



Clearwater Downtown Development Board

Board Meeting, 2/1/2017

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CLA Engagement Team

- **Overall Engagement Responsibility**
 - Andrew Laflin, Principal

- **Financial Statement Audit Team**
 - Andrew Laflin, CPA, Principal
 - Sue Pagan, CPA, Director
 - Dani Ashford, CFE, Senior



Audit and Attestation Services Performed

Financial Statements

- Financial statement audit for the year ended September 30, 2016, in accordance with *Government Audit Standards*

Internal Controls

- Evaluate internal controls over the Board's financial reporting processes and compliance with applicable laws, regulations, contracts, and agreements
 1. Understanding Information Technology at the City of Clearwater
 2. General Disbursements and AP
 3. Financial Close and Reporting Process



Audit and Attestation Services Performed- cont.

State Compliance

- Examination of compliance with investment provisions in accordance with requirements of *Section 218.415, Florida Statutes*
 - DDB maintains its cash/investment balances with the City of Clearwater, and DDB's relationship to the City in this regard is akin to holding cash with a fiscal agent. DDB does not make any cash deposits or purchase investment securities on its own, therefore no testing procedures to perform

CRA Compliance

- Examination of compliance with expenditures in accordance with requirements of Florida statute 163.387
 - Tested \$378,363 of expenditures out of the total \$418,536, or 90%
 - No exceptions noted



Element of Unpredictability

- Review of new vendor expenditures in the current fiscal year
- Results in line with the new events approved in board minutes



Reports to be Delivered

1

Independent Auditors' Report

2

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* (Yellow Book Report)

3

Management letter as required by Chapter 10.550 Rules of the Auditor General

4

Independent Accountants' Report (Examination)

5

Communication to Governance

Results of Procedures

- **Independent Auditors' Report**
 - Unmodified Opinion
- **Independent Auditors' Report on Internal Control (*GAS - Yellow Book*)**
 - No Material Weaknesses reported
- **Management Letter (*Florida Auditor General*)**
 - No findings or recommendations made in the preceding annual financial report.
- **Independent Accountants' Report (*Examination – Investment Compliance*)**
 - Unmodified attestation opinion on investment compliance
- **Verbal Recommendation**
 - Recommendation made to report property tax revenue at the gross amount and have the Tax Collector's commission fees as a budgeted expense line item. This correction was made in FY2016.



Financial Overview

- Total revenues increased by \$37,605 (\$430,679 in CY vs. \$393,074 in PY)
 - Increase in property tax revenues and intergovernmental revenues (CRA contribution) due to increasing property values



Financial Overview, Continued

- Total expenses increased by \$30,156 (\$418,536 in CY vs. \$388,380 in PY)
 - Promoting Events program: New support for the Pierce Street Market, \$15,000 (\$14,800 from unallocated funds and \$200 from the advertising line item) was used for social media marketing for nine events. This was approved in the minutes dated 1/6/2016.
 - Fixed Payments: increase in payment to CRA (\$173,217 in CY vs. \$154,566 in PY) also due to rising property values



Financial Overview, Continued

- Net Position & Fund Balance – \$12,143 increase (\$151,835 in CY vs. \$139,692 in PY)
 - \$(6,915) decrease in accounts payable
 - Loan receivable balance from CRA remains at \$48,000



Required Communication to Governance

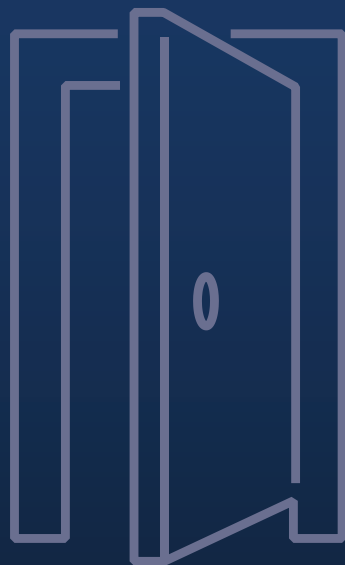
- **No difficulties encountered in dealing with management**
- **No uncorrected misstatements**
- **No disagreements with management**





Conclusion

We appreciate everyone's cooperation throughout the audit.



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