

June 21, 2022

To the Board of Directors and CRA Director  
Delray Beach Community Redevelopment Agency

We have audited the financial statements of the governmental activities, general fund, and the discretely presented component unit of the Delray Beach Community Redevelopment Agency (the “Agency” or the “CRA”) for the fiscal year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

**Our Responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards**

As stated in our engagement letter dated January 17, 2022, our responsibility, as described by professional standards, was to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the Management’s Discussion and Analysis, and the budgetary comparison schedule and related notes, which supplements the basic financial statements, was to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Statement of Net Position, Statement of Activities, Statement of Cash Flows and Schedule of Revenues and Expenses – Budget and Actual, for Block 60 Parking Condominium Association, Inc., which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Planned Scope, Timing of the Audit, and Other**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during fiscal year 2021 except for the adoption of GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 90, *Majority Equity Interest, an amendment of GASB No. 14 and No. 61*, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The adoption of these statements did not have a significant impact on the CRA's financial statements. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the Agency's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any particularly sensitive financial statement disclosure.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes one uncorrected misstatement of the financial statements. Management has determined that its effect is immaterial to the financial statements taken as a whole. The uncorrected misstatement or the matter underlying it could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatement is immaterial to the financial statements under audit.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated June 21, 2022.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Appendix A reflecting the Current Year Recommendation to Improve Financial Management, is included in the reporting section of the Agency's financial statement and includes one management letter comment (observation and recommendation) along with management's responses to correct/improve this reported matter.

### **Other Matters**

We applied certain limited procedures to management's discussion and analysis and the budgetary comparison schedule with related notes, which are required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Statement of Net Position, Statement of Activities, Statement of Cash Flows and Schedule of Revenues and Expenses – Budget and Actual, for Block 60 Parking Condominium Association, Inc., which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### **Restriction on Use**

This information is intended solely for the use of the Board of Commissioners, the CRA Director, and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Marcum LLP

Client: 245895 - Delray Beach Community Redevelopment Agency  
Engagement: 10555951 - 2021 Delray CRA Audit  
Period Ending: 9/30/2021  
Trial Balance: 54.01 - Trial Balance - CRA  
Workpaper: 07.03a - PAJE Report

Account	Description	W/P Ref	Debit	Credit
Proposed Journal Entries				
Proposed Journal Entries JE # 10		BB.03		
To remove compensated absences from fund level				
2135	Accrued Vac/Comp Time		76,796.00	
3200	Retained Earnings			58,061.00
8011	Salaries & Wages			18,735.00
Total			<u>76,796.00</u>	<u>76,796.00</u>
Total Proposed Journal Entries			<u>76,796.00</u>	<u>76,796.00</u>
Total All Journal Entries			<u>76,796.00</u>	<u>76,796.00</u>