

**Town of Davie Community
Redevelopment Agency**
(A Component Unit of the Town of Davie, Florida)

Basic Financial Statements
For the Year Ended September 30, 2025

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)**

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FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

To the Community Redevelopment Agency Board
Town of Davie Community Redevelopment Agency
Davie, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Town of Davie Community Redevelopment Agency (a component unit of the Town of Davie, Florida) (the "Agency"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Agency, as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

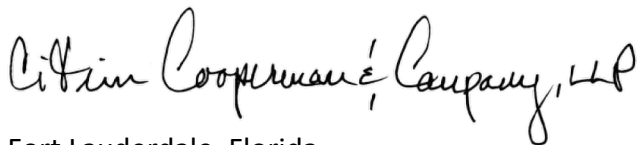
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 and budgetary comparison schedule on page 27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reports Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report March 20, 2026, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



Fort Lauderdale, Florida
March 20, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)
Management's Discussion and Analysis (Unaudited)
September 30, 2025**

Our discussion and analysis of the Town of Davie Community Redevelopment Agency's (the "Agency") financial performance provides an overview of the Agency's financial activities for the years ended September 30, 2025 and 2024. Please read it in conjunction with the Agency's basic financial statements, which immediately follow this discussion.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2025:

- The Agency's total assets exceeded its liabilities at September 30, 2025, by \$ 22.7 million (net position).
- The governmental activities revenue totaled \$ 6.0 million primarily resulting from incremental tax receipts as well as a \$ 4.8 million transfer from the Town.
- The overall taxable value of the Agency's redevelopment area totaled \$ 1.05 billion, representing an increase of \$ 83.6 million (8.7%) compared to the prior fiscal year's value used for budgeting
- At the end of the year, the Agency reported a fund balance of \$ 5.1 million, a decrease of \$ 67,000 from the previous fiscal 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 Agency's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

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

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

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

The government-wide financial statements can be found on pages 9 and 10 of this report.

Overview of the Financial Statements (continued)

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency has only one fund type: governmental funds.

The Agency maintains one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the Community Redevelopment Agency 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 this, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 11 through 14 of this report.

Notes to the financial statements: The notes to the financial statements provide additional information essential to a complete understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 26 of this report.

Government-wide Overall Financial Analysis

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

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)
Management’s Discussion and Analysis (Unaudited)
September 30, 2025**

Government-wide Overall Financial Analysis (continued)

The following table reflects the condensed government-wide statement of net position as of September 30, 2025 and 2024:

Town of Davie Community Redevelopment Agency Net Position		
	2025	2024
Current assets	\$ 6,272,497	\$ 7,527,847
Capital assets	22,526,315	20,305,647
Total assets	28,798,812	27,833,494
Current liabilities	154,559	357,153
Non-current liabilities	5,899,214	4,526,871
Total liabilities	6,053,773	4,884,024
Net position:		
Net investment in capital assets	21,607,841	17,835,535
Restricted	1,137,198	5,113,935
Total net position	\$ 22,745,039	\$ 22,949,470

Current assets decreased by 17% from the prior year, primarily attributable to reductions in cash, cash equivalents, and investments. Capital assets increased 11% as a result of various land acquisitions during the fiscal year, partially offset by land sales. Current liabilities decreased by 57%, primarily due to the timing of vendor payments. Non-current liabilities increased by 30% compared to the prior year, primarily due to a new interfund advance with the Town. This increase was partially offset by reductions in the principal balance of outstanding bonds and the partial repayment of a previously issued interfund advance from the Town. The change in net position reflects the results reported in the statement of activities. In particular, net investment in capital assets increased due to the Town’s continued investment in capital infrastructure and equipment, combined with scheduled reductions in long-term debt associated with those assets.

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)
Management’s Discussion and Analysis (Unaudited)
September 30, 2025**

Government-wide Overall Financial Analysis (continued)

Governmental activities: Governmental activities for the year ended September 30, 2025 decreased the Agency’s net position by \$ 204,431, as reflected in the table below:

	<u>2025</u>	<u>2024</u>
Revenues:		
Program revenues:		
Charges for services	\$ 36,133	\$ 2,120
General revenues:		
Tax incremental	5,440,010	4,838,917
Investment income	345,612	311,877
Transfers	4,762,277	4,302,721
Special item - loss on disposal of capital assets	<u>(4,530,475)</u>	<u>-</u>
Total revenues	<u>6,053,557</u>	<u>9,455,635</u>
Expenses:		
General government	6,210,111	4,581,786
Interest expense	<u>47,877</u>	<u>96,995</u>
Total expenses	<u>6,257,988</u>	<u>4,678,781</u>
Changes in net position	(204,431)	4,776,854
Net Position, Beginning of Year	<u>22,949,470</u>	<u>18,172,616</u>
Net Position, End of Year	<u>\$ 22,745,039</u>	<u>\$ 22,949,470</u>

Tax increment revenues increased by 12% from the prior year, primarily attributable to higher incremental revenues received from other taxing authorities as a result of increased taxable values within the CRA district. Investment income increased due to higher investment balances and improved earnings. Transfers in increased by 11%, reflecting the Town’s tax increment financing payment to the CRA.

During the fiscal year, the Agency purchased several parcels of land totaling approximately 5.8 acres along Davie Road for assemblage and future redevelopment, as well as a parcel intended for public parking, at a total cost of approximately \$ 12.9 million. These acquisitions are intended to support planned redevelopment activities and improve long-term economic vitality within the redevelopment area. Additionally, the Agency sold a 2.26-acre property on Davie Road as part of a larger assemblage for the Saddlebridge at Downtown Davie project. The sale resulted in a loss on disposal of approximately \$4.5 million, reflecting the strategic nature of the transaction and the Agency’s participation in a broader public-private redevelopment effort that is expected to generate significant tax increment revenues beginning in fiscal year 2028. General government expenses increased by 36% compared to the prior year, primarily attributable to higher operating costs and increased program expenditures during the fiscal year.

Capital Assets and Debt Administration

The Agency’s investment in capital assets, less accumulated depreciation, for its governmental activities as of September 30, 2025, amounts to \$ 22.5 million, and consists of land, infrastructure, and machinery, equipment and vehicles. Additional information on the Agency’s capital assets can be found in Note 7 of the financial statements.

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)
Management’s Discussion and Analysis (Unaudited)
September 30, 2025**

At the end of the year, the Agency had total bonded debt outstanding of \$ 832,000. The Agency’s debt represents bonds secured by tax incremental revenues.

Additional information on the Agency’s long-term debt can be found in Note 8 of the financial statements.

Agency Fund Budgetary Highlights

During the year, there were two amendments to the budget. The first amendment increased the budget by \$ 10.1 million and was used to revise the true-up of the appropriated fund balance, true-up the budgeted project balances of prior year capital improvement projects, incorporate proceeds from the upcoming sale of CRA property, incorporate a \$ 4 million advance from the General Fund, fund anticipated settlement agreements that the Board would consider at a future meeting and to incorporate the first and second amendment for the FY 2025 Capital Improvement Plan. The second budget amendment increased the budget by \$ 133,000. This amendment true-up the budget appropriation of the fund balance to its audited fund balance as of September 30, 2024, through the true-up of the project balance roll-over of the Davie Road Downtown Improvements CIP project.

Economic Factors and Next Year’s Budgets

The Town of Davie Community Redevelopment Agency continues to remain financially stable, and no significant events occurred that materially impacted the formulation of the fiscal year 2026 budget. The Agency’s budget development process began with identifying the funding necessary to meet its financial obligations, including debt service commitments, repayment of the advance to the Town of Davie, personnel costs, and annual operating expenses. The budget process then considered anticipated economic incentives committed by the Agency through developer agreements, including tax increment financing repayments and property improvement grants. Finally, Agency reserves and remaining operating funds were allocated to various redevelopment initiatives. For fiscal year 2026, these funds were dedicated to developer incentives, rodeo grounds and arena upgrades, land acquisition, and improvements to the SW 61 Avenue Bridge.

The Town of Davie, the Community Redevelopment Agency, and Broward County have entered into an Interlocal Agreement (ILA) regarding the extension of the Town’s CRA and funding for affordable housing initiatives. This agreement extends the CRA through September 30, 2039. Under the terms of the agreement, most taxing authorities will discontinue their tax increment financing contributions after September 30, 2027. However, the Town may elect to continue its tax increment financing payments during the extension period. Additionally, Broward County will provide annual affordable housing funding of \$ 2.32 million for seven years beginning in 2027, for a maximum total contribution of \$ 18.56 million. The County’s contributions are contingent upon the Town continuing to contribute at least \$ 2.32 million annually to the CRA during the same period.

The Agency also continues to monitor legislative initiatives within the State of Florida that may affect CRA operations. These initiatives may include changes related to audit and reporting requirements, annual reporting obligations, CRA termination provisions, ethics training requirements, and other statutory provisions affecting redevelopment agencies.

Requests for Information

This financial report is designed to provide a general overview of the Agency’s finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Budget and Finance Director, Town of Davie, 8800 SW 36th Street, Davie, Florida, 33328.

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)
Statement of Net Position
September 30, 2025**

	Governmental Activities
Assets:	
Cash, cash equivalents, and investments	\$ 6,271,912
Prepaid items	585
Capital assets:	
Non-depreciable	20,974,879
Depreciable (net of accumulated depreciation)	<u>1,551,436</u>
Total assets	<u>28,798,812</u>
Liabilities:	
Current liabilities:	
Accounts payable and other current liabilities	61,186
Contracts and retainage payable	86,014
Accrued interest payable	7,359
Noncurrent liabilities:	
Due within one year:	
Compensated absences payable	29,829
Bonds payable	832,460
Advance from Town of Davie	1,000,000
Due in more than one year:	
Compensated absences payable	36,925
Advance from Town of Davie	<u>4,000,000</u>
Total liabilities	<u>6,053,773</u>
Net Position:	
Net investment in capital assets	21,607,841
Restricted for:	
Community redevelopment projects	<u>1,137,198</u>
Total net position	<u>\$ 22,745,039</u>

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

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)
Statement of Activities
For the Year Ended September 30, 2025**

Functions/Programs:	Expenses	Program Revenues		Governmental Activities Net (Expenses) Revenues and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 6,210,111	\$ 36,133	\$ -	\$ (6,173,978)
Interest expense	<u>47,877</u>	<u>-</u>	<u>-</u>	<u>(47,877)</u>
Total primary government	<u>\$ 6,257,988</u>	<u>\$ 36,133</u>	<u>\$ -</u>	<u>(6,221,855)</u>
General revenues:				
Incremental tax receipts				5,440,010
Investment income				345,612
Transfers				4,762,277
Special item - loss on disposal of capital assets				<u>(4,530,475)</u>
Total general revenues and transfers				<u>6,017,424</u>
Change in net position				(204,431)
Net position - beginning				<u>22,949,470</u>
Net position - ending				<u>\$ 22,745,039</u>

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

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)
Balance Sheet - Governmental Fund
September 30, 2025**

Assets:

Cash, cash equivalents, and investments	\$ 6,271,912
Prepaid items	<u>585</u>
Total assets	<u>\$ 6,272,497</u>

Liabilities:

Accounts payable and accrued liabilities	\$ 61,186
Contracts and retainage payable	86,014
Due to Town of Davie	<u>1,000,000</u>
Total liabilities	<u>1,147,200</u>

Fund Balance:

Nonspendable for:	
Prepaid expenditures	585
Restricted for:	
Community redevelopment projects	<u>5,124,712</u>
Total fund balance	<u>5,125,297</u>
Total liabilities and fund balance	<u>\$ 6,272,497</u>

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

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)
Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position
September 30, 2025**

Fund Balance - Governmental Fund		\$ 5,125,297
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:</p>		
Governmental capital assets	\$ 24,627,606	
Less: accumulated depreciation	<u>(2,101,291)</u>	22,526,315
<p>Accrued bond interest payable not reported in the governmental funds</p>		
		(7,359)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:</p>		
Bonds payable	\$ (832,460)	
Advance from Town of Davie	(4,000,000)	
Compensated absences payable	<u>(66,754)</u>	<u>(4,899,214)</u>
Net Position of Governmental Activities		\$ <u>22,745,039</u>

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

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)
Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund
For the Year Ended September 30, 2025**

Revenues:

Tax incremental	\$ 5,440,010
Charges for services	36,133
Investment income	<u>345,612</u>
Total revenues	<u>5,821,755</u>

Expenditures:

Current:

General government:

General services department:

Personnel services	341,191
Operating	5,408,098
Grants and aids	392,221
Capital outlay	<u>13,037,418</u>

Total general government	<u>19,178,928</u>
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Debt service:

Principal retirement	1,634,397
Interest and other fiscal charges	<u>62,327</u>

Total debt service	<u>1,696,724</u>
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Total expenditures	<u>20,875,652</u>
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Deficiency of revenues over expenditures	<u>(15,053,897)</u>
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Other Financing Sources:

Proceeds from sale of capital assets	6,224,414
Proceeds from advance from Town of Davie	4,000,000
Transfers from Town of Davie	<u>4,762,277</u>

Total other financing sources	<u>14,986,691</u>
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Net change in fund balance	(67,206)
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Fund Balance - Beginning	<u>5,192,503</u>
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Fund Balance - Ending	<u>\$ 5,125,297</u>
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The notes to the financial statements are an integral part of these statements.

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended September 30, 2025**

Net Change in Fund Balance - Governmental Fund \$ (67,206)

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

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

Expenditures for capital assets, net	\$ 13,037,418	
Less: current year provision for depreciation	(61,861)	
Less: disposal of capital assets	<u>(10,754,889)</u>	2,220,668

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of debt principal is an expenditure in the governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from advance from Town of Davie	(4,000,000)	
Principal payments on bonds	<u>1,634,397</u>	(2,365,603)

Certain items reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures or credits in the governmental funds.

Change in accrued interest payable	\$ 14,450	
Change in compensated absences payable	<u>(6,740)</u>	<u>7,710</u>

Change in Net Position of Governmental Activities \$ (204,431)

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

Note 1 - The Financial Reporting Entity

The Town of Davie Community Redevelopment Agency (the "Agency") was established by and reported as a blended component unit of the Town of Davie, Florida (the "Town") under authority granted by Chapter 163, Florida Statutes. The Agency is a legally separate entity established by Ordinance No. 88-23 of the Town of Davie Council in May 1988. The Agency's five-member board is comprised of the Davie Town Council. The Agency Board directs the development and implementation of the Community Redevelopment Plan. The Town Council reviews and approves the Agency's annual budget, contracts, grants, and all other actions over \$ 25,000 must be authorized directly by resolution by the Agency Board and ratified and approved by resolution by the Town Council. All redevelopment activities of a contractual, financial, and programmatic nature shall have a maximum duration of 30 years from date of adoption. The Agency is due to expire in 2039. Revenue is derived primarily from tax incremental revenue, which is the revenue that the Agency collects from the Town, Broward County, Central Broward Water Control District, Children's Services Council of Broward County, and the South and North Broward Hospital District. Those taxes are based on the incremental increase of the real property value and are dedicated to the redevelopment of the area.

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

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

Note 2 - Summary of Significant Accounting Policies

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

Financial Statement - Fund Financial Statements: The fund financial statements provide information about the Agency's fund. The Agency only has one fund and thus is considered to be a major fund.

The annual audit of this fund included an evaluation in light of the applicable requirements of Florida Statute 163.387. Per the Agency's management, the year-end fund balance of approximately \$ 1.1 million has been restricted for specific redevelopment projects pursuant to the Community Redevelopment Plan.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Incremental taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for federal, state and local grant financial assistance, which is considered available if collection is expected within 12 months after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental fund. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 12 months of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Note 2 - Summary of Significant Accounting Policies (continued)

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

Investments: Investments are carried at estimated fair value. Unrealized gains and losses in fair value are recognized. The Town maintains a cash and investment pool that is available for use by all of its funds to facilitate the cash management and investment process. The Agency's portion of this pool is included on the statement of net position and balance sheet as "cash, cash equivalents and investments."

Capital Assets: Capital assets, which include infrastructure (roads, drainage, improvements, etc.) and machinery, equipment, and vehicles are carried at historical cost. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Donated capital assets, donated works of art and similar items are reported at acquisition value at the date of acquisition, as applicable. Depreciation has been provided over estimated useful lives using the straight-line method.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Infrastructure	5-40 years
Machinery, equipment and vehicles	5 years

Upon disposal of property, the related cost and accumulated depreciation are removed from the accounts with gains or losses on disposal reported currently. Expenditures for maintenance, repairs, and minor renewals and betterments are charged as incurred. Renewals and betterments of a major character are capitalized. In the fund financial statements, acquisition of capital assets is recorded as an expenditure and no depreciation is recorded.

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

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Compensated Absences: It is the Agency's policy to permit full-time employees to accumulate limited amounts of earned vacation leave and earned sick leave. Upon separation from service and the meeting of certain criteria, employees may receive payment for all unused vacation time and, subject to length of service, generally from 50% to 75% of all unused sick leave.

Note 2 - Summary of Significant Accounting Policies (continued)

Accumulated compensated absences are recorded in the government-wide financial statements when earned. Expenditures for accumulated compensated absences have been recorded in the governmental fund only if they have matured (e.g., resulting from employee resignations and retirements).

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

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

Deferred Outflows of Resources and Inflows of Resources: In addition to assets, the statement of net position will periodically report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency did not have any deferred outflows of resources as of September 30, 2025.

In addition to liabilities, the statement of net position will periodically report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency did not have any deferred inflows of resources as of September 30, 2025.

Note 2 - Summary of Significant Accounting Policies (continued)

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

Date of Management Review: Subsequent events have been evaluated through March 20, 2026, which is the date the financial statements were available to be issued.

Impact of Changes in Accounting Principles: During the year ended September 30, 2025, the Agency implemented GASB Statement No. 101, Compensated Absences, which revisits the definition and recognition parameters of accrued employee and paid time off. The Agency also implemented GASB Statement No. 102, Certain Risk Disclosures, which addresses obligations for governmental entities to disclose a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. There were no changes required to the financials of the Agency as a result of GASB 101. For disclosures related to GASB 102 see Note 11.

Note 3 - Deposits and Investments

As required by Florida Statutes, the Agency Board has adopted a written investment policy, which may, from time to time, be amended. Under the current policy, Agency officials are generally authorized to invest funds in the Florida Local Government Surplus Funds Trust Fund (Florida PRIME), intergovernmental investment pools, United States Government Securities, guaranteed agencies and sponsored agencies, commercial paper, corporate notes, taxable and/or tax-exempt municipal debt, asset-backed securities, interest bearing certificates of deposit or savings accounts, repurchase agreements, and registered investment companies-money market mutual funds.

As of September 30, 2025, the Agency had the following deposits and investments:

<u>Investment Type</u>	<u>Carrying Amount (Fair Value)</u>
United States treasuries	\$ 1,656,540
United States agency securities	1,334,418
Corporate notes/debt securities	888,521
Cash and money market funds	<u>2,392,433</u>
Total	<u>\$ 6,271,912</u>

Deposits: The Agency’s cash balances were entirely covered by Federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act," requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. As of September 30, 2025, the carrying amount of the Agency’s deposits was \$ 2,392,433. The Agency’s deposits of \$ 2,141,800, which are in excess of the federal insured level of \$ 250,000 are held in qualified public depository and are covered by the collateral pool held in the name of the financial institution’s trust department or agent but not in the Agency’s name.

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie)
Notes to Financial Statements
September 30, 2025**

Note 3 - Deposits and Investments (continued)

Interest Rate Risk: Interest rate risk exists when there is a possibility that changes in interest rate could adversely affect the fair value of the investments. Generally, the longer the time to maturity, the greater the exposure is to interest rate risk. The Agency limits their risk by requiring all non-amortizing securities to have maturities of no more than seven years. All amortizing securities are limited by their effective duration rather than their final maturity. The effective duration of the amortizing securities held by the Agency is limited to a maximum of five years. At year end, the weighted average effective duration of the Agency’s securities ranged from 1.18 to 2.52 years. The table below summarizes the Agency’s scheduled maturities (in years) of the investments held as of September 30, 2025:

Investment type	Total Fair Value	Less than 1	1 to 5
United States treasuries	\$ 1,656,540	\$ -	\$ 1,656,540
United States agency securities	1,334,418	182,819	1,151,599
Corporate notes/debt securities	<u>888,521</u>	<u>147,681</u>	<u>740,840</u>
Total	\$ <u>3,879,479</u>	\$ <u>330,500</u>	\$ <u>3,548,979</u>

Credit Risk: Credit risk exists when there is a possibility the debt issuer may be unable to fulfill its obligations. The Agency controls this risk by investing primarily in U.S. Government backed securities, and setting minimum credit ratings for other securities, rated by a Nationally Recognized Statistical Rating Organization (“NRSRO”) while the money market mutual funds are not rated.

The NRSRO ratings for the Agency’s investments as of September 30, 2025, are summarized below.

NRSRO Rating	Total Fair Value
AAA/Aaa	\$ 168,564
AA+	2,990,958
AA	8,596
A+	35,867
A	188,331
A-	336,984
NR	<u>150,179</u>
Total	\$ <u>3,879,479</u>

Concentration Risk: The Agency’s policy is to maintain a diversified portfolio to minimize the risk of loss resulting from concentration of assets in a specific issuer. Specific limits have been established which limit the percentage of portfolio assets that can be invested with a specific issuer. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the percentage is 5% or more of the total investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investments pools, and other pooled investments are excluded from this disclosure requirement. The Town’s portfolio of investments requiring disclosure are as follows: Freddie Mac (11.97%).

Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie)
Notes to Financial Statements
September 30, 2025

Note 3 - Deposits and Investments (continued)

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency would not recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the Agency minimizes this risk by establishing minimum standards for institutions and dealers used by the Agency. Consistent with the Agency’s investment policy, the investments are held by custodial banks/institutions in the Agency’s name, or in street name or nominee name as the agent, as applicable.

Fair Value Hierarchy: GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Various inputs are used in determining the fair value of investments. These inputs are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

- Level 1 - investments reflect unadjusted quoted prices in active markets for identical assets.
- Level 2 - investments reflect prices that are based on significant other observable assets, either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 - investments reflect prices based upon significant unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk.

The following is a general description of the valuation methodologies used for assets measured at fair value.

Investments classified as Level 1 for the Agency, in the table below, are valued using prices quoted in active markets for identical securities.

Fair values of investments held by the Agency are classified at September 30, 2025 as follows:

Investment Type	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
United States treasuries	\$ 1,656,540	\$ 1,656,540	\$ -	\$ -
United States agency securities	1,334,418	1,334,418	-	-
Corporate notes/debt securities	888,521	888,521	-	-
Total investments measured at fair value	3,879,479	\$ <u>3,879,479</u>	\$ <u>-</u>	\$ <u>-</u>
Money market funds and other deposits	<u>2,392,433</u>			
Total	\$ <u><u>6,271,912</u></u>			

Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie)
Notes to Financial Statements
September 30, 2025

Note 4 - Tax Incremental Revenues

The primary source of revenue for the Agency is tax incremental revenues collected from the Town of Davie, Broward County, North Broward Hospital District, South Broward Hospital District, Central Broward Water Control District and Children’s Services Council of Broward County. These entities levy ad valorem property taxes within the legally defined redevelopment area of the Agency. The tax incremental revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations over the 1988 base year assessed valuations for all properties located within the Agency’s boundaries.

Assessed values are established by the Broward County Property Appraiser. Sums are determined in accordance with Florida Statute 163.387(1). The calculations are based upon the total value of assessments derived from the certified Property Tax Rolls provided by the Broward County Property Appraiser’s Office. (Increment x Current Operating Millage) x 95% = Contribution. Payments are due to the Agency on or before January 1 of each year, otherwise the full amount of the increment will become due. As improvements are made in the redevelopment area and property values increase, a larger amount of money is generated for the Agency. These revenues fund additional improvements in the redevelopment area through their reinvestment back into the area.

Note 5 - Deposits and Withdrawals

As required by Florida Statute section 163.387(8), additional description of Agency financial information during fiscal year 2025 is as follows:

Sources of deposits:	
Tax increment:	
Town of Davie (transfer in)	\$ 4,762,277
Broward County	4,771,359
Children's Services Council of Broward County	381,602
Central Broward Water Control District	113,197
North Broward Hospital District	107,115
South Broward Hospital District	66,737
Charges for services	36,133
Investment income	345,612
Proceeds from sale of capital assets	<u>6,224,414</u>
Total sources	<u>\$ 16,808,446</u>
Purpose of withdrawals:	
General government	
Personnel services	\$ 341,191
Operating	5,408,098
Grants and aids	392,221
Capital outlay	13,037,418
Debt service:	
Principal retirement	1,634,397
Interest and other charges	<u>62,327</u>
Total withdrawals	<u>\$ 20,875,652</u>

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie)
Notes to Financial Statements
September 30, 2025**

Note 6 - Transfers and Advances from the Town of Davie

Transfers of \$ 4,762,277 were made from the Town of Davie to the Agency relating to tax incremental revenues collected by the Town of Davie on behalf of the Agency. During fiscal years 2022 and 2025, the General Fund advanced \$ 4 million in each year to the Community Redevelopment Agency (CRA) to support the continuation of redevelopment projects. Each \$ 4 million advance is to be repaid in four annual installments of \$ 1 million, without interest. As of September 30, 2025, \$ 1 million remains outstanding from the fiscal year 2022 advance, and the full \$ 4 million remains outstanding from the fiscal year 2025 advance.

Note 7 - Capital Assets

Capital asset activity for the year ended September 30, 2025 was as follows:

	Balance October 1, 2024	Additions	Retirements	Balance September 30, 2025
Capital assets, not being depreciated:				
Land	\$ 18,692,350	\$ 12,889,533	\$ (10,754,889)	\$ 20,826,994
Construction in progress	-	147,885	-	147,885
Total capital assets, not being depreciated	<u>18,692,350</u>	<u>13,037,418</u>	<u>(10,754,889)</u>	<u>20,974,879</u>
Capital assets, being depreciated:				
Infrastructure	3,621,050	-	-	3,621,050
Machinery, equipment and vehicles	31,677	-	-	31,677
Total capital assets, being depreciated	<u>3,652,727</u>	<u>-</u>	<u>-</u>	<u>3,652,727</u>
Total capital assets	<u>22,345,077</u>	<u>13,037,418</u>	<u>(10,754,889)</u>	<u>24,627,606</u>
Less: accumulated depreciation for:				
Infrastructure	2,007,753	61,861	-	2,069,614
Machinery, equipment and vehicles	31,677	-	-	31,677
Total accumulated depreciation	<u>2,039,430</u>	<u>61,861</u>	<u>-</u>	<u>2,101,291</u>
Total capital assets, being depreciated, net	<u>1,613,297</u>	<u>(61,861)</u>	<u>-</u>	<u>1,551,436</u>
Governmental activities capital assets, net	<u>\$ 20,305,647</u>	<u>\$ 12,975,557</u>	<u>\$ (10,754,889)</u>	<u>\$ 22,526,315</u>

Provision for depreciation was charged to functions as follows:

Governmental Activities:	
General government	\$ <u>61,861</u>

Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie)
Notes to Financial Statements
September 30, 2025

Note 7 - Capital Assets (continued)

Special item: During the year, the Agency entered into a transaction under which the Agency exchanged a parcel of land. Capital assets with a net book value of \$ 10,754,889 were exchanged for \$ 6,224,414. The \$ 4,530,475 loss on disposal is reported as a special item, following general revenues, in the government-wide statement of activities.

Note 8 - Long-Term Debt

Debt at September 30, 2025 included the following:

Community Redevelopment Agency Bonds - The Agency previously issued \$ 20,000,000 Community Redevelopment Bonds, Series 2010, to make various infrastructure improvements, including drainage, road, and water and sewer improvements, and to acquire land for redevelopment purposes. On August 28, 2013 and September 28, 2013, the Agency issued Community Redevelopment Refunding Bonds, Series 2013A and 2013B, amounting to \$ 10,000,000 and \$ 7,394,769, respectively, to currently refund the then outstanding Series 2010 Bonds. The 2013A and 2013B Bonds bear interest at the fixed rate of 2.47% and 2.43%, respectively, subject to adjustments based on occurrence of a determination of taxability event and by margin rate factor as calculated by lender. During fiscal year 2018, the interest rates were increased to 3.002% and 2.953% for the 2013A and 2013B Bonds, respectively, due to a change in the corporate tax rate. Principal and interest on both series is payable semiannually on each June 10 and December 10 through maturity in December 2025. The Bonds are secured by a pledge and lien on tax incremental revenues of the Town's Agency. In addition, the Town covenants to annually budget and appropriate legally available non-ad valorem revenues to cover any shortfall in tax incremental revenue of the Agency to pay for scheduled principal and interest.

Annual debt service requirements estimated to maturity for the Community Redevelopment Agency Bonds. Series 2013A are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ <u>479,014</u>	\$ <u>7,310</u>	\$ <u>486,324</u>
Total	\$ <u><u>479,014</u></u>	\$ <u><u>7,310</u></u>	\$ <u><u>486,324</u></u>

Annual debt service requirements estimated to maturity for the Community Redevelopment Agency Bonds. Series 2013B are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ <u>353,446</u>	\$ <u>5,306</u>	\$ <u>358,752</u>
Total	\$ <u><u>353,446</u></u>	\$ <u><u>5,306</u></u>	\$ <u><u>358,752</u></u>

**Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie)
Notes to Financial Statements
September 30, 2025**

Note 8 - Long-Term Debt (continued)

The outstanding Agency Series 2013A and 2013B arrangements discussed above include other financial provisions for events of defaults such as payment defaults, violation of covenants, insolvency, false representation, and failure to budget and appropriate. These events may increase the current interest rate to the lesser of 18% or the maximum lawful rate during the continuation of an event of default. The events may declare any unpaid principal and interest (acceleration of maturity) due immediately. The lender may also seek enforcement of and exercise all remedies available and allowed by law. These facilities are also subject to rate adjustments based on occurrence of a determination of taxability event by margin rate factor as calculated by lender. Prepayment fees/premiums may also apply.

Long-term liability activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Community Redevelopment Refunding Bond Series 2013A	\$ 1,419,358	\$ -	\$ 940,344	\$ 479,014	\$ 479,014
Community Redevelopment Refunding Bond Series 2013B *	1,047,499	-	694,053	353,446	353,446
	<u>2,466,857</u>	<u>-</u>	<u>1,634,397</u>	<u>832,460</u>	<u>832,460</u>
Compensated Absences	60,014	34,334	27,594	66,754	29,829
Total	\$ <u>2,526,871</u>	\$ <u>34,334</u>	\$ <u>1,661,991</u>	\$ <u>899,214</u>	\$ <u>862,289</u>

* Bonds from direct borrowing and private placements have an outstanding balance of \$ 832,460 as of September 30, 2025.

Pledged Revenues: The Agency's debt is collateralized by tax incremental revenues. The following table provides the gross revenue received in the current year and pledged for the bonds, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for the debt, which is the amount remaining of principal and interest on the indebtedness at September 30, 2025:

Debt Issue	Pledged Revenue	Gross Revenue Received	Principal and Interest Paid	Future Maturities Principal and Interest	Pledged Through:
Governmental Activities:					
Community Redevelopment Refunding Bonds, Series 2013A and 2013B	Tax incremental revenues of the Town's Community Redevelopment Agency	\$ <u>10,202,287</u>	\$ <u>1,696,724</u>	\$ <u>845,076</u>	2026

Note 9 - Risk Management

The Agency is exposed to various risks of loss for worker's compensation, general liability and other various risks of loss related to theft, errors, and omissions. The Agency is covered for such risks under the Preferred Governmental Insurance Trust. In addition, the Town's Self-Insurance Fund is established to account for and finance its insured and uninsured risks of loss. There have been no settlements that exceeded insurance coverage during the past three fiscal years.

Note 10 - Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Agency had no encumbrances expected to be honored upon performance by vendors in the next year.

The encumbrances and related appropriation lapse at the end of the year, but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Note 11 - Commitments and Contingencies

The Agency budgets its carryforward tax increment financing (TIF) for capital projects and land acquisition in compliance with Florida Statutes. The Agency has existing development agreements that commit future revenues towards TIF rebates and commercial property improvement grants.

Discontinuation and Contingent Funding of Tax Increment Revenues: Pursuant to an interlocal agreement among the Town of Davie, the Agency, and Broward County, the Agency has been extended through September 30, 2039. Under the terms of the agreement, tax increment financing (TIF) contributions from the Children's Services Council of Broward County, the Central Broward Water Control District, and the North and South Broward Hospital Districts will discontinue after September 30, 2027. As a result, revenues from these taxing authorities are not expected to continue beyond fiscal year 2027. The agreement further provides that Broward County will contribute affordable housing funding of \$2.32 million annually for a period of seven years beginning in fiscal year 2027, for a maximum total contribution of \$18.56 million. Broward County's funding is contingent upon the Town of Davie continuing to contribute at least \$2.32 million annually in tax increment financing to the CRA during the same period. The CRA's future revenues may be affected if the Town elects not to continue its tax increment contributions during the extension period.

REQUIRED SUPPLEMENTARY
INFORMATION

Town of Davie Community Redevelopment Agency
(A Component Unit of the Town of Davie, Florida)
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Tax incremental	\$ 5,451,200	\$ 5,451,200	\$ 5,440,010	\$ (11,190)
Charges for services	-	-	36,133	36,133
Investment income	40,000	40,000	345,612	305,612
Total revenues	<u>5,491,200</u>	<u>5,491,200</u>	<u>5,821,755</u>	<u>330,555</u>
Expenditures:				
General government:				
General services department:				
Personnel services	335,891	341,351	341,191	160
Operating	4,136,012	7,684,285	5,408,098	2,276,187
Grants and aids	3,725,000	592,221	392,221	200,000
Capital outlay	6,317,968	16,132,711	13,037,418	3,095,293
Total general government	<u>14,514,871</u>	<u>24,750,568</u>	<u>19,178,928</u>	<u>5,571,640</u>
Debt service:				
Principal	1,634,398	1,634,398	1,634,397	1
Interest and other fiscal charges	62,328	62,328	62,327	1
Total debt service	<u>1,696,726</u>	<u>1,696,726</u>	<u>1,696,724</u>	<u>2</u>
Total expenditures	<u>16,211,597</u>	<u>26,447,294</u>	<u>20,875,652</u>	<u>5,571,642</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,720,397)</u>	<u>(20,956,094)</u>	<u>(15,053,897)</u>	<u>5,902,197</u>
Other Financing Sources (Uses):				
Appropriated fund balance	6,956,807	7,192,504	-	(7,192,504)
Proceeds from sale of capital assets	-	6,000,000	6,224,414	224,414
Proceeds from Town of Davie interfund loan	-	-	4,000,000	4,000,000
Transfers from primary government	4,763,590	8,763,590	4,762,277	(4,001,313)
Transfers to primary government	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>1,000,000</u>
Total other financing sources (uses)	<u>10,720,397</u>	<u>20,956,094</u>	<u>14,986,691</u>	<u>(5,969,403)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	(67,206)	\$ <u>(67,206)</u>
Fund Balance - Beginning			<u>5,192,503</u>	
Fund Balance - Ending			\$ <u>5,125,297</u>	

See independent auditor's report.

INTERNAL CONTROLS AND COMPLIANCE

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

To the Community Redevelopment Agency Board
Town of Davie Community Redevelopment Agency
Davie, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Town of Davie Community Redevelopment Agency (a component unit of the Town of Davie, Florida) (the "Agency") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 20, 2026.

Report on Internal Control over Financial Reporting

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

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

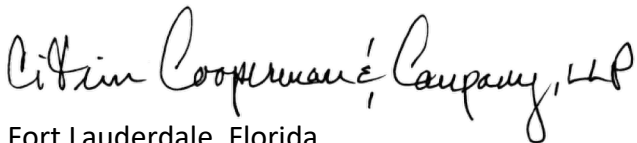
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Lauderdale, Florida
March 20, 2026

**MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Community Redevelopment Agency Board
Town of Davie Community Redevelopment Agency
Davie, Florida

Report on Financial Statements

We have audited the governmental activities and major fund of the Town of Davie Community Redevelopment Agency (a component unit of the Town of Davie, Florida) (the "Agency"), as of and for the year ended September 30, 2025, and have issued our report thereon dated March 20, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 20, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Town of Davie Community Redevelopment Agency (a component unit of the Town of Davie, Florida) was established May 5, 1988 by the Town of Davie Council Ordinance No. 88-23, pursuant to the laws of the State of Florida. The Agency does not have any component units.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(j)6.a., *Rules of the Auditor General*, the Agency states that no PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the Agency's geographical boundaries during the fiscal year under audit.

Specific Information

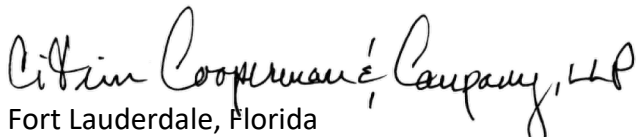
As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Agency is required to report certain specific information, as the Agency is a dependent special district of the Town of Davie, Florida. This information can be found in the Town of Davie, Florida's Annual Comprehensive Financial Report for the year ended September 30, 2025.

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 have an effect on the financial statements that is less than material but warrants attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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



Fort Lauderdale, Florida
March 20, 2026



Citrin Cooperman & Company, LLP
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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES AND SECTIONS 163.387(6)
AND 163.387(7), FLORIDA STATUTES**

To the Community Redevelopment Agency Board
Town of Davie Community Redevelopment Agency
Davie, Florida

We have examined Town of Davie Community Redevelopment Agency’s (a component unit of the Town of Davie, Florida) (the “Agency”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund* (the “specified requirements”) during the year ended September 30, 2025. Management is responsible for the Agency’s compliance with those specified requirements. Our responsibility is to express an opinion on the Agency’s compliance with those specified requirements based on our examination.

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

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

In our opinion, the Agency complied, in all material respects, with the specified requirements for the year ended September 30, 2025.

This report is intended solely for the information and use of the State of Florida Auditor General, the Community Redevelopment Agency Board and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Fort Lauderdale, Florida
March 20, 2026

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