

**Margate Community
Redevelopment Agency**
(A Component Unit of the City of Margate)

Basic Financial Statements
For the Year Ended September 30, 2024

Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Margate Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Margate Community Redevelopment Agency, a component unit of the City of Margate, (the "Agency"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Agency, as of September 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the Community Redevelopment Agency Trust 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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Required Supplementary Information

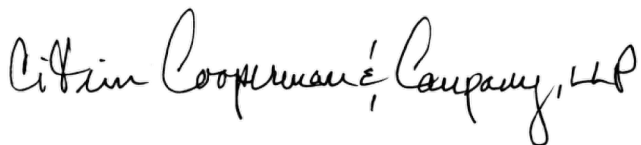
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial 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 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying budgetary comparison schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2025, 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 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 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.



Fort Lauderdale, Florida
April 3, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Margate Community Redevelopment Agency's (the "Agency") financial performance provides an overview of the Agency's financial activities for the years ended September 30, 2024 and 2023. Please read it in conjunction with the Agency's basic financial statements, which immediately follow this discussion.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2024:

- The Agency's total assets exceeded its liabilities at September 30, 2024 by \$ 86.3 million (net position). At the end of the year, the Agency reported a fund balance of \$ 43.7 million, an increase of \$ 10.7 million (32.4%) from the previous fiscal year. The increase in net position is mainly due to significant capital projects that have been budgeted for but have yet to significantly commence.
- The governmental activities revenue totaled \$ 14.4 million primarily resulting from \$ 11.3 million from incremental tax receipts, \$ 860,000 from rental income, and \$ 2.1 million from investment income. Increases in tax receipts from the prior year are due to property values increasing. Investment income increased from prior year due to investment performance and increased investment balance compared to prior year.
- The overall taxable value of the Agency's redevelopment area was \$ 1.15 billion, an increase of \$ 105.7 million (10.1%) over the previous fiscal year's value.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide financial statements: The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the Agency's finances, using accounting methods similar to those used by a private-sector business.

The statement of net position presents financial information of all of the Agency's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. The change in net position over time may be an indicator of whether the Agency's financial health is improving or deteriorating. The Agency's mission is not to collect assets, but to eliminate blight conditions and increase the tax base; thus, while assets can provide an indicator of stability, the Agency's intent is not to hold assets over a significant time period.

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 8 and 9 of this report.

Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)
Management's Discussion and Analysis (Unaudited)
September 30, 2024

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 Agency has only one fund type: governmental funds.

The Agency maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Community Redevelopment Agency Trust Fund, the Community Redevelopment Agency Capital Improvement Fund and the Community Redevelopment Agency Loan Proceeds Fund. All of the funds are considered to be major 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 spendable resources, as well as 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.

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 this, 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.

The governmental fund financial statements can be found on pages 10 through 14 of this report.

Notes to the financial statements: The notes to the financial statements provide additional information essential to a complete understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 23 of this report.

Government-wide overall financial analysis

As noted earlier, net position may serve over time as a useful indicator of financial position.

The following table reflects the condensed government-wide statement of net position as of September 30, 2024 and 2023:

	2024	2023
Current assets	\$ 43,965,708	\$ 33,286,646
Capital assets	42,619,821	43,092,688
Total assets	86,585,529	76,379,334
Current liabilities	279,165	296,225
Total liabilities	279,165	296,225
Net position:		
Investment in capital assets	42,619,821	43,092,688
Restricted	43,686,543	32,990,421
Total net position	\$ 86,306,364	\$ 76,083,109

Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)
Management's Discussion and Analysis (Unaudited)
September 30, 2024

Total assets increased as significant capital projects that have been budgeted for but have yet to significantly commence. Cash, cash equivalents, and investments made up approximately 51% of the total assets.

Governmental activities: Governmental activities for the year ended September 30, 2024 increased the Agency's net position by \$ 10,223,255, as reflected in the table below:

	<u>2024</u>	<u>2023</u>
Revenues:		
Program revenues:		
Charges for services	\$ 862,823	\$ 783,587
General revenues:		
Tax incremental	11,317,690	10,011,585
Investment income	2,133,611	1,353,237
Miscellaneous	<u>100,941</u>	<u>131,675</u>
Total revenues	<u>14,415,065</u>	<u>12,280,084</u>
Expenses:		
General government	1,808,188	1,548,046
Economic and physical environment	<u>2,383,622</u>	<u>2,378,866</u>
Total expenses	4,191,810	3,926,912
Changes in net position	<u>10,223,255</u>	<u>8,353,172</u>
Net Position, Beginning of Year	<u>76,083,109</u>	<u>67,729,937</u>
Net Position, End of Year	<u>\$ 86,306,364</u>	<u>\$ 76,083,109</u>

Total revenues increased approximately 17% due to increased tax incremental receipts and investment income as more funds invested in addition to better rates.

Analysis of Governmental Funds

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the CRA's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the CRA's net resources available for spending at the end of the fiscal year.

The changes in fund balances are for the reasons mentioned previously.

Capital Assets

The Agency's investment in capital assets, less accumulated depreciation, for its governmental activities as of September 30, 2024 amounts to \$ 42.6 million, and consists of land, construction in progress, infrastructure, buildings, machinery and equipment, and improvements other than buildings.

Agency Trust Fund Budgetary Highlights

During the year, there was a transfer of \$ 9.0 million from the Trust Fund to the Capital Improvement Fund for capital project expenditures. Monies utilized to fund the expenditures were from tax increment financing revenues and fund balance reserves.

Final budget compared to actual results: Trust Fund revenues exceeded the final budget by approximately \$ 372,000 due primarily to increased rental and miscellaneous revenues.

Economic Factors and Next Year's Budgets

The following factors affected the development of the fiscal year 2024/2025 budget. The local economy continues to show positive signs of economic growth as the state's economic data continues to indicate economic stability and confidence among Florida's workforce and the state's private sector job growth rate increased at double the national rate in January 2024. Revenues were projected to increase due mostly to favorable property tax assessment increases. Operating expenses were proposed to increase slightly due to increased insurance cost and inflation. Grant and Aid funding will continue for Fiscal Year 2025 to provide for property improvement and economic incentive grant programs. Funding was allocated in FY 2025 for capital improvement projects and other projects, including Community Policing Initiative, Chevy Chase Plaza Improvements, Atlantic Boulevard Streetscape Improvements, Underground Utility, Margate Boulevard Improvements, Sports Complex Field Upgrade, and State Road 7 Greenways.

The Agency monitors Florida Legislature initiatives that may affect the Agency, such as new legislation that impacts requirements for the CRA audit report, annual report, CRA termination provisions, ethics training, etc.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Margate, 5790 Margate Boulevard, Margate, Florida 33063.

FINANCIAL STATEMENTS

Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)
Statement of Net Position
September 30, 2024

	Governmental Activities
Assets:	
Cash, cash equivalents, and investments	\$ 43,955,269
Accounts receivable	10,439
Capital assets:	
Non-depreciable	28,088,585
Depreciable (net of accumulated depreciation)	<u>14,531,236</u>
Total assets	<u>86,585,529</u>
Liabilities:	
Current liabilities:	
Accounts payable and other current liabilities	126,250
Tenant deposits	73,702
Unearned revenues	<u>79,213</u>
Total current liabilities	<u>279,165</u>
Net Position:	
Investment in capital assets	42,619,821
Restricted for:	
Redevelopment projects	<u>43,686,543</u>
Total net position	<u>\$ 86,306,364</u>

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

Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)
Statement of Activities
For the Year Ended September 30, 2024

		Program Revenues			Governmental
		Charges for	Operating	Capital	Activities
	Expenses	Services	Grants and	Grants and	Net (Expense)
			Contributions	Contributions	Revenue and
					Change in
					Net Position
Functions/Programs:					
Governmental activities:					
General government	\$ 1,808,188	\$ -	\$ -	\$ -	\$ (1,808,188)
Economic and physical environment	<u>2,383,622</u>	<u>862,823</u>	<u>-</u>	<u>-</u>	<u>(1,520,799)</u>
Total primary government	<u>\$ 4,191,810</u>	<u>\$ 862,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,328,987)</u>
General revenues:					
Tax incremental receipts					11,317,690
Investment income					2,133,611
Miscellaneous					<u>100,941</u>
Total general revenues					<u>13,552,242</u>
Change in net position					10,223,255
Net position - beginning					<u>76,083,109</u>
Net position - ending					<u>\$ 86,306,364</u>

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

Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)
Balance Sheet - Governmental Funds
September 30, 2024

	Community Redevelopment Agency Trust Fund	Community Redevelopment Agency Capital Improvement Fund	Community Redevelopment Agency Loan Proceeds Fund	Total Governmental Funds
Assets:				
Cash, cash equivalents, and investments	\$ 261,600	\$ 40,701,550	\$ 2,992,119	\$ 43,955,269
Accounts receivable, net	-	5,310	5,129	10,439
Total assets	<u>\$ 261,600</u>	<u>\$ 40,706,860</u>	<u>\$ 2,997,248</u>	<u>\$ 43,965,708</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 108,685	\$ 15,065	\$ 2,500	\$ 126,250
Tenant deposits	73,702	-	-	73,702
Unearned revenue	79,213	-	-	79,213
Total liabilities	<u>261,600</u>	<u>15,065</u>	<u>2,500</u>	<u>279,165</u>
Fund Balances:				
Restricted for: Redevelopment projects	-	40,691,795	2,994,748	43,686,543
Total fund balances	<u>-</u>	<u>40,691,795</u>	<u>2,994,748</u>	<u>43,686,543</u>
Total liabilities and fund balances	<u>\$ 261,600</u>	<u>\$ 40,706,860</u>	<u>\$ 2,997,248</u>	<u>\$ 43,965,708</u>

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

**Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2024**

Fund Balances - Total Governmental Funds (Page 10) \$ 43,686,543

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Governmental capital assets	\$	49,823,442		
Less: accumulated depreciation		<u>(7,203,621)</u>		<u>42,619,821</u>

Net Position of Governmental Activities (Page 8) \$ 86,306,364

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

Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2024

	Community Redevelopment Agency Trust Fund	Community Redevelopment Agency Capital Improvement Fund	Community Redevelopment Agency Loan Proceeds Fund	Total Governmental Funds
Revenues:				
Tax incremental	\$ 11,317,690	\$ -	\$ -	\$ 11,317,690
Licenses and permits	1,834	-	-	1,834
Investment income	262,577	1,790,805	80,229	2,133,611
Rental income	860,989	-	-	860,989
Miscellaneous	100,941	-	-	100,941
	<u>12,544,031</u>	<u>1,790,805</u>	<u>80,229</u>	<u>14,415,065</u>
Total revenues				
Expenditures:				
Current operating:				
General government	1,808,188	-	-	1,808,188
Economic and physical environment	1,747,380	7,639	24,100	1,779,119
Capital outlay	-	131,636	-	131,636
	<u>3,555,568</u>	<u>139,275</u>	<u>24,100</u>	<u>3,718,943</u>
Total expenditures				
Excess of revenues over expenditures	<u>8,988,463</u>	<u>1,651,530</u>	<u>56,129</u>	<u>10,696,122</u>
Other Financing Sources (Uses):				
Transfers in	-	8,988,463	-	8,988,463
Transfers out	(8,988,463)	-	-	(8,988,463)
	<u>(8,988,463)</u>	<u>8,988,463</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
Net changes in fund balances	-	10,639,993	56,129	10,696,122
Fund Balances - Beginning	<u>-</u>	<u>30,051,802</u>	<u>2,938,619</u>	<u>32,990,421</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 40,691,795</u>	<u>\$ 2,994,748</u>	<u>\$ 43,686,543</u>

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

**Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024**

**Net Change in Fund Balances - Total Governmental Funds
(Page 12)**

\$ 10,696,122

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

Governmental funds report capital outlays as
expenditures. However, in the statement of activities,
the cost of those assets is depreciated over their
estimated useful lives.

Expenditures for capital assets	\$ 131,636	
Less: current year provision for depreciation	<u>(604,503)</u>	<u>(472,867)</u>

Change in Net Position of Governmental Activities (Page 9)

\$ 10,223,255

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

Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)
Community Redevelopment Agency Trust Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
				Budget
Revenues:				
Tax incremental	\$ 11,354,329	\$ 11,354,329	\$ 11,317,690	\$ (36,639)
Licenses and permits	250	250	1,834	1,584
Investment income	5,000	5,000	262,577	257,577
Rental income	812,500	812,500	860,989	48,489
Miscellaneous	-	-	100,941	100,941
Total revenues	<u>12,172,079</u>	<u>12,172,079</u>	<u>12,544,031</u>	<u>371,952</u>
Expenditures:				
Current:				
General government	3,474,758	3,452,558	1,808,188	1,644,370
Economic and physical environment	<u>3,466,000</u>	<u>3,488,200</u>	<u>1,747,380</u>	<u>1,740,820</u>
Total expenditures	<u>6,940,758</u>	<u>6,940,758</u>	<u>3,555,568</u>	<u>3,385,190</u>
Excess of revenues over expenditures	<u>5,231,321</u>	<u>5,231,321</u>	<u>8,988,463</u>	<u>3,757,142</u>
Other Financing Uses:				
Transfers out	<u>(5,231,321)</u>	<u>(8,988,463)</u>	<u>(8,988,463)</u>	<u>-</u>
Net change in fund balance	-	(3,757,142)	-	3,757,142
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (3,757,142)</u>	<u>\$ -</u>	<u>\$ 3,757,142</u>

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

Note 1 - The Financial Reporting Entity

The Margate Community Redevelopment Agency (the "Agency") was established by the City of Margate, Florida (the "City") under authority granted by Florida Statute, Chapter 163, Section III. The City determined that the Agency was necessary in order to establish the means by which debilitating blight can be arrested and erased and in order to proceed with a redevelopment and revitalization plan for the redevelopment area. The purpose was to deter blight and deterioration; protect and enhance property values; encourage and foster revitalization and economic growth; and to improve the quality of life for residents working or living within or adjacent to the redevelopment area. The Agency is a legally separate entity established by Ordinance 96-15 of the City of Margate Commission on October 2, 1996. It is governed by a Board of Commissioners (the "Board"), which is composed of five members appointed by the Commission of the City of Margate, Florida. The Board exercises all powers granted to the Agency pursuant to Chapter 163, Section III of the Florida Statutes. Currently, the Agency Board is made up of the Margate City Commission. As a tax increment district, the Agency receives operating revenues from taxing jurisdictions within Broward County. Funds are also provided by fees collected, interest income, rental income, and the unexpended fund balance from the previous year. The Agency includes the following funds: Agency Trust Fund, Agency Capital Improvement Fund, and Agency Loan Proceeds Fund.

In evaluating the Agency as a reporting entity, management has addressed all potential component units for which the Agency may or may not be financially accountable and, as such, be included within the Agency financial statements.

The Governmental Accounting Standards Board ("GASB") requires that a component unit should be included in the reporting entity financial statements using the blending method in any of these circumstances: (a) the component unit's governing body is substantively the same as the governing body of the primary government and (1) there is a financial benefit or burden relationship between the primary government and the component unit or (2) management of the primary government has operational responsibility for the component unit; (b) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively or almost exclusively, benefits the primary government even though it does not provide services directly to it; or (c) the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government. Based on these requirements, the Agency does not have any component units.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of the Agency have been prepared in conformity with generally accepted accounting principles as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency's more significant accounting policies are described below:

Basis of presentation: The Agency's basic financial statements include both government-wide (reporting the Agency as a whole) and fund financial statements (reporting the Agency's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the Agency's activities are classified as governmental activities.

Note 2 - Summary of Significant Accounting Policies (continued)

Financial Statements - Government-Wide Statements: In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations, when and if applicable.

The government-wide statement of activities reports both the gross and net cost of each of the Agency's functions. The net costs, by function, are also supported by general revenues, other revenue, etc. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflect capital-specific grants. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Financial Statements - Fund Financial Statements: The fund financial statements provide information about the Agency's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Agency has three major governmental funds:

Margate Community Redevelopment Agency Trust Fund – This special revenue fund is the primary operating fund, it accounts for all financial resources of the Agency.

Margate Community Redevelopment Agency Capital Improvement Fund – This capital projects fund accounts for capital projects of the Agency and redevelopment of the designated redevelopment areas.

Margate Community Redevelopment Agency Loan Proceeds Fund - This capital projects fund accounts for the capital projects financed by loan proceeds of the Agency for the financing and redevelopment of the designated redevelopment areas.

The annual audit of these funds included an evaluation in light of the applicable requirements of Florida Statute 163.387. Per the Agency's management, the year-end fund balance of approximately \$43.7 million has been restricted for specific redevelopment projects pursuant to the Community Redevelopment Plan.

Measurement Focus and Basis of Accounting: The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Incremental 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.

Note 2 - Summary of Significant Accounting Policies (continued)

The 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 Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Budget: A budget is adopted for each Agency Fund on an annual basis. The level of control at which the expenditures may not exceed budget is at the fund level. Amendments to budgeted expenditures must be approved by the Agency's Board of Commissioners.

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

- a. Each year the Agency Executive Director submits to the Agency Board a proposed operating budget for the fiscal year commencing the following October 1.
- b. A public hearing is conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of a resolution.
- d. The budgets are adopted on a basis consistent with generally accepted accounting principles.

Cash, Cash Equivalents and Investments: The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments (including restricted assets) with original maturities of three (3) months or less from the date of acquisition, money market accounts, and equity in pooled cash.

State statutes require all deposits of the Agency, including demand deposit accounts, time deposit accounts and money market accounts be held in institutions designated by the Treasurer of the State of Florida as "qualified depositories" and accordingly, are covered by a collateral pool as required by that statute.

Note 2 - Summary of Significant Accounting Policies (continued)

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. As of September 30, 2024 approximately \$ 7 million was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department, but not in the City's name.

Investments are reported at fair value (quoted market price or the best available estimate thereof). However, money market investments, including short-term, highly liquid investments with a remaining maturity at time of purchase of one year or less, are reported at amortized cost. Income from investments held by the individual funds is recorded in the respective fund as it is earned. All other investments owned by the Agency are accounted for in the City of Margate's investment pool. Income earned from this pool is allocated to the respective funds.

Receivables and Payables: All trade and other receivables are shown net of allowance for uncollectible. Long-term receivables are analyzed for their collectability based on the terms and conditions of the agreements. In addition to those receivables specifically identified as uncollectible, a general allowance is calculated based on the Agency's historical bad-debt experience.

Capital Assets: Capital assets, which include land, construction in progress, infrastructure, buildings, machinery and equipment, and improvements other than buildings, are reported in the applicable governmental activities column in the government-wide financial statements. The Agency defines capital assets as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but are expensed as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Infrastructure	10-30 years
Buildings	50 years
Improvements other than buildings	4-20 years
Machinery and equipment	5 years

Unearned Revenue: Unearned revenue represents resources that have been received but not yet earned.

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Deferred amounts on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt.

Note 2 - Summary of Significant Accounting Policies (continued)

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Net Position/Fund Balance: Net position is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide statement is categorized as (a) net investment in capital assets, (b) restricted or (c) unrestricted. The first category represents net investment in capital assets reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets excluding unexpended debt proceeds. The restricted category represents the balance of assets restricted by requirements of debt covenants and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position consists of the net position not meeting the definition of either of the two other components. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

In the fund financial statements, governmental funds report five categories of fund balances: non-spendable, restricted, committed, assigned, and unassigned. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balances are amounts constrained for specific purposes by external parties (creditors, grantors, contributors), law, or enabling legislation legally enforceable by external parties. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Commissioners (highest level of decision making authority) through an ordinance or resolution (which are both equal and the highest level of decision making) are classified as committed fund balances. The limitation imposed by the ordinance or resolution remains in place until similar action is taken (adoption of another ordinance or resolution) to remove or revise the limitation. Assigned fund balances are amounts without formal constraints, but are intended to be used for specific purposes. This intent can be expressed by the Board or through the Board delegating this responsibility to Agency management. The authority of the Agency's Director to make these designations is provided for through the Agency's Charter. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the Agency Trust Fund. The Agency would typically use restricted fund balances first, followed by committed fund balances, and then assigned fund balances.

Deferred Outflows and Inflows of Resources: In addition to assets, the statement of net position will periodically report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency did not have any deferred outflows of resources as of September 30, 2024.

In addition to liabilities, the statement of net assets will periodically report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency did not have any deferred inflows of resources as of September 30, 2024.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management Review: Subsequent events have been evaluated through April 3, 2025, which is the date the financial statements were available to be issued.

Note 3 - Deposits and Investments

Deposits and investments are reflected in the accompanying statement of net position, and balance sheet - governmental funds, in the following accounts.

Cash and cash equivalents	\$ 8,631,709
Investments	<u>35,323,560</u>
	<u>\$ 43,955,269</u>

Deposits: At year-end, the Agency's carrying amount of deposits was \$ 8,631,709 including petty cash funds and cash on hand totaling \$ 150 as of September 30, 2024. Deposits whose balances exceed the limits of federal depository insurance are collateralized pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act which sets forth the investment objectives and parameters for the management of public funds for the Agency.

Investments: The Agency has \$ 11,598,399 invested in the Florida State Board of Administration's Florida PRIME Investment Pool (FL PRIME) and \$ 23,725,161 invested in the Florida Public Assets for Liquidity Management (FL PALM) as of September 30, 2024. The fair value of both the FL PRIME and the FL PALM is the same as the book value of the pool shares. Both the FL PRIME and the FL PALM are measured at amortized cost.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The Agency employs several investment duration and investment management strategies to minimize the Agency's portfolio interest rate risk. The investments held by the Agency are typically held in short-term securities to minimize changes in market prices, as interest rates change. The weighted average days to maturity at September 30, 2024 for the FL PRIME and FL PALM was 39 days and 36 days, respectively.

Credit Risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The FL PRIME and FL PALM are rated AAAM by Standard and Poor's.

Note 4 - Tax Incremental Revenues

The primary source of revenue for the Agency is the tax incremental revenues collected from the City of Margate, Broward County, and the North Broward Hospital District. These entities levy ad valorem property taxes within the legally defined redevelopment area of the Agency. The tax increment revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations over the 1997 base year assessed valuations for all properties located within the Agency's boundaries. Prior to 2005, tax increment revenues were also collected from the Children's Services Council (CSC). In 2005, the Board granted CSC the exemption from its annual obligation to appropriate and deposit the amount of its increment revenues to the Agency.

Assessed values are established by the Broward County Property Appraiser. The assessed property value recognized by the City and Broward County includes the second homestead exemption while the North Broward Hospital District does not recognize such exemption. Broward County, North Broward Hospital District, and the City of Margate are required to pay 95% of these incremental property taxes to the Agency on or before January 1 of each year, otherwise the full amount of the increment revenue will become due.

Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)
Notes to Financial Statements
September 30, 2024

Note 5 - Deposits and Withdrawals

As required by Florida Statute section 163.387(8), additional description of CRA financial information during fiscal year 2024 is as follows:

Sources of deposits:		
Tax increment - Broward County	\$	4,453,026
Tax increment - North Broward Hospital		1,150,135
Tax increment - City		5,714,529
Investment income		2,133,611
Rental income		860,989
Licenses and permits		1,834
Miscellaneous		<u>100,941</u>
Total sources	\$	<u><u>14,415,065</u></u>
Purpose of withdrawals:		
General government		
Administrative	\$	1,694,019
Professional services		47,013
Operations		44,884
Occupancy		22,272
Economic and physical environment		
Economic development		1,779,119
Capital outlay		<u>131,636</u>
Total withdrawals	\$	<u><u>3,718,943</u></u>

Note 6 - Transfers

The Agency had the following transfers during the fiscal year ending September 30, 2024:

	<u>Transfers In</u>	<u>Transfers Out</u>
Agency Trust Fund	\$ -	\$ 8,988,463
Agency Capital Improvement Fund	<u>8,988,463</u>	<u>-</u>
Total	\$ <u><u>8,988,463</u></u>	\$ <u><u>8,988,463</u></u>

These transfers were made during the year to fund capital projects.

Margate Community Redevelopment Agency
(A Component Unit of the City of Margate)
Notes to Financial Statements
September 30, 2024

Note 7 - Capital Assets

Capital asset activity for the year ending September 30, 2024 was as follows:

	Balance October 1, 2023	Increases	Transfers/ Decreases	Balance September 30, 2024
Capital assets, not being depreciated:				
Land	\$ 27,449,974	\$ 24,100	\$ -	\$ 27,474,074
Construction in progress	2,680,700	62,413	(2,128,602)	614,511
Total capital assets, not being depreciated	30,130,674	86,513	(2,128,602)	28,088,585
Capital assets, being depreciated:				
Infrastructure	12,999,738	34,383	-	13,034,121
Buildings	4,829,492	-	-	4,829,492
Machinery and equipment	52,720	-	-	52,720
Improvements other than buildings	1,679,182	10,740	2,128,602	3,818,524
Total capital assets, being depreciated	19,561,132	45,123	2,128,602	21,734,857
Total capital assets	49,691,806	131,636	-	49,823,442
Less accumulated depreciation for:				
Infrastructure	(4,779,295)	(358,729)	-	(5,138,024)
Buildings	(1,470,441)	(96,590)	-	(1,567,031)
Machinery and equipment	(19,037)	(7,485)	-	(26,522)
Improvements other than buildings	(330,345)	(141,699)	-	(472,044)
Total accumulated depreciation	(6,599,118)	(604,503)	-	(7,203,621)
Total capital assets, being depreciated, net	12,962,014	(559,380)	2,128,602	14,531,236
Governmental activities capital assets, net	\$ 43,092,688	\$ (472,867)	\$ -	\$ 42,619,821

Provision for depreciation was charged to functions as follows:

Governmental Activities:	
Economic and physical environment	\$ 604,503

Note 8 - Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the Agency carries property and liability insurance. The Agency has not had any significant reduction in insurance coverage, and the amounts of insurance settlements have not exceeded the insurance coverage for any of the last three years.

Note 9 - Related Party Transactions

The Agency paid the City approximately \$ 1.7 million for various administrative services provided by the City.

Note 10 - Operating Lease

The Agency currently has various lease arrangements for two shopping complexes it owns located along Margate Boulevard. The properties have aggregate costs of approximately \$ 3.1 million and \$ 4.3 million in land and building, respectively. The buildings have a total carrying value of \$ 2.7 million at September 30, 2024. Depreciation expense for the year was approximately \$ 85,500. Total rental revenues from these properties during the fiscal year amounted to approximately \$ 861,000. The leases have terms of 12 months or less.

Note 11 - Commitments and Contingencies

In fiscal year 2014, the CRA was audited by the Broward Office of the Inspector General (the "OIG"). The OIG audit determined that the CRA failed to comply with the requirements of the Florida Statutes for the allocation and disposition of carryforward TIF funds of approximately \$ 2.7 million. The management of the CRA and legal counsel responded in a letter that they believe that they are in compliance with the statutory requirements. As of September 30, 2024, the CRA has not received an update from the OIG with regard to the audit results during fiscal year 2014. The financial statements do not reflect any adjustments that might result from this uncertainty.

OTHER SUPPLEMENTARY INFORMATION

Margate Community Redevelopment Agency Capital Improvement Fund
(A Component Unit of the City of Margate)
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 1,790,805	\$ 1,790,805
Expenditures:				
Economic and physical environment	20,804,400	29,336,473	139,275	29,197,198
Excess (deficiency) of revenues over (under) expenditures	(20,804,400)	(29,336,473)	1,651,530	30,988,003
Other Financing Sources:				
Transfers in	9,497,328	13,254,470	8,988,463	(4,266,007)
Net change in fund balance	(11,307,072)	(16,082,003)	10,639,993	26,721,996
Fund Balance - Beginning	30,051,802	30,051,802	30,051,802	-
Fund Balance - Ending	\$ 18,744,730	\$ 13,969,799	\$ 40,691,795	\$ 26,721,996

Margate Community Redevelopment Agency Loan Proceeds Fund
(A Component Unit of the City of Margate)
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget
Revenues:				
Investment income	\$ 1,000	\$ 1,000	\$ 80,229	\$ 79,229
Expenditures:				
Economic and physical environment	4,701,000	4,701,000	24,100	4,676,900
Net change in fund balance	(4,700,000)	(4,700,000)	56,129	4,756,129
Fund Balance - Beginning	2,938,619	2,938,619	2,938,619	-
Fund Balance (Deficit) - Ending	\$ (1,761,381)	\$ (1,761,381)	\$ 2,994,748	\$ 4,756,129

INTERNAL CONTROLS AND COMPLIANCE

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

To the Board of Commissioners
Margate Community Redevelopment Agency
Margate, 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 Margate Community Redevelopment Agency (the "Agency") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated April 3, 2025.

Report on Internal Control over Financial Reporting

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

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

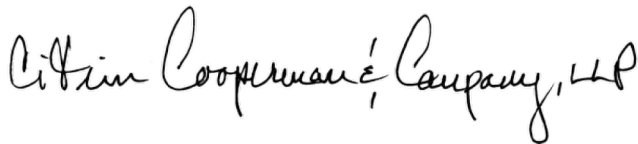
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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



Fort Lauderdale, Florida

April 3, 2025

Management Letter Required by Chapter 10.550 of the Rules of the Auditor General of the State of Florida

To the Board of Commissioners
Margate Community Redevelopment Agency
Margate, Florida

Report on Financial Statements

We have audited the financial statements of the governmental activities and each major fund of the Margate Community Redevelopment Agency (a component unit of the City of Margate, Florida) (the "Agency"), as of and for the year ended September 30, 2024, and have issued our report thereon dated April 3, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 3, 2025, 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 and 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. Margate Community Redevelopment Agency (a component unit of the City of Margate, Florida) was established October 2, 1996 by the City of Margate Commission Ordinance No. 96-15, pursuant to the laws of the State of Florida. The Agency does not have any component units.

Financial Condition and Management

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

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

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

Specific Information

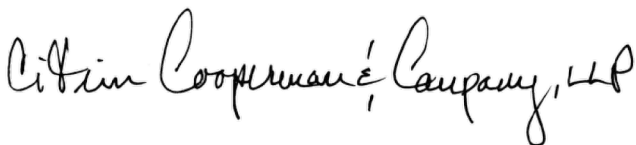
As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Agency is required to report certain specific information, as the Agency is a dependent special district of the City of Margate, Florida. This information can be found in the City of Margate, Florida's Annual Comprehensive Financial Report for the year ended September 30, 2024.

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

Purpose of this Letter

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



Fort Lauderdale, Florida
April 3, 2025

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415 FLORIDA STATUTES AND
SECTIONS 163.387(6) AND 163.387(7) FLORIDA STATUTES**

To the Board of Commissioners
Margate Community Redevelopment Agency
Margate, Florida

We have examined Margate Community Redevelopment Agency (a component unit of the City of Margate, Florida) (the "Agency") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* (the "specified requirements") and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2024. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

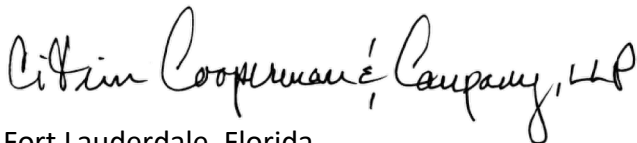
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of 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 Agency's compliance with the specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

This report is intended solely for the information and use of the State of Florida Auditor General, 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.



Fort Lauderdale, Florida
April 3, 2025