

June 29, 2023

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

We have audited the financial statements of the governmental activities, the major 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, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and Chapter 10.550, Rules of the Auditor General of the State of Florida, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 30, 2023. Professional standards also require that we communicate to you the following information related to our audit.

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 Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year ended September 30, 2022, with the exception of the implementation of Government Accounting Standards Board (“GASB”) Statement No. 87, *Leases*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, and GASB Statement No. 97, *Certain Component Unit Criteria, And Accounting And Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans*. We noted no transactions entered into by Agency during the fiscal 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. The most sensitive estimate affecting the Agency’s financial statements was:

Management's estimate of the total other postemployment benefits (OPEB) liability in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is based on actuarial methods and assumptions used by the actuaries for the development of the funding valuations as well as the accounting valuations. The key factors impacting the assumptions, such as a change in market conditions, are subject to change on an annual basis and therefore can have a significant impact on this estimate. We evaluated the key factors and assumptions used to develop these estimates described above, in determining that they are reasonable in relation to the financial statements taken as a whole.

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.

Independence

During the fiscal year ended September 30, 2022 we were engaged to assistance with the preparation of the Agency's financial statements. We reviewed the nature of the requested work, our role and management's role and determined that our independence would not be impaired, in fact or appearance.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit other than delays in receiving certain financial information which delayed the completion of the 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. Management has corrected all such misstatements. The misstatements detected as a result of audit procedures and corrected by management were material to the financial statements taken as a whole. The related effects are further described in the Other Audit Findings or Issues section of this letter.

The below reflects one (1) uncorrected misstatement over the financial statements. Management has determined its effects are immaterial to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them 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.

Account	Description	W/P Ref	Debit	Credit
Proposed Journal Entries				
Proposed Journal Entries JE # 17		BB.03		
To remove compensated absences from fund level.				
2135	Accrued Vac/Comp Time		75,343.00	
3200	Retained Earnings			57,261.00
8011	Salaries & Wages			18,082.00
Total			75,343.00	75,343.00

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 29, 2023.

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 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.

As noted in our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, we did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item SD 2022-001 that we considered to be a significant deficiency.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedule with related notes and schedule of OPEB cost-sharing allocation, which are required supplementary information (RSI) that supplement the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 information and use of 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,

A handwritten signature in black ink that reads "Marcum LLP". The signature is written in a cursive, flowing style.

Marcum LLP