%
Cash	3.0%	-0.8%
Total	<u>100.00%</u>	

Discount rate - This single discount rate was based on the expected rate of return on Pension Plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Pension Plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

Sensitivity of the Agency's proportionate share of the net pension liability to changes in the discount rate - The Agency's proportionate share of the net pension liability has been calculated using a discount rate of 7.50%. The following presents the Agency's proportionate share of the net pension liability calculated using a discount rate 1% higher and 1% lower than the current rate:

	1% Decrease	Current	1% Increase
	6.50%	Discount Rate	8.50%
	7.50%		
Proportionate Share of the Collective Net Pension Liability	\$ 987,325	\$ 379,878	\$ (135,709)

Summary Pension Plan Information:

Agency's Pension Plan Information

Net Pension Liability	\$379,878
Deferred Outflows of Resources	290,454
Deferred Inflows of Resources	19,851
Pension Expense	205,714

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial report.

B) Defined Contribution Plans

1. General Employees Defined Contribution Plan

The General Employees Defined Contribution Plan is a single-employer defined contribution plan administered by the City, which covers all Agency employees hired on or after October 1, 2007. The Agency contribution requirement of 9% on earnings of participants was paid on a biweekly basis and amounted to \$33,972 for the current year. Employee contributions are neither required nor permitted under the plan. Employees become fully vested in the plan upon entry. These benefit provisions and all other requirements are established by City ordinance.

NOTE 8 – FUTURE COMMITMENTS

The Agency currently has the following future commitments included in the City's Community Investment Plan (CIP) segregated by the specific redevelopment area:

<u>CRA Area</u>	<u>Amount</u>
Central Beach	\$ 68,946,609
Northwest Progresso - Flagler Heights	7,099,565
Central City	1,340,116
	<u>\$ 77,386,290</u>

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

NOTE 9 – ACCOUNTING AND REPORTING CHANGES

New Accounting Pronouncements

Implemented

In February 2015, the GASB issued Statements No. 72, “Fair Value Measurement and Application”. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for financial statements for the City’s financial year ending September 30, 2016. Refer to Note 2 for further information.

In June 2015, the GASB issued Statements No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement establishes requirement for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. It establishes requirements for defined contribution pensions that are not within the scope of Statement 68. Amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. The provisions of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for the City’s financial year ending September 30, 2017, and the requirements that address financial reporting for assets accumulated for purposes of providing those pensions are effective for the City’s fiscal year ending September 30, 2016. The provisions of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for the City’s fiscal year ending September 30, 2016.

In June 2015, the GASB issued Statements No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The provisions of this Statement are effective for financial statements for the City’s financial year ending September 30, 2016.

***REQUIRED
SUPPLEMENTARY
INFORMATION***

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

Budget Basis

For the Year Ended September 30, 2016

	SPECIAL REVENUE FUND			Variance with Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
REVENUES				
Property Taxes	\$ 5,386,884	\$ 5,399,483	\$ 5,398,882	\$ (601)
Intergovernmental Revenues:				
Broward County	7,029,099	7,070,378	7,070,378	-
North Broward Hospital District	2,054,683	1,865,066	1,865,066	-
Children's Services Council	629,336	631,213	631,213	-
Miscellaneous:				
Interest Income	60,372	67,444	67,445	1
Other Miscellaneous Revenues	309,177	127,139	139,738	12,599
Total Revenues	<u>15,469,551</u>	<u>15,160,723</u>	<u>15,172,722</u>	<u>11,999</u>
EXPENDITURES				
Current:				
Economic Environment	4,496,542	4,817,381	3,451,100	1,366,281
Total Expenditures	<u>4,496,542</u>	<u>4,817,381</u>	<u>3,451,100</u>	<u>1,366,281</u>
Excess of Revenues Over Expenditures	<u>10,973,009</u>	<u>10,343,342</u>	<u>11,721,622</u>	<u>1,378,280</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(12,552,939)	(14,343,527)	(14,163,410)	(180,117)
Total Other Financing Sources and (Uses)	<u>(12,552,939)</u>	<u>(14,343,527)</u>	<u>(14,163,410)</u>	<u>(180,117)</u>
Net change in Fund Balance	<u>\$ (1,579,930)</u>	<u>\$ (4,000,185)</u>	(2,441,788)	<u>\$ 1,198,163</u>
Fund Balance - Beginning			<u>9,835,599</u>	
Fund Balance - Ending			<u>\$ 7,393,811</u>	
Comparison of Budget to Actual Results				
Statement of Revenues, Expenditures and Changes in Fund Basis of accounting adjustments			\$ 7,474,337	
Encumbrances as of September 30, 2016			(80,526)	
Balances - Budget to Actual			<u>\$ 7,393,811</u>	

THIS PAGE INTENTIONALLY LEFT BLANK

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

GENERAL EMPLOYEES' RETIREMENT SYSTEM

Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>
Agency's proportion of the net pension liability (asset)	0.91%	0.91%
Agency's proportionate share of the net pension liability (asset)	\$ 379,878	\$ 526,316
Agency's covered-employee payroll	\$ 490,957	\$ 526,022
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	77.38%	100.06%
Plan fiduciary net position as a percentage of the total pension liability	93.36%	90.51%

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF AGENCY CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

Last 10 Fiscal Years*
(Dollar amounts in thousands)

	<u>2016</u>	<u>2015</u>
Actuarily Determined Contribution	\$ 130,976	\$ 141,061
Actual Contribution	130,976	141,061
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Agency's Covered-employee Payroll	\$ 490,957	\$ 526,022
Contributions as a Percentage of Covered-employee Payroll	26.68%	26.82%

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

Budgetary Data

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

1. Prior to August 1, the Executive Director submits to the CRA Board a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted.
3. Prior to October 1, the budget is legally enacted.
4. The level of control (level at which expenditures may not exceed budget) is the department. The Executive Director is authorized to transfer budgeted amounts within departments of any fund. The CRA Board must approve any revisions that alter the total expenditures of any department.
5. Annual budgets are adopted for all governmental funds except the capital project funds. The original and final budgets, as presented, include re-appropriated encumbrances of the prior year. The budgets have been adopted on a basis consistent with GAAP with the following exceptions: Budgetary expenditures include GAAP expenditures adjusted for encumbrances at September 30, 2016. Unencumbered balances of appropriations lapse at year-end.

The reported budgetary data represents the final approved budget after amendments adopted by the Agency. Individual amendments were not material in relation to the original adopted budget.

As of September 30, 2016, there were no material violations of budgetary requirements.

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

To the Chairman of the Board
Board of Commissioners and Executive Director
Fort Lauderdale Community Redevelopment Agency
Fort Lauderdale, 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 each major fund of the Fort Lauderdale Community Redevelopment Agency (the Agency), a component unit of the City of Fort Lauderdale, Florida, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 14, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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


Crowe Horwath LLP

Fort Lauderdale, Florida
March 14, 2017

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Fort Lauderdale, Florida)

SCHEDULE OF FINDINGS

YEAR ENDED SEPTEMBER 30, 2016

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	No
Material weakness(es) identified	No
Significant deficiency identified not considered to be material weakness	No
Noncompliance material to financial statements noted	No

SECTION II - FINANCIAL STATEMENT FINDINGS

No financial statement findings

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Fort Lauderdale, Florida)

SUMMARY OF PRIOR YEAR FINDINGS

YEAR ENDED SEPTEMBER 30, 2016

FINANCIAL STATEMENT FINDINGS

Finding Description: 2012-006 IT Controls

Status: Resolved.

To the Chairman of the Board
Board of Commissioners and Executive Director
Fort Lauderdale Community Redevelopment Agency
Fort Lauderdale, Florida

Report on the Financial Statements

We have audited the financial statements of the Fort Lauderdale Community Redevelopment Agency (the Agency), a component unit of The City of Fort Lauderdale, Florida, as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated March 14, 2017.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of The Financial Statements Performed in Accordance with Government Auditing Standards, the Schedule of Findings, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 14, 2017, should be considered in conjunction with this management letter.

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. This information is disclosed in the financial statements.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations. Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Crowe Horwath LLP

Fort Lauderdale, Florida
March 14, 2017

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

To the Chairman of the Board
Board of Commissioners and Executive Director
Fort Lauderdale Community Redevelopment Agency
Fort Lauderdale, Florida

We have examined the Fort Lauderdale Community Redevelopment Agency's (the "Agency") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended September 30, 2016. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

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

In our opinion, the agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

Crowe Horwath LLP

Fort Lauderdale, Florida
March 14, 2017



**City of Fort Lauderdale
Community Redevelopment Agency (CRA)**

914 Sistrunk Boulevard, Suite 200

Fort Lauderdale, FL 33311

Tel: 954-828-6130

Fax: 954-828-4500