

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF THE CITY OF NORTH MIAMI BEACH, FLORIDA)

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2024

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
 (A COMPONENT UNIT OF THE CITY OF NORTH MIAMI BEACH, FLORIDA)  
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**INDEPENDENT AUDITORS' REPORT**

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## **Independent Auditors' Report**

To the Board of Directors and CRA Executive Director  
**North Miami Beach Community Redevelopment Agency**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the CRA, as of September 30, 2024, and the respective changes in financial position, for the fiscal 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRA 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.

#### ***Emphasis of Matter – Correction of an Error***

As discussed in Note 9 to the financial statements, the September 30, 2024 net position balances have been restated for the correction of an error. Our opinions are not modified with respect to this matter.

#### ***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 CRA'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.

### ***Auditors' 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 auditors' 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 GAAS 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 GAAS 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 CRA'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 CRA'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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, pension schedules and the OPEB schedules on pages 4 - 6 and 27 - 31 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 GAAS, 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 October 2, 2025, on our consideration of the CRA'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 CRA'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 CRA's internal control over financial reporting and compliance.

*CBIZ CPAs P.C.*

Miami, FL  
October 2, 2025

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF THE CITY OF NORTH MIAMI BEACH, FLORIDA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024

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

**Financial Highlights**

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

- The Agency's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at September 30, 2024, by \$10,507,500 (net position).
- The governmental activities revenues totaled \$5,224,315, including \$5,140,137 from tax incremental financing (TIF) and \$84,178 from interest income. Expenses, including transfers to the City of North Miami Beach, Florida were \$3,327,145.
- At the end of the year, the Agency reported a fund balance of \$6,995,803, an increase of \$1,934,583 from the previous year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The basic financial statements are comprised of three components: 1) governmentwide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**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, in a manner similar to a private sector business.

The statement of net position presents information on all the Agency's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Agency's financial position. The Agency's mission is not to collect assets, but to eliminate blighted 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 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. Thus, 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 7 and 8 of this report.

**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 is comprised of only one governmental fund.

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 so, readers may better understand the long-term impact of the Agency's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and the governmental activities.

The governmental fund financial statements can be found on pages 9 through 12 of this report.

**Notes to the Financial Statements:** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 13 through 26 of this report.

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF THE CITY OF NORTH MIAMI BEACH, FLORIDA)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**

**Overview of the Financial Statements (Continued)**

**Required Supplementary Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the Agency's annual appropriated budget. A budgetary comparison schedule has been provided to demonstrate compliance with the budget. Additional RSI displays the Agency's changes in proportionate share of the net pension and OPEB liabilities and Agency contributions to the various plans. This required supplementary information is on pages 27 through 31 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time to be a useful indicator of the Agency's financial position. The following table reflects the condensed government-wide statement of net position as of September 30, 2024, and 2023:

	Governmental Activities	
	2024	2023
Current and other assets	\$ 7,126,570	\$ 5,170,372
Capital assets (net)	3,964,322	3,827,883
<b>Total assets</b>	<b>11,090,892</b>	<b>8,998,255</b>
Deferred outflows of resources	104,807	-
Current and other liabilities	135,040	109,152
Long term liabilities	531,905	-
<b>Total liabilities</b>	<b>666,945</b>	<b>109,152</b>
Deferred inflows of resources	21,254	-
Net position:		
Investment in capital assets	3,907,732	3,827,883
Unrestricted	6,599,768	5,061,220
<b>Total net position</b>	<b>\$ 10,507,500</b>	<b>\$ 8,889,103</b>

Note: Amounts reported as of September 30, 2023, derived from the 2023 audited financials statements and have not been adjusted for a restatement to ending Net Position as of September 30, 2023. Restating certain information presented in the required supplementary information, including the MD&A, as of October 1, 2022 and for prior years was deemed impractical as such changes would span back to the implementation date of GASB Statement No. 75 (fiscal year 2018). See Note 9 to the financial statements.

**Governmental Activities:** There was an increase of \$2.0 million in current and other assets for governmental activities. The increase is primarily due to a net increase in cash and investments of \$1.1 million, which is attributed to an increase in tax increment revenue. Governmental activities for the year ended September 30, 2024, increased the Agency's net position by \$1,897,170 as reflected in the table below:

	Government Activities	
	2024	2023
<b>Revenues:</b>		
General revenues:		
Intergovernmental revenues	\$ 5,140,137	\$ 3,483,970
Interest income	84,178	199,183
Other	-	(677)
<b>Total Revenues</b>	<b>5,224,315</b>	<b>3,682,476</b>
<b>Expenses:</b>		
General Government	3,327,145	2,675,773
Debt Service	-	24,265
<b>Total Expenses</b>	<b>3,327,145</b>	<b>2,700,038</b>
Change in net position	1,897,170	982,438
Net position, beginning as previously reported	8,889,103	7,906,665
Error correction (Note 9)	(278,773)	-
Net position, beginning as restated	8,610,330	7,906,665
<b>Net position, ending</b>	<b>\$ 10,507,500</b>	<b>\$ 8,889,103</b>

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
 (A COMPONENT UNIT OF THE CITY OF NORTH MIAMI BEACH, FLORIDA)  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 SEPTEMBER 30, 2024

**Governmental Fund Budgetary Highlights**

The Agency's Governmental Fund revenues were \$39,178 more than the final budget projections. Expenditures were \$6,973,171 less than final appropriations due to delays in commencement in capital projects and awarding of additional grants to private organizations. Intergovernmental revenues increased by \$1,656,167 or 47.5% primarily due to an increase in the property values within the Agency District. Intergovernmental revenues is a function of the increase in the assessed values of properties within the Agency District above the base year valuation amount as well as the operating millage rate of each taxing district that contributes.

Total expenses increased by \$348,334 or 11.7% due to a net increase in grants and contributions provided throughout the current year.

**Capital Assets**

The Agency's investment in capital assets for its governmental activities as of September 30, 2024, amounts to \$3,964,322, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, furniture, fixtures, and equipment. Capital assets held by the Agency are summarized as follows:

	Government Activities	
	2024	2023
Capital assets, non - depreciable	\$ 3,675,891	\$ 3,635,591
Capital assets, net of accumulated depreciation	288,431	192,292
	\$ 3,964,322	\$ 3,827,883

Additional information on the Agency's capital assets can be found in Note 3 of this report.

**Economic Factors and Next Year's Budget**

The North Miami Beach Community Redevelopment area known as "the Agency Area" is bounded by the major East/West highway, State Road 826/NE 163<sup>rd</sup> Street/North Miami Beach Boulevard. The Agency Area has become a vibrant business and residential district through substantive capital investment and close cooperation between the City and the local business community. Redevelopment decisions are guided by the Agency Board of Directors which consists of the North Miami Beach City Commission. Funding for redevelopment is obtained through the process of tax increment financing. Through this process, any increases in the City of North Miami Beach and Miami-Dade County property tax base directly resulting from redevelopment in the Agency Area are set aside and re-used for additional redevelopment. Each year the Agency's annual budget is approved by both the City of North Miami Beach and by Miami-Dade County.

The taxable assessed value is only one component in the computation of incremental taxes; the other component is the millage rate. The Agency received more in incremental tax receipts for the fiscal year ending September 30, 2024, than it did in fiscal year ending September 30, 2023. Taxable assessed value increased from \$602.7 million to \$757.8 million for fiscal year 2024, an increase of 25.75%. For FY 2025, the contributing authority millage rates remain the same for both the City of North Miami Beach (6.1000 mills) and Miami-Dade County (4.5740 mills).

The economic redevelopment of the Agency is based on a productive partnership between the City and the business community to achieve positive results in attracting new businesses and residential development to the area. The Agency will sunset on October 11, 2028 in accordance with Miami-Dade County Resolution R-1427-06 unless renewed.

**Requests for Information**

This financial report is designed to provide a general overview of Agency's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Adam Old, Executive Director for Agency, 17011 NE 19<sup>th</sup> Avenue, North Miami Beach, Florida 33162.

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**BASIC FINANCIAL STATEMENTS**

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**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF NORTH MIAMI BEACH, FLORIDA)  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,555,501
Investments	1,562,111
Prepaid costs	8,958
Total current assets	7,126,570
Non-current assets	
Land	2,460,001
Construction in progress	1,215,890
Building	508,475
Improvements other than buildings	485,942
Infrastructure	124,862
Furniture and equipment	16,558
Less: accumulated depreciation	(847,406)
Total capital assets	3,964,322
Total assets	11,090,892
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	102,892
Other post-employment benefits (OPEB)	1,915
Total deferred outflows of resources	104,807
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	130,767
Noncurrent liabilities:	
Portion due within one year:	
Compensated absences	4,273
Portion due in more than one year:	
Compensated absences	12,820
Net pension liability	513,117
Net OPEB liability	5,968
Total liabilities	666,945
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Other post-employment benefits (OPEB)	21,254
Total deferred inflows of resources	21,254
<b>NET POSITION</b>	
Investment in capital assets	3,907,732
Unrestricted	6,599,768
Total net position	\$ 10,507,500

See notes to basic financial statements.

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF NORTH MIAMI BEACH, FLORIDA)  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net Revenue (Expense) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities					
General government	\$ 3,327,145	\$ -	\$ -	\$ -	\$ (3,327,145)
Total governmental activities	<u>\$ 3,327,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,327,145)</u>

<b>General revenues:</b>	
Intergovernmental (unrestricted)	5,140,137
Investment income (unrestricted)	84,178
Total general revenues	<u>5,224,315</u>
Change in net position	1,897,170
Net position - beginning as previously reported	<u>8,889,103</u>
Error correction (Note 9)	(278,773)
Net position - beginning as restated	<u>8,610,330</u>
Net position - ending	<u><u>\$ 10,507,500</u></u>

See notes to basic financial statements.

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
 (A COMPONENT UNIT OF NORTH MIAMI BEACH, FLORIDA)  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**SEPTEMBER 30, 2024**

**ASSETS**

Cash and cash equivalents	\$	5,555,501
Investments		1,562,111
Prepaid costs		8,958
		<u>8,958</u>
Total assets	\$	<u>7,126,570</u>

**LIABILITIES AND FUND BALANCE**

Liabilities:		
Accounts payable and accrued liabilities	\$	130,767
		<u>130,767</u>
Total liabilities		<u>130,767</u>

Fund balance:		
Nonspendable		
Prepaid costs		8,958
Assigned		
Encumbrances		411,381
Subsequent year's budget		6,081,053
Unassigned		494,411
		<u>494,411</u>
Total fund balance		<u>6,995,803</u>
Total liabilities and fund balance	\$	<u>7,126,570</u>

See notes to basic financial statements.

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF NORTH MIAMI BEACH, FLORIDA)  
**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

**Fund balance - total governmental fund (see page 9)** \$ 6,995,803

Amounts reported for governmental activities in the statement of net position are different as a result of:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental fund.

Governmental capital assets	4,811,728	
Less accumulated depreciation	<u>(847,406)</u>	
		3,964,322

In the governmental fund, deferred outflows and inflows of resources relating to pensions and other post employment benefit plans are not reported because they are applicable for future periods. In the statement of net position, deferred outflows and inflows of resources related to pensions and other employment benefit plans are reported.

Deferred outflows of resources - pension		102,892
Deferred outflows of resources - OPEB		1,915
Deferred inflows of resources - OPEB		(21,254)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund.

Compensated absences		(17,093)
Net pension liability		(513,117)
Net OPEB liability		(5,968)

**Net position of governmental activities (see page 7)** \$ 10,507,500

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
 (A COMPONENT UNIT OF NORTH MIAMI BEACH, FLORIDA)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUND  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

**REVENUES**

Intergovernmental revenues	\$	5,140,137
Investment income (loss)		84,178
		5,224,315
Total revenues		5,224,315

**EXPENDITURES**

Current:		
General government		3,199,532
Capital outlay		90,200
		3,289,732
Total expenditures		3,289,732
Excess of revenues over expenditures		1,934,583
Net change in fund balance		1,934,583
Fund balance - beginning		5,061,220
Fund balance - ending	\$	6,995,803

See notes to basic financial statements.

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF NORTH MIAMI BEACH, FLORIDA)  
**RECONCILIATION OF THE STATEMENT OF REVENUES**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**Net change in fund balance - total governmental fund (see page 11)** \$ 1,934,583

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

The governmental fund reports capital outlays as expenditures while the Statement of Activities reports depreciation expense on capital assets. This is the amount by which capital outlays exceeded depreciation in the current period. The details of the difference are as follows:

Expenditures for capital outlay	90,200	
Less current year depreciation	(32,814)	
Net adjustment	57,386	57,386

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 the governmental fund.

Change in:		
Compensated absences		(8,414)
Net pension liability		(63,276)
Deferred outflow of resources - pension		(41,537)
Net OPEB liability		30,525
Deferred outflow of resources - OPEB		(7,816)
Deferred inflow of resources - OPEB		(4,281)

**Change in net position of governmental activities (see page 8)** \$ 1,897,170

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF THE CITY OF NORTH MIAMI BEACH, FLORIDA)  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

**Note 1 – Summary of Significant Accounting Policies**

**The Financial Reporting Entity:** The North Miami Beach Community Redevelopment Agency (the “Agency” or “CRA”) is a dependent special district established by the City of North Miami Beach, Florida (the “City”) under the authority granted by Florida Statute 163, Section III. The purpose of the Agency is to prevent the spread of and eliminate the existence of slum and blighted conditions within the redevelopment area. The governing body of the agency is the same as of the governing body of the City of North Miami Beach. The Agency was established by the City of North Miami Beach Ordinance Number 05-110 on June 7, 2005. The Miami-Dade County Board of County Commissioners (the “Board”) approved and adopted the North Miami Beach Redevelopment Agency Plan (the “Agency Plan”) on November 30, 2004 with the adoption of Resolution R1345-04. On December 19, 2006 the Board approved Resolution R-1427-06 extending the life of the Agency for 13 years. The Board adopted Resolution R-429-12 amending the Agency Plan to include certain projects and redevelopment strategies, on May 15, 2012. The Agency approved Resolution R2016-7 in acceptance of a second amended plan which did not modify the funding being contribution nor did it extend the life of the Agency past the originally agreed upon 13-year term.

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Government Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. As defined by GAAP, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Based upon the application of these criteria, the Agency was evaluated and determined to be a component unit of the City of North Miami Beach, Florida. Although it is legally separate from the City, the Agency’s sole purpose is to finance and redevelop the City’s designated redevelopment areas, and the tax increment financing allocated to the Agency is considered evidence of the City’s obligation to provide continuing financial support to the Agency. Consequently, the Agency is reported in the primary government using the blended method.

Additionally, as a result of evaluating the above criteria, management has determined that no units exist for which the Agency is financially accountable and which would require their inclusion in the Agency’s basic financial statements.

**Government-wide and Fund Financial Statements:** The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Agency. The effect of the interfund activity has been removed from these 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 had no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. In 2024, the Agency did not have any program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The Agency utilizes only one fund, the General Fund, which is classified as a governmental fund and accounts for all financial resources of the Agency. Following the governmental fund statements (balance sheet and statement of revenues, expenditures, and change in fund balance) are reconciliations with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation:** 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 recognized when a liability is incurred, regardless of the timing of the related cash flows. Incremental tax receipts are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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**Note 1 – 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 sixty days of end of the current fiscal period. Incremental tax revenue, when levied for, and interest income, associated with the correct fiscal period, are recorded when earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The Agency's policy is to use restricted amounts first when both restricted and nonrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Agency would first use committed fund balance followed by assigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications exist and could be used.

**Cash and Cash Equivalents:** The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of purchase.

**Investments:** State statutes authorize the Agency to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, corporate bonds, repurchase agreements, State Treasurer's Investment Pool and the Florida Municipal Investment Trust. CRA investments are recorded in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a hierarchy based on the valuation inputs used to measure the fair value of the asset.

The Agency's government securities and corporate bonds have fair value measurements using level 1 and 2 valuation inputs using pricing models maximizing the use of observable inputs for similar securities. There are no assets valued using non-recurring fair value measurements. Money market mutual funds are reported at amortized cost.

**Capital Assets:** Capital assets which include land, and buildings and improvements, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$1,000 for tangible assets, \$30,000 for software, and \$75,000 for easements, 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.

Outlays for capital assets and improvements, including design, engineering, installation and similar costs are capitalized as projects are constructed. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. 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 assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Category:	Useful Life:
Building and improvements	30-50 years
Infraestructure	30 years
Improvements other than buildings	20 years
Furniture, fixtures, machinery and equipment	5-10 years

**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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the governmental fund financial statements, bond premiums, discounts, and bond issuance costs are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Compensated Absences:** It is the Agency's policy to permit full-time employees to accumulate limited amounts of earned vacation and sick leave. Upon separation from service, employees receive payment for a portion of unused vacation time and sick leave subject to length of service and contract classification. All vacation pay is accrued when incurred in the government-wide. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The governmental fund is used to liquidate such amounts.

**Deferred Inflows and Deferred Outflows of Resources:** In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Agency, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Agency, deferred inflows of resources are reported on the government-wide statement of net position for OPEB.

**Equity Classifications:**

*Government-wide financial statements:*

Net position in the government-wide financial statements is displayed in three categories, as applicable: 1) net investment in capital assets, 2) restricted, or 3) unrestricted. Net investment in capital assets consist of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets, excluding unexpended proceeds. Net position is reported as restricted when constraints are placed on their use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation. Remaining net position that does not meet the definition of "restricted" or "net investment in capital assets" is reported as unrestricted.

*Fund financial statements:*

Fund balance is presented in accordance with adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in the respective governmental fund can be spent. The classifications available to the governmental fund financial statements are as follows:

**Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted into cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

**Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Agency's Board of Directors, the highest level of decision making authority of the Agency. These amounts cannot be used for any other purpose unless the Agency's Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. Resources accumulated pursuant to stabilization arrangements are reported in this category. The Agency had no committed fund balance at year-end.

**Assigned:** This classification includes amounts that are constrained by the Agency's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Agency's Board of Directors delegating their responsibility to the City's Chief Financial Officer.

**Unassigned:** This classification includes amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Tax Increment Financing Revenue:** The Agency's primary source of revenue is tax-increment financing. The increment is determined annually and is the amount that is approximately 95% of the difference between:

- a) The amount of ad valorem taxes levied each year by each taxing authority, exclusive of any amount from any debt service millage, on taxable real property contained within the geographic boundaries of the Redevelopment Area; and
- b) The amount of ad valorem taxes which would have been produced by the rate upon which the tax is levied each year by or for each taxing authority, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the Redevelopment Area.

Both the City and Miami Dade County are required to fund this amount annually without regard to tax collections or other obligations.

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from these estimates.

**Note 2 – Deposits and Investments**

**Deposits**

The Agency's deposits must be placed with banks and savings and loans which are qualified as public depositories under Chapter 280, Florida Statutes. All of the Agency's deposits are insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to *Florida Statutes*, Chapter 280, "Florida Security for Public Deposits Act" (the "Act"). Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository's collateral pledging level.

**Investments**

The Agency follows the City's deposit and investment policy. This policy was developed in accordance with Florida Statute 218.415 which authorizes investments in certificates of deposit, interest bearing time deposits or savings accounts in qualified public depositories, direct obligations of the U.S. Treasury, its agencies and instrumentalities, prime commercial paper, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, state and local taxable and tax-exempt debt, corporate notes and The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.

At fiscal year end, the Agency had the following investments.

<u>Investment Type</u>	<u>Credit Quality Rating</u>	<u>Fair Value</u>
Money market funds	Aaa-mf/AAAm	\$ 83,409
U.S. treasuries	Not rated	444,795
U.S. agencies	Aaa/AA+	849,847
Corporate bonds	Aaa/AAA	11,402
Corporate bonds	Aaa/AA+	40,240
Corporate bonds	Aaa/NR	127,927
Municipal bonds	Aa1/AAA	4,491
Total investments		<u>\$ 1,562,111</u>

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**Note 2 – Deposits and Investments (Continued)**

**Risk Disclosures**

**Credit Risk** is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. A credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to meet its obligations.

**Custodial Credit Risk** is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Agency does not have any investments in the possession of counterparties; all are held by the master custodian under the City's name.

**Concentration Credit Risk** - The Agency's investment policy allows investment concentrations in various percentages for different types of investments. The investments held at year end are all within the allowable percentages. The following summarizes the Agency's Policy on the allowable and the actual concentration in each investment type on September 30, 2024.

Investment type	Policy Maximum	Actual Investment
U.S. treasuries	100%	28.47%
U.S. agencies	75%	54.40%
Corporate bonds	30%	11.50%
Municipal bonds	50%	5.34%
Money mark funds	100%	0.29%
		100.00%

GASB Statement 40 requires disclosure when 5% or more of the portfolio is invested in any one issuer. At September 30, 2024, the Agency held the following concentrations:

Issuer	Actual Investment
Federal Home Loan Bank	40.63%
United States Treasury	28.26%
Federal National Mortgage Association	10.31%

The concentration listed are within the Agency's investment policy limits and the Agency does not view the concentrations in excess of 5% to be an additional risk.

**Foreign Currency Risk** is the risk that fluctuations in currency exchange rates may affect transactions conducted in currencies other than U.S. dollars and the carrying value of foreign investments. The Agency does not invest in securities denominated in foreign currencies.

**Interest Rate Risk** is the risk that changes in market interest rates will adversely affect the fair 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. Interest rate risk disclosures are required for all debt instruments as well as investments in mutual funds, external investment pools and other pooled investments that do not meet the definition of a "2a-7 like" pool.

As a means of managing its exposure to fair value loss arising from increasing interest rates and to allow investment maturities to coincide with projected needs, the Agency's investment policy does not allow direct investment in securities maturing more than ten (10) years from the date of purchase. Additionally, the investment policy requires a weighted average maturity for the portfolio to not exceed five (5) years. The Agency's current weighted average maturity as of September 30, 2024, was 1.50 years.

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**Note 2 – Deposits and Investments (Continued)**

**Risk Disclosures (Continued)**

On September 30, 2024, the Agency's investments had the following distribution of maturities:

Investment Type	Fair Value	Investment Maturities (in years)	
		Less than 1	1 to 5
U.S. treasuries	\$ 444,795	\$ 444,795	\$ -
U.S. agencies	849,847	189,006	660,841
Corporate bonds	179,569	-	179,569
Money market funds	83,409	83,409	-
Municipal bonds	4,491	4,491	-
Total	\$ 1,562,111	\$ 721,701	\$ 840,410

**Fair Value Measurement**

The investment portfolio of the Agency is recorded in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a hierarchy based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are based on quoted prices in active markets for identical assets; Level 2 inputs are based on significant other observable inputs; Level 3 inputs are based on unobservable inputs. A description of valuation methodologies follows.

U.S. treasury securities: Security prices were obtained from a pricing service, Intercontinental Exchange, Inc. (ICE). The underlying securities have observable level 1 quoted pricing inputs.

U.S. Agency securities: Security prices were obtained from a pricing service, Intercontinental Exchange, Inc. (ICE). The underlying securities have observable level 2 significant other observable pricing inputs.

Municipal bonds: Security prices were obtained from a pricing service, Intercontinental Exchange, Inc. (ICE). The underlying securities have observable level 2 significant other observable pricing inputs.

Corporate bonds: Security prices were obtained from a pricing service, Intercontinental Exchange, Inc. (ICE). The underlying securities have observable level 2 significant other observable pricing inputs.

Money market funds: valued at amortized cost which approximated fair value.

The Agency has the following fair value measurements on September 30, 2024:

<u>Investment by fair value level</u>	Total	Level 1	Level 2	Level 3
Debt securities:				
U.S. treasury securities	\$ 444,795	\$ 444,795	\$ -	\$ -
U.S. agency securities	849,847	-	849,847	-
Municipal bonds	4,491	-	4,491	-
Corporate bonds	179,569	-	179,569	-
Total investments by fair value level	1,478,702	\$ 444,795	\$ 1,033,907	\$ -
Money market funds (exempt)	83,409			
Total investments	\$ 1,562,111			

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**Note 3 – Capital Assets**

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

	<b>Beginning Balance *</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 2,460,001	\$ -	\$ -	\$ 2,460,001
Construction in progress	1,175,590	40,300	-	1,215,890
Total capital assets not being depreciated	<u>3,635,591</u>	<u>40,300</u>	<u>-</u>	<u>3,675,891</u>
Capital assets being depreciated				
Buildings	458,575	49,900	-	508,475
Improvement other than buildings	485,942	-	-	485,942
Infrastructure	124,862	-	-	124,862
Furniture, fixtures, machinery and equipment	16,558	-	-	16,558
Total capital assets being depreciated	<u>1,085,937</u>	<u>49,900</u>	<u>-</u>	<u>1,135,837</u>
Less accumulated depreciation				
Buildings	(388,515)	(15,286)	-	(403,801)
Improvement other than building	(369,993)	(11,155)	-	(381,148)
Infrastructure	(40,597)	(5,761)	-	(46,358)
Furniture, fixture machinery and equipment	(15,487)	(612)	-	(16,099)
Total accumulated depreciation	<u>(814,592)</u>	<u>(32,814)</u>	<u>-</u>	<u>(847,406)</u>
Total capital assets being depreciated, net	<u>271,345</u>	<u>17,086</u>	<u>-</u>	<u>288,431</u>
Governmental activities capital assets, net	<u>\$ 3,906,936</u>	<u>\$ 57,386</u>	<u>\$ -</u>	<u>\$ 3,964,322</u>

\* Beginning balance amounts were restated, refer to Note 9

Provision for depreciation was charged to general government function of the Agency amounting to \$32,814. During the fiscal year ended September 30, 2024, the Agency had no deletions or transfers occurred.

**Note 4 – Long Term Liabilities**

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2024:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Net Pension Liability	\$ 449,841	\$ 218,095	\$ (154,819)	\$ 513,117	\$ -
Compensated absences	8,680	8,413	-	17,093	4,273
Net OPEB Liability	36,492	2,900	(33,424)	5,968	-
Total	<u>\$ 495,013</u>	<u>\$ 229,408</u>	<u>\$ (188,243)</u>	<u>\$ 536,178</u>	<u>\$ 4,273</u>

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**Note 5 – General Employee Plan (the “Pension Plan”)**

The City maintains a single-employer defined benefit pension plan established by ordinance No. 65-30 for full-time general employees of the City. The Pension Plan provides retirement, disability and death benefits to general employees of the City. A more detailed description of the Pension Plan and its provisions appear in ordinances constituting the Pension Plan and in the summary Plan description. The Pension Plan year end is September 30, 2024. The Pension Plan issues a publicly available financial statement, that is audited by other auditors, that includes fiduciary financial statements and required supplementary information. The financial statements may be obtained by writing to: City of North Miami Beach Employees' Retirement System, 17011 NE 19th Ave., North Miami Beach, Florida 33162.

**Plan Membership**

As of the valuation date of October 1, 2023, the Pension Plan covered 168 active employees and 338 inactive employees receiving benefits, which includes one (1) Agency employee. As such, the Agency has presented their proportionate share of the City's net pension liability as of September 30, 2024.

**Summary of Significant Accounting Policies**

**Basis of Accounting**

Public Employee Retirement Systems (PERS) financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Pension Plan.

*Eligibility*

After two (2) years of credited service, each permanent full-time regular employee or contract employee of the City is eligible to participate in the General Employee Plan, except for City Councilpersons and the City Attorney.

*Administration*

Management of the General Employee Plan is vested in the Board, which consists of five members. Three (3) individuals appointed by the Mayor and ratified by the City Council, at least two (2) of whom shall be elected officials, and two members from employees participating in the General Employee Plan elected by a majority, unless otherwise prohibited by law.

*Vesting*

Benefits are fully vested after 6 years of credited service if attained prior to September 30, 2013, and 10 years thereafter.

*Eligibility for Retirement*

Attainment of age 62 or age 55 with 20 years of credited service; or attainment of age 55 with 15 years of credited service, or completion of 20 years of credited service; or attainment of age 62 with 10 years of credited service, or age 60 with 25 years of credited service depending on bargaining unit and hire date.

*Annual Retirement Benefit*

Normal retirement benefits are based upon 3.0% of "final monthly compensation"("FMC"), as defined by the pension plan, times years of credited service through December 31, 2013, and 2.5% of "FMC" times credited service after December 31, 2013.

*Other Benefits*

The Pension Plan provides for optional retirement benefits, early retirement, deferred retirement, deferred retirement option program (DROP) disability retirement and death benefits to some members.

*Employee Contributions*

Employees contribute 7% of their basic annual compensation beginning after two years of service. If any employee leaves covered employment before vesting, accumulated employee contributions plus interest are refunded to the employee.

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**Note 5 – General Employee Plan (the “Pension Plan”)**

*Employer Contributions*

The Agency contributions are based upon actuarially determined amounts, which together with employee contributions and fund earnings, are sufficient to fund the plan. The Agency’s proportionate share of the actuarially determined and actual contribution amount for the current year was \$49,878 and \$50,080, respectively.

*Actuarial methods and assumptions*

Actuarially determined contribution amounts for the Pension Plan for the current year were determined as part of the October 1, 2023, actuarial valuation using the entry age normal cost method. Additional information as of the latest actuarial valuation follows:

Valuation Date	October 1, 2023
Actuarial cost method	Entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	30 years
Asset valuation method	Smoothed market value

**Actuarial Assumptions**

Investment rate of return	7.35%
Projected salary increases	3.5% to 5.0%
Cost of living adjustments	0%, 0.75%, 2.25%
Inflation	2.75%

For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.35% for the Pension Plan. The rate was based on the expected rate of return on Plan investments. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined current contribution rates and the member contribution rate. Based on these assumptions, the pension Plan’s fiduciary net position was projected to be available to make all projected future expected benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Net Pension Liability – Proportionate Share**

*Sensitivity of the Net Pension Liability to the Discount Rate Assumption*

The following table presents the Agency’s proportionate share of the net pension liability calculated using the current discount rate (7.35%) and the liability using discount rates that are one percentage point lower (6.35%) and one percentage point higher (8.35%) than the current rates:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.35%</b>	<b>Discount Rate</b>	<b>8.35%</b>
	<b>6.35%</b>	<b>7.35%</b>	<b>8.35%</b>
Net pension liability	\$ 680,338	\$ 513,117	\$ 373,716

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**Note 5 – General Employee Plan (the “Pension Plan”)**

**Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

For the fiscal year ended September 30, 2024 but based on a measurement date of September 30, 2023, the Agency recognized an increase to the Pension Plan pension expense of \$125,635. This amount is included as an increase to personal services expenses within the functional program activities.

At September 30, 2024, the Agency reports deferred outflows and inflows of resources related to the Pension Plan as follows:

	Deferred Outflow s	Deferred Inflow s
Difference between expected and actual experience	\$ 4,966	\$ -
Difference between expected and actual earnings on investments	48,049	-
Contributions subsequent to the measurement date	49,877	-
Total	\$ 102,892	\$ -

The Agency contribution subsequent to the measurement date in the amount of \$49,877, reported as a deferred outflow of resources, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to the Pension Plan will be recognized as pension expense as follows:

For the fiscal year ended September 30,	Net Deferred Inflow s/Outflow s of Resources
2025	\$ 18,884
2026	9,994
2027	31,004
2028	(6,867)
	\$ 53,015

The schedule of changes in the Agency’s proportionate share of the City’s net pension liability and related ratios and the schedule of contributions, are presented as Required Supplementary Information (RSI) following the notes the financial statements and provides additional information about the net pension liability, plan assets and contribution.

**Note 6 – Other Post-Employment Benefits (OPEB)**

**Plan Description**

The City administered a single-employer defined benefit plan (the OPEB Plan) that provides optional post-employment healthcare coverage to eligible individuals, as well as dental and vision benefits. In addition, all retirees are covered by a group life insurance policy under a single-employer plan. The plan does not issue a separate stand-alone financial report.

As of the valuation date of October 1, 2023, the OPEB Plan covered 329 active employees and 357 inactive employees receiving benefits, which includes two (2) Agency employees. As such, the Agency has presented their proportionate share of the net OPEB liability as of September 30, 2024.

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**Note 6 – Other Post-Employment Benefits (OPEB) (Continued)**

**Description of Benefits**

*Eligibility*

Eligible individuals include certain regular employees of the City of North Miami Beach who retire from active service and are eligible for retirement or disability benefits under one of the pension plans sponsored by the City. Elected officials elected prior to October 1, 2008, are eligible after serving at least four terms. In most cases, eligibility for healthcare coverage also includes spouses and dependent children. Spousal coverage generally ends at age 65 or after the employee's death.

*Healthcare Plans*

Eligible individuals may choose healthcare coverage under three plans from the City's current health insurance provider. Options include a Health Maintenance Organization (HMO) plan, a Preferred Provider Organization (PPO) plan or a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) partially funded by the City. Medicare-eligible individuals may choose any of the three plans or choose coverage under a Medicare supplement plan. Retirees must pay a monthly premium as determined by the insurance carrier, less any applicable subsidies provided by the City. The premiums vary depending on the chosen plan and the type of coverage.

The City subsidizes 100% of the premium for single coverage under the PPO plan for eligible elected officials. In addition, the City subsidizes a portion of the premium for single coverage under the PPO plan for retired management-level personnel (and some currently employed) hired prior to October 1, 2008 depending on age and length of service at retirement.

*Post-employment Life Insurance Coverage*

The City provides \$ 10,000 of life insurance coverage to all retirees. Management-level personnel receive an additional \$10,000 of coverage if they have earned at least 15 years of service at retirement or an additional \$20,000 of coverage if they have earned at least 20 years of service.

*Actuarial methods and assumptions*

During fiscal year 2011, the City established an OPEB Trust to accumulate the assets necessary to fund the OPEB liability and to pay future benefits. The fund in which the employee's payroll expense has been recorded is typically used to liquidate OPEB liabilities. The annual required contributions for the OPEB Plan were determined as part of the October 1, 2023, actuarial valuation using the projected unit credit cost method. Information related to the actuarial valuation follows:

Valuation Date	October 1, 2023
Measurement Date	September 30, 2024
Actuarial cost method	Entry age normal
Discount rate	6.48%
Investment rate of return	7.00%
Salary increases	3.00%
Inflation	2.62%
Mortality:	Sex distinct rates set forth in the PUB-2010 mortality table (without income adjustments) for general employees, with full generational improvements in mortality using Scale MP-2018.
Healthcare cost trend rate	Increases in medical costs are assumed to be 8.00% for the 2023/24 fiscal year graded down by 0.50% per year to 5.00% for the 2029/30 and later fiscal years; increases in dental

The discount rate reflects a blend of the expected long-term return on assets (for benefit payments during the first 23 years after the valuation date) and a yield on 20-year Grade AA/Aa or higher municipal bonds of 4.06% per annum (for benefit payments beyond the first 23 years after the valuation date).

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF THE CITY OF NORTH MIAMI BEACH, FLORIDA)  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

**Note 6 – Other Post-Employment Benefits (OPEB) (Continued)**

**Net OPEB Liability – Proportionate Share**

Changes in the Agency’s proportionate share of the Net OPEB Liability:

	<b>Net OPEB Liability</b>
Balance as of September 30, 2023	\$ 36,492
Change due to:	
Service cost	1,340
Expected interest growth	1,527
Unexpected investment income	(3,879)
Demographic experience	(10,828)
Benefit payments & refunds	(3,113)
Administrative expenses	34
Assumption changes	(5,168)
Proportionate share	(10,437)
Balance as of September 30, 2024	\$ 5,968

*Discount Rate*

The rate of 6.48% per annum was used to discount all future benefit payments and is based on the expected long-term return on assets, which was determined as of the valuation date by the Asset Consulting Group.

*Sensitivity of the Net OPEB Liability to the Discount & Healthcare Cost Trend Rate Assumptions*

The following tables present the Agency’s net OPEB liability proportionate share calculated using the current discount and healthcare cost trend rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates to indicate the sensitivity of the net OPEB liability to changes in rate assumptions.

Rate	1% Decrease	Current Rate	1% Increase
Discount Rate (6.48%)	\$ 9,851	\$ 5,968	\$ 2,660
Healthcare Cost Trend Rate (8.00%)	3,352	5,968	9,003

*OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB*

For the fiscal year ended September 30, 2024, the Agency recognized OPEB expense (income) from this plan of \$(5,919). At September 30, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows	Deferred Inflows
Unexpected investment income	\$ -	\$ 1,608
Demographic experience	1,915	10,831
Assumption changes	-	8,815
Total	\$ 1,915	\$ 21,254

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF THE CITY OF NORTH MIAMI BEACH, FLORIDA)  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

**Note 6 – Other Post-Employment Benefits (OPEB) (Continued)**

**Changes in the Net OPEB Liability (Continued)**

*OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB (Continued)*

The deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year:	Net Deferred Inflows/Outflows of Resources
2025	\$ (6,154)
2026	(4,265)
2027	(4,174)
2028	(3,783)
2029	(963)
	\$ (19,339)

The schedule of changes in the Agency’s proportionate share of total OPEB liability and related ratios presented as Required Supplementary Information (RSI) following the notes to the financial statements and provides additional information about the total OPEB liability.

**Note 7 – Deposits and Withdrawals**

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

**Sources of deposits:**

Tax increment financing – Miami–Dade County	\$ 2,166,821
Tax increment financing – City	2,973,316
Interest earnings	84,178
Total sources	\$ 5,224,315

**Purpose of withdrawals:**

Dedicated personnel allocation	\$ 252,195
City administrative cost allocation	297,332
Grants to private organizations	656,775
Grants to City	1,450,000
Operating	543,230
Land and CIP (capital outlay)	90,200
Total withdrawals	\$ 3,289,732

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF THE CITY OF NORTH MIAMI BEACH, FLORIDA)  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

**Note 8 – Commitments and Contingencies**

**Construction Projects:** As part of its purpose to bring economic revitalization to the depressed area of the City through tax increment financing, the Agency has routinely executed several professional service contracts that provide for various services in relation to the planning, design and construction of various improvement projects.

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 Agency, through the City, purchases commercial insurance for the risks of loss to which it is exposed. Policy limits and deductibles are reviewed by management and established at amounts to provide reasonable protection from significant financial loss. Settled claims have not exceeded the retention and excess coverage in force for each of the past four years.

**Note 9 – Error Correction**

During the fiscal year ended September 30, 2024, the beginning net position balance reported on the government-wide financial statements was restated. In fiscal year 2023, the Agency failed to recognize its applicable allocation of the net pension liability, deferred outflows related to the Pension Plan, net OPEB liability, deferred outflows and inflows related to the OPEB Plan, and compensated absences. Additionally, in fiscal years 2021, 2022, and 2023, the Agency's accumulated depreciation was overstated due to the inclusion of an associated balance for a disposed asset.

A summary of the changes to net position is as follows:

	Government- Wide Financial Governmental Activities
Beginning net position	\$ 8,889,103
Adjustment to net pension liability	(449,841)
Adjustment to deferred outflows - pension	144,429
Adjustment to compensated absences	(8,680)
Adjustment to net OPEB liability	(36,492)
Adjustment to deferred outflows - OPEB	9,731
Adjustment to deferred inflows - OPEB	(16,973)
Adjustment to accumulated depreciation	79,053
Beginning net position, as restated	\$ 8,610,330

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF NORTH MIAMI BEACH, FLORIDA)  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 5,140,139	\$ 5,140,139	\$ 5,140,137	\$ (2)
Investment income (loss)	45,000	45,000	84,178	39,178
Total revenues	<u>5,185,139</u>	<u>5,185,139</u>	<u>5,224,315</u>	<u>39,176</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,342,142	5,572,532	3,199,532	2,373,000
Capital outlay	4,637,350	4,690,371	90,200	4,600,171
Total expenditures	<u>9,979,492</u>	<u>10,262,903</u>	<u>3,289,732</u>	<u>6,973,171</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,794,353)</u>	<u>(5,077,764)</u>	<u>1,934,583</u>	<u>7,012,347</u>
Net change in fund balance	<u>\$ (4,794,353)</u>	<u>\$ (5,077,764)</u>	<u>1,934,583</u>	<u>\$ 7,012,347</u>
Fund balance - beginning			5,061,220	
Fund balance - ending			<u>\$ 6,995,803</u>	

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF THE CITY OF NORTH MIAMI BEACH, FLORIDA)  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
SEPTEMBER 30, 2024

**Note 1 – Budgets and Budgetary Accounting**

The annual appropriated budget is adopted on a basis consistent with generally accepted accounting principles (“GAAP”).

The following procedures are used by the Agency in establishing the budgetary data reflected in the financial statements:

- a) Prior to September 8, during a publicly noticed budget workshop, Agency Director submits to the Agency Board of Directors a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) During the October meeting of the Agency Board of Directors, the budget is legally enacted through the adoption of an Agency budget resolution.
- d) Revisions that alter the total expenditures of the Agency must be approved by the Agency Board of Directors. Actual expenditures and transfers out may not exceed budget appropriations. Appropriations that are not expended nor specifically designated to be carried over, lapse at the end of the fiscal year. There were no supplemental appropriations in the Agency for the fiscal year ended September 30, 2024.
- e) In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the schedule represents final authorized amounts. Budgeted amounts are as originally adopted or as amended.
- f) The legal level of control, the level at which expenditures may not exceed the budget, is at the fund level.

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
(A COMPONENT UNIT OF NORTH MIAMI BEACH, FLORIDA)  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**GENERAL EMPLOYEE RETIREMENT PLAN**  
**LAST TWO FISCAL YEARS**

<b>Measurement date September 30,</b>	2023	2024
Agency's proportion of the net pension liability*	1.05%	1.15%
Agency's proportionate share of the net pension liability	\$ 449,841	\$ 513,117
Agency's covered payroll	\$ 44,647	\$ 45,392
Agency's proportionate share of the net pension liability as a percentage of covered payroll	1007.55%	1130.41%
Plan fiduciary net position as a percentage of the total pension liability	64.99%	65.43%

\* The Agency's net pension liability is an allocation of the General Employee Retirement Plan's net pension liability based on the contributions made for the Agency employee. Changes have been made to prior year amounts to be consistent with current year presentation.

Note: This schedule is intended to have ten years of data. The Agency commenced participation in the General Employee Retirement Plan in fiscal year 2023.

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
 (A COMPONENT UNIT OF NORTH MIAMI BEACH, FLORIDA)  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF AGENCY CONTRIBUTIONS  
 GENERAL EMPLOYEE RETIREMENT PLAN  
 LAST TWO FISCAL YEARS

<b>Fiscal year ended September 30,</b>	2023	2024
Contractually required contribution	\$ 41,144	\$ 49,877
Contributions in relation to the contractually required contribution	41,173	49,877
Contribution deficiency (excess)	\$ (29)	\$ -
Agency's covered payroll	\$ 44,647	\$ 45,392
Contributions as a percentage of covered payroll	92.22%	109.88%

Note: This schedule is intended to have ten years of data. The Agency commenced participation in the General Employee Retirement Plan in fiscal year 2023.

**NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY**  
 (A COMPONENT UNIT OF NORTH MIAMI BEACH, FLORIDA)  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 OPEB PLAN  
 LAST TWO FISCAL YEARS

<b>Measurement date September 30,</b>	2023	2024
Agency's proportion of the net OPEB liability*	0.778856273%	0.556093804%
Agency's proportionate share of the net OPEB liability	\$ 36,492	\$ 5,968
Agency's covered payroll	\$ 90,168	\$ 115,166
Agency's proportionate share of the net OPEB liability as a percentage of covered payroll	40.47%	5.18%
OPEB Plan fiduciary net position as a percentage of the total OPEB liability	65.43%	85.35%

\* The Agency's net OPEB liability is an allocation of the OPEB Plan's net OPEB liability based on the contributions made for the Agency employees. Changes have been made to prior year amounts to be consistent with current year presentation.

Note: This schedule is intended to have ten years of data. As data becomes available, additional fiscal years will be presented.

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**COMPLIANCE SECTION**

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**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***

To the Board of Directors and CRA Executive Director  
**North Miami Beach Community Redevelopment Agency**

We have audited, in accordance with the auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities and the major fund of the North Miami Beach Community Redevelopment Agency (the “CRA” or “Agency”), a component unit of the City of North Miami Beach, Florida, as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA’s basic financial statements, and have issued our report thereon dated October 2, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the CRA’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 CRA’s internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 CRA’s financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item MW2024-001 to be material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item SD2024-002 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CRA'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item SD2024-002.

### **CRA's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the CRA's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The CRA's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CBIZ CPAs P.C.*

Miami, FL  
October 2, 2025

# NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY

## SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### FINANCIAL STATEMENT FINDINGS

#### *MATERIAL WEAKNESS*

#### **MW2024-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING (REPEAT FINDING – SD2023-02)**

##### *Criteria*

The Agency should implement Accounting Policies and Procedures to ensure the financial statement closing process is completed in a timely manner. Such policies and procedures should consider establishing proper controls which are designed and implemented to address the financial close and reporting process of the Agency.

##### *Condition*

The Agency is currently not performing its monthly and annual financial reporting closing process in a timely manner. An initial working trial balance ("WTB") was produced by the Agency's Finance and Accounting department on April 2, 2025, for the fiscal year ended September 30, 2024 and provided to the auditor. During fieldwork for this audit engagement, ten (10) audit adjustments aggregating to approximately \$6,700,000, were required to correct the original WTB submission. Ultimately this led to a delay in the completion of the audit procedures and multiple changes to the amounts and disclosures presented in the draft financial statements which further delayed the financial statements completion and issuance date.

##### *Cause*

Due to significant turnover in the Agency's finance department, there was a lack of timely reviews of account reconciliations and schedules for year-end closing procedures. The Agency's internal controls did not detect or prevent the errors.

##### *Effect*

A lack of completing required closing procedures led to preliminary misstatements to the financial statements and a significant number of adjusting journal entries and reversal entries to be posted after the commencement of the audit. The lack of internal controls may lead to current and future accounting errors.

##### *Recommendation*

We recommend the Agency establish or strengthen formal month end and year end reconciliation and closing procedures to ensure financial accounts are reviewed and approved by management on a timely basis. We suggest that the Agency establish effective review and reconciliation policies and procedures as a customary part of the accounting process, to ensure accounts are reconciled with general ledger accounts on a timely basis.

# NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY

## SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### FINANCIAL STATEMENT FINDINGS (CONTINUED)

#### *MATERIAL WEAKNESS (CONTINUED)*

#### **MW2024-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING (REPEAT FINDING – SD2023-02) (CONTINUED)**

#### *Views Responsible Officials and Planned Corrective Action*

The Executive Director will work with the City's Finance Department to ensure that formal month-end and year-end reconciliations and closing procedures are established to ensure financial accounts are reviewed and approved by management on a timely basis. The City's Finance Department will establish effective review and reconciliation policies and procedures as a customary part of the accounting process and accounts should be reconciled with general ledger accounts on a timely basis. The Agency expects the City's Finance Department to have these issues addressed by the end of fiscal year 2026.

#### *SIGNIFICANT DEFICIENCY*

#### **SD2024-002 – NON-COMPLIANCE WITH FLORIDA STATUTES (REPEAT FINDING – SD2023-01)**

#### *Criteria*

Chapter 2019-163, Laws of Florida, amended Section 163.387(8), Florida Statutes, to require that each community redevelopment agency (CRA) meeting the specified \$100,000 threshold provide for a separate audit and that the resultant audit report accompany the county or municipality annual financial report filed with the Department of Financial Services (see Sections 163.387(8)(c) and 218.32(3)(b), Florida Statutes). In addition, Chapter 2021-116, Laws of Florida, amended Section 218.39(1)(h), Florida Statutes, to require the separate audit to be filed with the Auditor General. In accordance with Auditor General Rule 10.557(3), the CRA audit report must include basic financial statements, notes to the financial statements, and management's discussion and analysis and other required supplementary information. As such, a CRA must have an annual financial audit of its accounts and financial statements completed within 9 months after the end of its fiscal year.

#### *Condition*

The Agency did not issue and file the September 30, 2024 Financial Statements with the Auditor General by June 30, 2025 as required by Florida Statutes.

#### *Cause*

Due to significant turnover in the Agency's finance department, there was a lack of timely reviews of account reconciliations and schedules for year-end closing procedures. The lack of timely reconciled accounts created a delay in the audit start date and audit completion date.

#### *Effect*

The Agency did not comply with Florida Statute 218.39(1)(h) for the fiscal year ended September 30, 2024.

# NORTH MIAMI BEACH COMMUNITY REDEVELOPMENT AGENCY

## SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### FINANCIAL STATEMENT FINDINGS (CONTINUED)

#### *SIGNIFICANT DEFICIENCY (CONTINUED)*

#### **SD2024-002 – NON-COMPLIANCE WITH FLORIDA STATUTES (REPEAT FINDING – SD2023-01) (CONTINUED)**

##### *Recommendation*

The Agency should ensure that adequate procedures and internal controls are in place to ensure that the financial statements are submitted in a timely manner. These controls should include controls requiring the reconciliation of account balances to the appropriate supporting documentation (e.g., general ledger, internal reports, note disclosures, etc.), the use of a disclosure checklist, and adequate training of staff with required accounting and financial reporting standards to ensure an audit commences within sufficient time to meet the filing deadline.

##### *Views of Responsible Officials and Planned Corrective Actions*

The Executive Director will work with the City's Finance Department to ensure that adequate procedures and internal controls are in place to guarantee that the financial statements are submitted in a timely manner. These controls should include controls requiring the reconciliation of account balances to the appropriate supporting documentation (e.g., general ledger, internal reports, note disclosures, etc.), the use of a disclosure checklist, and adequate training of staff with required accounting and financial reporting standards. The Agency expects the City's Finance Department to have these issues addressed by June 30, 2026.

**Management Letter in Accordance with the Rules of the  
Auditor General of the State of Florida**

To the Board of Directors and CRA Executive Director  
**North Miami Beach Community Redevelopment Agency**

***Report on the Financial Statements***

We have audited the financial statements of the North Miami Beach Community Redevelopment Agency (the “CRA”), a component unit of the City of North Miami Beach, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated October 2, 2025.

***Auditors’ 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 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*; Schedule of Findings and Responses; and Independent Accountants’ 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 and schedule, which are dated October 2, 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 financial audit report. The findings and recommendations made in the preceding annual financial audit report (SD2023-01 and SD2023-02) have not been addressed and are repeated in the schedule of findings and responses. Finding SD2022-01 was remediated during the fiscal year and was not repeated.

### ***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 Note 1 of the financial statements.

### ***Financial Condition and Management***

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA 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 CRA 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 CRA. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The financial condition assessment was performed as of the fiscal year end.

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, other than the findings reported in the accompanying schedule of findings and responses, we did not have any such recommendations.

### ***Property Assessed Clean Energy (PACE) Program***

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the CRA's geographical boundaries during the fiscal year under audit. During the fiscal year ended September 30, 2024, the PACE program did not operate within the CRA's geographical boundaries.

### ***Special District Component Units***

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### ***Specific Information***

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the CRA reported:

- a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as 3.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as 5.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$252,270.92.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$529,143.76.

- e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
  - a. Snake Creek Canal - \$300,000
  - b. Wayfinding Signage - \$70,000
  - c. Art in Public Places - \$200,000
  - d. Taylor Park Phase 1 - \$500,000
  - e. Tennis Center Enhancements Design - \$350,000
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes, as noted on page 27.

***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 fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the 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, the CRA Board, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

***CBIZ CPAs P.C.***

Miami, FL  
October 2, 2025



CBIZ CPAs P.C.

One Southeast Third Avenue  
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Miami, FL 33131

P: 305.995.9600

**Independent Accountant’s Report on Compliance Pursuant to  
Section 218.415, 163.387(6) and 163.387(7), Florida Statutes**

To the Board of Directors and CRA Executive Director  
**North Miami Beach Community Redevelopment Agency**

We have examined the North Miami Beach Community Redevelopment Agency’s (the “CRA or Agency”), a component unit of the City of North Miami Beach, Florida, compliance with Section 218.415, Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2024. We also examined the CRA’s compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2024. Management of the CRA is responsible for the CRA’s compliance with the specified requirements. Our responsibility is to express an opinion on the CRA’s compliance 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 CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the 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 of the CRA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the CRA’s compliance with the specified requirements.

In our opinion, the CRA complied, in all material respects, with Sections 218.415, 163.387(6) and 163.387(7), Florida Statutes, for the fiscal year ended September 30, 2024.

This report is intended solely to describe our testing of compliance with aforementioned sections of the Florida Statutes, and it is not suitable for any other purpose.

*CBIZ CPAs P.C.*

Miami, FL  
October 2, 2025