



**NORTH MIAMI COMMUNITY
REDEVELOPMENT AGENCY**
(A Component Unit of the City of North Miami, Florida)

Audited Financial Statements
For the Year Ended September 30, 2025



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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
The North Miami Community Redevelopment Agency
North Miami, Florida

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of North Miami Community Redevelopment Agency (the "Agency"), a component unit of the City of North Miami, Florida, 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 financial position of the governmental activities of the Agency as of September 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Government Auditing Standards*. 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 opinion.

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.

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 opinion. 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 in the United States of America and *Government Audit 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 and budgetary comparison information on pages 3–14 and 32–33, respectively, be presented to supplement the basic financial statements. Such information, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2026, on our consideration of the Agency's internal control over financial reporting and on our tests of 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 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.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

February 27, 2026

Management's Discussion and Analysis

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
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SEPTEMBER 30, 2025

The Management's Discussion and Analysis (MD&A) of the North Miami Community Redevelopment Agency (the "Agency") is designed to provide an objective and easy to read analysis of the financial activities based on currently known facts, decisions, and conditions. The MD&A provides a broad overview and short and long-term analyses of the Agency's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the Agency's financial activity and identify changes in the Agency's financial position and its ability to address next year's challenges. Finally, the MD&A will identify any material deviations from the approved budget.

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

On July 20, 2005, the Agency entered into an Inter-local Cooperation Agreement with the City of North Miami (the "City") and Miami-Dade County (the "County") which established the Agency's financing plan and became effective September 1, 2005. Based on the cooperative agreement, the City and County are required to collect tax increment revenues on behalf of the Agency. The tax increment revenues must be used in accordance with the approved budget and the North Miami Community Redevelopment Agency Redevelopment Plan ("NMCRA Plan") and the terms and conditions of the Inter-local Cooperation Agreement.

On May 7, 2024, the County approved a third amendment to the NMCRA Plan and a fourth amendment to the Inter-local Cooperation Agreement effective December 5, 2023, making several substantive changes of note. The amended Inter-local agreement calls for:

- 1) The City and the County hereby agree to limit the amount of Tax Increment Financing ("TIF") revenues that can be expended by the Agency and provide for annual refunding by the Agency of a portion of such County TIF revenues to the County as follows: In each year in which the County and the City shall make TIF revenue payments to the Fund, the budget for expenditures funded by the County TIF revenues shall be capped, so that an amount above 75 percent of the difference between: (1) the amount of ad valorem taxes levied each year by the County; 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 the County, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the Redevelopment Area as shown upon the most recent assessment roll used in connection with the taxation of such property by each taxing authority prior to the effective date of Ordinance No. 05-109. and not necessary to pay debt service and related payments on bonds is to be refunded by the Agency to the County by the last day of each fiscal year.
- (2) The Agency agrees that that no less than 35 percent of the County TIF retained by the Agency each year shall be allocated and used by the Agency for the following projects related to the N. W. 7th A venue Redevelopment:
 - Initiatives to help revitalize that certain geographical area of N.W. 7th Avenue Corridor located within the Redevelopment Area, including, but not limited to, the

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mixed-use project identified in North Miami CRA Proposal, which is attached hereto as Exhibit "2" and incorporated herein by reference.

- Septic to Sewer Conversions along N.W. 7th Avenue Corridor.

 - Street/ Swale Beautification along N.W. 7th Avenue Corridor, and

 - Business rehabilitation along North Miami Gateways 143rd and 119th Street and along N.W. 7th Avenue Corridor
- (3) The requirement to use no less than 35 percent of the County TIF retained by the Agency for the N.W. 7th Avenue Redevelopment shall continue until such time as the County determines, in its sole discretion, that the redevelopment has been completed. Upon determination by the County that the redevelopment has been completed, the Agency may use 35 percent of the County retained by the Agency for such other lawful purposes that are consistent with the Plan.
- (4) The City and the County hereby agree to limit the amount of TIF revenues that can be expended by the Agency and provide for annual refunding by the Agency of a portion of such City TIF revenues to the City as follows: In each year in which the County and the City shall make TIF revenue payments to the Fund, the budget for expenditures funded by City TIF revenues shall be capped, so that an amount equivalent to the TIF revenues as would be derived from the Redevelopment Area, other than properties to the West of Biscayne Boulevard as more particularly described on Exhibit "I" shall remain un-appropriated and un-expended, except to the extent necessary to pay debt service and related payments on bonds. Annually, an equivalent amount of City TIF revenues generated by the Redevelopment Area, other than the property described on Exhibit "I" and not necessary to pay debt service and related payments on bonds is to be refunded by the Agency to the City by March 31st of each fiscal year. The City acknowledges and agrees that the City's contribution to the Fund in the amount equal to its refund of the TIF revenues derived from the Redevelopment Area other than properties to the West of Biscayne Boulevard as more particularly described on Exhibit "I" represents its pro rata refund for purposes of Section 163.387(7), Florida Statutes, and, accordingly, the City is not entitled to a pro rata portion of the refund by the Agency to the County required by Section VI.G.
- (5) Beginning in Fiscal Year (FY) 2024-2025, the Agency shall allocate in each year's budget an amount defined below as the Transportation Funding amount to fund and/or support the Strategic Miami Area Rapid Transit Plan ("SMART" Plan) project located within the boundary of the Agency, as defined in Resolution R-523-16 as the North East/FEC Corridor to the extent permitted by law. This annual allocation toward the Northeast/FEC Corridor shall be itemized as a separate section of the Agency's annual budget submitted to the BCC for approval. The Agency shall not expend these funds until the BCC has approved the budget as to these funds. In no event shall the Transportation Funding Amount be used to fund any transportation project located outside the boundary of the Agency.

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- (6) The Transportation Funding Amount shall be equal to 25 percent of the amount of countywide TIF deposited into the Agency's Fund each year for properties in the Redevelopment Area.

The Agency is an independent entity and a component unit of the City. The Agency has presented its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement ("GASB") No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

The information contained in this MD&A is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the footnotes and required supplementary information provided.

FINANCIAL HIGHLIGHTS

- For fiscal year 2025, the Agency's tax increment revenues rose to \$22,883,284, a 16% increase of \$3,101,635 over the fiscal year 2024 total of \$19,781,649. Tax increment revenues refunded to the County and the City also experienced a year-over-year increase of \$390,875 or 7%, totaling \$5,767,842. These variances are primarily attributable to significant residential property appreciation west of Biscayne Boulevard, alongside formulaic revisions established in the new Inter-local Cooperation Agreement.
- The Agency began the fiscal year with a net position of \$3,522,147.
- The Agency's total net revenues for the year ended September 30, 2025, were \$17,707,013, while total expenses were \$13,361,623, increasing net position by \$4,345,390 or 266% compared to the prior year's decrease of (\$2,611,173). The increase was due primarily to the current year's decrease of 23% in expenses and the current year's increase of 20% in revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements
- Required Supplementary Information

In addition, the Agency's report contains required supplementary information to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Agency's finances in a manner comparable to a private-sector business. In addition, the government-wide statements are prepared using the accrual basis of accounting.

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The *Statement of Net Position* presents all information on the Agency's assets and liabilities, 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 whether the financial position of the Agency is improving or deteriorating.

The *Statement of Activities* presents information on how the Agency's net position changed during the fiscal year. All changes in revenues are reported promptly 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 years.

The government-wide financial statements present functions of the Agency that are principally supported by tax increment financing (governmental activities). The governmental activities of the Agency include general government activities and redevelopment projects. Thus, the Agency has no business-type activities.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

The governmental fund financial statements provide readers with an overview of each fund and its related function in a traditional format. A fund is a grouping of related accounts that maintains control over resources segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The Agency utilized two governmental funds for the fiscal year ended September 30, 2025: the *General Fund*, which accounts for the operating activities of the Agency, and the *Special Revenue Fund*, from which all capital outlays for redevelopment projects, programs and activities are spent.

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, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on 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.

Since the focus of governmental funds is narrower than 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 comparing, readers may better understand the long-term impact of the Agency's near-term financing decisions. The "Balance Sheet – Governmental Funds" and "Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds" provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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Special Revenue Funds are established by the government to manage specific revenue sources that are legally restricted for a particular purpose. The fund's primary purpose is to promote accountability, transparency and legal compliance.

Required Supplementary Information

Budgetary comparison schedules, which constitute Required Supplementary Information pursuant to the Governmental Accounting Standards Board (“GASB”), are provided to demonstrate compliance with the budget.

The basic governmental funds financial statements can be found on pages 15 and 16 of this report. The reconciliations between the governmental funds and governmental activities are found at the bottom of each statement.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. These notes to the financial statements can be found beginning on page 21 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Agency’s budget to actual results for the General Fund for fiscal year 2025. The required supplementary information can be found on page 31 of this report.

The FY 2025 budget was amended twice: first, to adjust the beginning carryover balance to actual, and second, to provide the necessary appropriation for the CRA’s acquisition of real property (land purchase).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously noted, net position may serve, over time, as a useful indicator of a government’s financial position. In the case of the Agency, assets exceeded liabilities by \$7,867,537 at the close of fiscal year 2025. Approximately 99% of the Agency’s total assets are comprised of cash and cash equivalent balances.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities – Statement of Net Position

	<u>Year Ended September 30,</u>			
	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 54,315,977	\$ 57,121,456	\$ (2,805,479)	-5%
Due from other government	-	-	-	100%
Other assets	50,060	27,773	22,287	80%
Restricted cash	4,078,875	4,078,875	-	0%
Capital assets not being depreciated	219,354	219,354	-	0%
Capital assets being depreciated, net	<u>277,054</u>	<u>330,092</u>	<u>(53,038)</u>	-16%
Total assets	<u>58,941,320</u>	<u>61,777,550</u>	<u>(2,836,230)</u>	-5%
<u>Liabilities</u>				
Current liabilities	596,650	5,877,125	(5,280,475)	-90%
Noncurrent liabilities:				
Due within one year	1,859,156	1,654,862	204,294	100%
Due in more than one year	<u>48,617,977</u>	<u>50,723,416</u>	<u>(2,105,439)</u>	-4%
Total liabilities	<u>51,073,783</u>	<u>58,255,403</u>	<u>(7,181,620)</u>	-12%
<u>Net Position</u>				
Net investment in capital assets	496,408	549,446	(53,038)	-10%
Restricted:				
Redevelopment	55,321,322	11,566,820	43,754,502	378%
Debt Service Reserve	4,078,875	4,078,875	-	100%
Unrestricted	<u>(52,029,068)</u>	<u>(12,672,994)</u>	<u>(39,356,074)</u>	100%
Total net position	<u>\$ 7,867,537</u>	<u>\$ 3,522,147</u>	<u>\$ 4,345,390</u>	123%

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Governmental Activities – Statement of Activities

	<u>Year Ended September 30,</u>			
	2025	2024	Change	Percent
<u>Revenues</u>				
Tax increment revenues	\$ 22,883,284	\$ 19,781,649	\$ 3,101,635	16%
Tax increment revenues refunded to taxing authorities from the Agency	<u>(5,767,842)</u>	<u>(5,376,967)</u>	<u>(390,875)</u>	7%
Tax increment revenues, net	17,115,442	14,404,682	2,710,760	19%
Other revenues	<u>591,571</u>	<u>375,157</u>	<u>216,414</u>	58%
Total revenues	<u>17,707,013</u>	<u>14,779,839</u>	<u>2,927,174</u>	20%
<u>Expenses</u>				
General government	4,951,445	7,367,307	(2,415,862)	-33%
Community redevelopment projects	6,236,698	9,026,161	(2,789,463)	-31%
Interest and fiscal charges	<u>2,173,480</u>	<u>997,544</u>	<u>1,175,936</u>	100%
Total expenses	<u>13,361,623</u>	<u>17,391,012</u>	<u>(4,029,389)</u>	-23%
Change in net position	4,345,390	(2,611,173)	6,956,563	266%
Net position, beginning	<u>3,522,147</u>	<u>6,133,320</u>	<u>(2,611,173)</u>	-43%
Net position, ending	<u>\$ 7,867,537</u>	<u>\$ 3,522,147</u>	<u>\$ 4,345,390</u>	123%

In 2025, the \$5,767,842 tax increment revenues refunded to the taxing authorities comprised both County \$2,189,787 and City \$3,578,055.

The Agency's net position increased by \$6,956,563 or 266%. Key elements of the net increase in 2025 were as follows:

Revenues

- Total net tax increment revenues increased by \$2,710,760 or 19%.
- Other revenues increased by \$216,414 or 58%, due primarily to interest earned on bank savings accounts.

Expenses

General government – decreased by \$2,415,862 or -33% due primarily to the net effect of the following significant changes:

- (a) Increase of \$2,189,787 for transit infrastructure improvements project.
- (b) Increase of \$68,396 for salaries and salary-related benefits for new and existing employees.
- (c) Increase of \$17,561 for county administrative charge.
- (d) Increase of \$252,809 for contractual, legal and other professional services.

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- (e) Increase of \$183,485 for the 163 Initiatives program.
- (f) Increase of \$40,050 for lease of office space.
- (g) Net increase of \$20,756 for other general operating expenses.
- (h) Decrease of (\$100,000) for the Flock Safety Program license that was provided for the city's police department in the prior year.
- (i) Decrease of (\$5,000,000) contribution to the City. There was no similar contribution in the current year.

Community redevelopment projects – decreased by \$2,789,463 or 31% due primarily to the net effect of the following:

- (a) Decrease of (\$3,982,310) for the following capital grants projects:
 - Golden Hill infrastructure project decreased by (\$3,795,585)
 - NW 7th Avenue project decreased by (\$139,341)
 - Carryover funds budgeted for projects decreased by (\$47,384)
- (b) Increase of \$1,360,964 for other capital projects:
 - \$196,942 for housing incentive programs
 - \$560,000 for mixed used restaurant programs
 - \$562,149 for the Rucks Park project
 - \$18,500 for art in public places
 - \$23,373 for ground maintenance provided by the City

Interest and fiscal charges – net increase of \$1,175,936 related to the first full year of \$2,459,625 interest payment on the bond and decrease of (\$286,145) which was prior year bond issuance cost.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Agency's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2025, the Agency's governmental funds reported an ending fund balance of \$57,848,262. Current year activities resulted in an increase of \$2,497,283 in fund balance. The increase was due primarily to the reduction in expenditure for capital projects. Of the Agency's ending fund balance, a significant portion represents proceeds from the 2024 Redevelopment Revenue Bond, required debt service reserve balances, and funding committed to multi-year capital and infrastructure projects. These amounts are legally restricted or assigned for specific redevelopment purposes and are not available for general discretionary spending.

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GENERAL BUDGETARY HIGHLIGHTS

The following information is presented to assist the reader in comparing the original/final budget (adopted) and the actual results. There were a few variances between the final budget and actual results, as shown in the Budgetary Comparison Schedule.

	<u>Budgeted Amounts</u>			Variance with final budget - positive (negative)
	<u>Original</u>	<u>Final</u>	Actual results - budgetary basis	
<u>Revenues:</u>				
Tax increment revenue	\$ 19,781,649	\$ 22,883,284	\$ 22,883,284	\$ -
Return of tax increment revenues refunded to taxing authorities	-	-	(5,767,842)	(5,767,842)
Tax increment revenues, net	19,781,649	22,883,284	17,115,442	(5,767,842)
Interest and other	176,099	176,099	591,571	415,472
Carry over surplus	6,495,918	55,321,322	-	(55,321,322)
Total revenues	<u>26,453,666</u>	<u>78,380,705</u>	<u>17,707,013</u>	<u>(60,673,692)</u>
<u>Expenditures:</u>				
General government	3,008,384	9,425,284	4,898,409	4,526,875
Return of tax increment revenues refunded to taxing authorities	5,376,967	5,767,842	-	5,767,842
Debt service	-	4,074,625	4,074,625	-
Community redevelopment:				
Capital Projects Infrastructure	14,900,268	50,532,284	4,006,491	46,525,793
Capital Projects Grants	3,106,034	8,580,670	2,230,206	6,350,464
Total expenditures	<u>26,391,653</u>	<u>78,380,705</u>	<u>15,209,730</u>	<u>63,170,975</u>
Excess of revenues over expenditures	<u>62,013</u>	<u>-</u>	<u>2,497,283</u>	<u>2,497,283</u>
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 62,013</u>	<u>\$ -</u>	<u>2,497,283</u>	
Fund balances - beginning			<u>55,350,979</u>	
Fund balances - ending			<u>\$ 57,848,262</u>	

Revenues

The budgeted tax increment revenue in the amount of \$22,883,284 was realized without variance.

Return of tax increment revenue refunded to taxing authorities shows a negative variance of (\$5,767,842) due primarily to the planned expenditure being reclassified and shown as a contra-revenue for presentation purposes. This variance also shows up in the expenditures section for the same reason, but as a positive variance.

The positive variance of \$415,472 for interest and other revenue was due primarily to underestimated interest income as bank balances were not at the same level in the current year.

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The negative variance for “carryover surplus” in the amount of (\$55,321,322) represents funding for multi-year projects with prior years reserves that was not used in the current year. Specifically, this rollover was re-appropriated for budget purposes but was not recorded as new revenue in the actual financials.

Expenditure

General government - positive variance of \$4,526,875 due primarily to the net effect of the following factors:

1. The \$4,078,875 positive variance represents the Debt Service Reserve Account required by the \$50 million bond agreement executed in FY 2024. These funds were restricted to satisfy the full funding requirements of the debt covenants.
2. Positive variance of \$236,546 for salaries related to the CRA Executive Director whose appointment as the Interim City Manager for the City was extended and portions of her salary charged to the City which was not anticipated in the budget.
3. Positive variance of approximately \$94,590 for legal and other professional services due to stalled consultancy services.
4. Positive variance of \$21,264 for operating expenditures related to the dissemination of information about slum clearance within the Community Redevelopment area, as funds allocated for this purpose were not fully utilized.
5. The remaining net positive variances of \$95,561 related to printing and publishing and occupancy.

Community redevelopment - net positive variance of \$46,525,793 for infrastructure and \$6,350,464 for grants related to multi-year infrastructure and grants projects, respectively, ongoing within the CRA boundary. These projects were impacted in the previous years by the pandemic-related (COVID-19) and are expected to advance to completion within the statutorily required time.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2025, the Agency’s net capital assets totaled \$496,408, representing a net decrease of \$53,038 compared to the prior fiscal year. The net decrease mainly resulted by the accounting treatment of a right-to-use building related to leased office space for the CRA in accordance with GASB 87 and by scheduled building and equipment depreciation over their useful life.

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

	<u>Capital Assets - Governmental Activities</u>		
	<u>2025</u>	<u>2024</u>	<u>Change</u>
Capital assets not being depreciated:			
Land	\$ 219,354	\$ 219,354	\$ -
Total capital assets not being depreciated	<u>219,354</u>	<u>219,354</u>	<u>-</u>
Capital assets being depreciated:			
Building - right-to-use	215,918	215,918	-
Building and improvements	192,400	192,400	-
Furniture and equipment	<u>59,866</u>	<u>59,866</u>	<u>-</u>
Total capital assets being depreciated	<u>468,184</u>	<u>468,184</u>	<u>-</u>
Less accumulated depreciation:			
Building - right-to-use	(119,586)	(79,724)	(39,862)
Building and improvements	(24,050)	(14,430)	(9,620)
Furniture and equipment	<u>(47,494)</u>	<u>(43,938)</u>	<u>(3,556)</u>
Total accumulated depreciation	<u>(191,130)</u>	<u>(138,092)</u>	<u>(53,038)</u>
Total capital assets being depreciated, net	<u>277,054</u>	<u>330,092</u>	<u>(53,038)</u>
Capital assets, net	<u>\$ 496,408</u>	<u>\$ 549,446</u>	<u>\$ (53,038)</u>

* Land and buildings transferred to the Agency from the City in 2023.

Additional information on the Agency's capital assets can be found in Notes to the Basic Financial Statements **Note 3**.

Long-term Debt

As of September 30, 2025, the Agency's outstanding long-term debt totaled \$50,477,133, comprised of bonds and lease obligations. This represents a decrease from the prior year balance of \$52,378,278. Bond debt remains secured by pledged tax increment revenues, as summarized below:

	<u>Outstanding Debt - Governmental Activities</u>		
	<u>2025</u>	<u>2024</u>	<u>Change</u>
Governmental Activities			
Debt payable:			
Bond obligation	\$ 48,385,000	\$ 50,000,000	\$ (1,615,000)
Bond premium	1,990,486	2,236,769	(246,283)
Right-to-use lease obligation	<u>101,647</u>	<u>141,509</u>	<u>(39,862)</u>
Total debt payable	<u>\$ 50,477,133</u>	<u>\$ 52,378,278</u>	<u>\$ (1,901,145)</u>

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

During the year, the Agency had the following debt activity:

- a. Decrease of \$1,615,000 for the scheduled principal payment for the outstanding bond.
- b. Decrease of \$246,383 for bond premium amortization.
- c. Decrease of \$39,862 for scheduled lease amortization.

Additional information on the Agency's long-term debt can be found in Notes to the Basic Financial Statements, **Note 4**.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Agency's Board approved the 2025-2026 budget in the amount of \$84,312,786, which included an increase of gross budgeted final year-end carryover of \$57,139,581. Tax increment revenue projections were based upon actual values from the County's Property Appraiser's Office and the City of North Miami. The Tax Increment Financing (TIF) increase was attributable to an increase in property valuations within the Agency's district. The Agency anticipates further TIF revenue growth in the coming years as perennial increases in property values continue and future redevelopment projects break ground.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Anna-Bo Emmanuel, Executive Director, 735 N.E. 125th Street Suite 100, North Miami, Florida, 33161.

Basic Financial Statements

Government-wide Financial Statements

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 54,315,977
Receivables, net	5,282
Prepays, deposits and other assets	44,778
Restricted cash	4,078,875
Capital assets not being depreciated	219,354
Capital assets being depreciated, net	277,054
Total assets	<u>58,941,320</u>
 LIABILITIES	
Due to other government	591,650
Deposits and other liabilities	5,000
Non-current liabilities:	
Due within one year	1,859,156
Due in more than one year	48,617,977
Total liabilities	<u>51,073,783</u>
 NET POSITION	
Net investments in capital assets	496,408
Restricted for:	
Redevelopment	55,321,322
Debt Service Reserve	4,078,875
Unrestricted	<u>(52,029,068)</u>
Total net position	<u>\$ 7,867,537</u>

See notes to the basic financial statements.

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Program Revenue			Net (Expense)
Functions/Programs	Expenses	Charges for Services	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:				
General government	\$ 4,951,447	\$ -	\$ -	\$ (4,951,447)
Community redevelopment	6,236,698	-	-	(6,236,698)
Interest and fiscal charges	2,173,480	-	-	(2,173,480)
Total	\$ 13,361,625	\$ -	\$ -	\$ (13,361,625)
General Revenue:				
Tax increment revenue				\$ 22,883,284
Tax increment revenues refunded to taxing authorities (Note 5)				(5,767,842)
Tax increment revenue, net				17,115,442
Interest and other income				591,573
Total general revenues				17,707,015
Change in net position				4,345,390
Net position - beginning				3,522,147
Net position - ending				\$ 7,867,537

See notes to the basic financial statements.

Financial Fund Statements

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
BALANCE SHEET - GOVERNMENTAL FUND
SEPTEMBER 30, 2025

	General	Special revenue	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 421,016	\$ 53,894,961	\$ 54,315,977
Receivables, net	5,282	-	5,282
Due from other government	-	-	-
Prepays, deposits and other assets	44,778	-	44,778
Restricted cash	-	4,078,875	4,078,875
Total assets	471,076	57,973,836	58,444,912
 LIABILITIES AND FUND BALANCES			
<u>LIABILITIES:</u>			
Accounts payable and accrued liabilities	292,615	-	292,615
Due to other government	299,035	-	299,035
Deposits and other liabilities	5,000	-	5,000
Total liabilities	596,650	-	596,650
 <u>FUND BALANCES:</u>			
Nonspendable	44,778	-	44,778
Restricted	1,068,912	55,052,330	56,121,242
Unassigned	(1,239,264)	2,921,506	1,682,242
Total fund balances	(125,574)	57,973,836	57,848,262
Total liabilities and fund balances	\$ 471,076	\$ 57,973,836	\$ 58,444,912

See notes to the basic financial statements.

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENTS OF NET POSITION
SEPTEMBER 30, 2025

Fund balance - total governmental funds	\$	57,848,262
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Amounts reported for governmental activities in the statement of net position (page 32) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		496,408
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:

Bond payable	(48,385,000)	
Unamortized bond premium	(1,990,486)	
		(50,375,486)
Lease payable		(101,647)

Net position of governmental activities	\$	<u>7,867,537</u>
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NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General	Special Revenue	Total Governmental Funds
REVENUES			
Tax increment revenue	\$ 22,883,284	\$ -	\$ 22,883,284
Tax increment revenues refunded to taxing authorities (Note 6)	(5,767,842)	-	(5,767,842)
Tax increment revenues, net	17,115,442	-	17,115,442
Interest and other	591,571	-	591,571
Total revenues	17,707,013	-	17,707,013
EXPENDITURES			
General government	4,898,409	-	4,898,409
Community redevelopment		6,236,696	6,236,696
Debt service:			
Principal	1,615,000	-	1,615,000
Interest and fiscal charges	2,459,625	-	2,459,625
Capital outlay	-	-	-
Total expenditures	8,973,034	6,236,696	15,209,730
Excess (deficit) of revenues over expenditures	8,733,979	(6,236,696)	2,497,283
OTHER FINANCING SOURCES (USES)			
Transfers in	-	9,158,202	9,158,202
Transfers out	(9,158,202)	-	(9,158,202)
Total other financing sources (uses)	(9,158,202)	9,158,202	-
Net change in fund balances	(424,223)	2,921,506	2,497,283
Fund balances - beginning	298,649	55,052,330	55,350,979
Fund balances, ending	\$ (125,574)	\$ 57,973,836	\$ 57,848,262

See notes to the basic financial statements.

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, CHANGES
IN FUND BALANCES IN GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds **\$ 2,497,283**

Amounts 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 these assets is depreciated over their estimated useful lives:

Expenditures for capital assets	-	
Less current year depreciation	(57,969)	
	(57,969)	(57,969)

Net effect of miscellaneous transactions involving capital assets (i.e. adjustment to book value of office furniture etc.) is to decrease net position.		4,930
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Issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal is an expenditure in the governmental funds. The issuance increases long-term liabilities while the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums and discounts and similar items when debt is first issued whereas in the statement of activities, those amounts are deferred and amortized over time:

Principal retired on long-term debt	1,615,000	
Amortization of bond premium	246,283	
Principal paid on bond and leases	39,862	
	1,901,145	1,901,145

Change in net position of governmental activities **\$ 4,345,390**

**Notes to the Basic
Financial Statements**

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the North Miami Community Redevelopment Agency (the “Agency”) is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should therefore be read in conjunction with the basic financial statements.

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 Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency’s accounting policies are described below.

a. Financial Reporting Entity

The Agency is an independent government agency that was fully established in 2005 by the City of North Miami (the “City”) and Miami-Dade County, under Chapter 163 of the Florida Statutes. The purpose of the Agency is to formulate a workable program for utilizing appropriate private and public resources to eliminate and prevent the development or spread of slum and blighted areas within the City. To achieve this mission, the Agency is charged with the responsibility of eliminating conditions of blight that exist within the City and helping to improve the quality of life by revitalizing the City’s physical, economic, educational and social resources. The designated Community Redevelopment Area comprises some 3,250 acres, approximately 60% of the City.

Community Redevelopment Agencies (“CRA”) are a common governmental tool for redevelopment in the State of Florida, and operate on a budget generated by an increase in property taxes within the area. Once a CRA is established, a percentage of the increase in real property taxes goes to the CRA. This tax increment is used to finance the redevelopment projects outlined in the Community Redevelopment Plan. Thus, the principal mission of the Agency is the preservation or enlargement of the community redevelopment area’s tax base from which taxing authorities receive tax revenues to carry out public initiatives that stimulate the rehabilitation or redevelopment of the community redevelopment area.

On July 20, 2005, the Agency entered an Inter-Local Cooperation Agreement with the City and Miami-Dade County (the “County”) effective September 1, 2005. Based on the cooperative agreement, the City and County collect tax increment revenues on behalf of the Agency. The tax increment revenues must be used in accordance with the approved budget, the North Miami Community Redevelopment Agency Redevelopment Plan, and the terms and conditions of the Inter-local Cooperation Agreement. On December 6, 2016, the Miami-Dade County Board of County Commissioners approved the 2016 NMCRA Plan Amendment and a Second Amendment Inter-local Cooperation Agreement, which, among other things, extended the life of the Agency to July 2044.

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Pursuant to the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Agency is considered a blended component unit of the City. The Agency has therefore been reported in the City’s basic financial statements, as required. The Board of Commissioners of the Agency is comprised of the members of the City Council and the Mayor.

b. 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 the Agency’s activities. The statement of activities demonstrates the degree to which the direct expenses of a given function 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 and,
- (2) grants and contributions that are restricted to meeting the operational or capital requirements of a specific function.

Taxes and other items not properly included among program revenues are reported as general revenues. The Agency does not have any business-type activities. The effect of interfund activity has been removed from the government-wide financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

c. Measurement Focus and Basis of Accounting

Government-wide 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
 (A Component Unit of the City of North Miami, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

soon as they are both measurable and available. Revenues are available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

period. Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Interest on invested funds is recognized when earned. Expenditures generally are recorded when a liability is incurred, as under the accrual accounting basis. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Compensated absences are accrued as a liability as benefits are earned by employees.

The Agency reports the following major governmental funds:

- The **General Fund** is the Agency’s primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund; and,
- The **Special Revenue Fund** accounts for the acquisition and/or construction of major capital assets facilities

d. Use of Restricted Funds

When both restricted and unrestricted resources are available for use, it is the Agency’s policy to use restricted resources first, then unrestricted resources as they are needed.

e. Capital Assets

Capital assets, which currently include lands, furniture and equipment, are reported in the governmental-type 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 and an estimated useful life of more than one year. Property and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Major outlays for capital assets and improvements are capitalized and depreciated over the remaining useful lives of the related assets, as applicable.

Capital assets of the Agency are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles and other outdoor equipment	3-10
Computer equipment	3-4
Buildings and improvements	20-40
Right-to-use leased building	5-20

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

f. Cash and Cash Equivalents

The Agency’s cash and cash equivalents include time and demand deposits and money market funds. Florida Statutes authorize the Agency officials to invest funds in United States Government obligations, guaranteed United States agency short-term issues, the State Treasurer’s investment pool, Florida bank certificates of deposit, money market funds, repurchase agreements and the Florida League of Cities sponsored Florida Municipal Investment Trust (“FMIT”).

The types of investments that can be purchased and held by the Agency are governed by the Agency’s investment policy and the provisions of Florida Statutes Section 218.415. Under Agency policy and the statute, authorized investments are limited, unless otherwise authorized by law or ordinance, to the State Board of Administration Investment Pool, money market funds, direct or unconditionally guaranteed obligations of the United States Government, obligations of certain governmental agencies, interest bearing time deposits or savings accounts.

g. Nature and Purpose of Classifications of Fund Balance

Governmental funds financial statements report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by, a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or, b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Agency’s Commission through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the Agency’s intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the Agency’s management based on Commission direction. 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. 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 general fund.

h. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Agency’s management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosures of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets and the amortization of the right-of-use assets. Although these estimates as well

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

as others are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ with actual results.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i. Leases

The Agency is a lessee for non-cancellable lease of building spaces. The Agency recognizes a lease liability and a right-to-use leased asset in the government-wide financial statements. At the commencement of a lease, the Agency measures the lease liability at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is measured as the initial amount of the remaining lease liability, adjusted for lease payments made at lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over its useful life or the lease period whichever is shorter. Key estimates and judgments related to leases include how the Agency determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Agency uses its estimated incremental borrowing rate of 3.0% as the discount rate for leases.

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly alter the amount of the lease liability.

Leased assets are reported under capital assets, and lease liabilities are reported under long-term obligations on the statement of net position. Lease activity is included in **Notes** 3 and 4.

j. Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premium is deferred and amortized over the life of the bond using the straight-line amortization method. The result of using this method does not differ significantly from the effective interest method. All other debt issuance costs are expensed as incurred. Bond payable is reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of the debt issued and premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

k. Impact of Recently Issued Accounting Pronouncements

Issued and Adopted Accounting Pronouncements

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

For the year ended September 30, 2025, the Agency adopted the following financial accounting standards issued by the GASB:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Accounting Standards Adopted

- **GASB Statement No. 103 *Financial Reporting Model Improvements***. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government’s accountability. The Statement also addresses certain application issues: (a) this Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions.;(b) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows; (c) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements and: (d) requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Statement will be implemented in Fiscal Year 2026.

- **GASB Statement No. 104 *Disclosures of Certain Capital Assets***. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, should also be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15,

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
 (A Component Unit of the City of North Miami, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

2025, and all reporting periods thereafter. The Statement was implemented without impact for the Agency for Fiscal Year 2025.

NOTE 2 – CASH AND CASH EQUIVALENTS

All deposits of the Agency are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security or Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or more than, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely collateralized throughout the fiscal year.

As of September 30, 2025, Cash and Cash Equivalents consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Operating Account	\$ 421,016		\$ 421,016
Redevelopment		53,894,961	53,894,961
	421,016	53,894,961	54,315,977
Debt Service Reserve		4,078,875	4,078,875
Total Cash and Cash Equivalents	\$ 421,016	\$ 57,973,836	\$ 58,394,852

The average interest rate earned on investments was approximately 0.95% for fiscal year 2025.

NOTE 3 – CAPITAL ASSETS

Lands, previously classified as assets held for resale, related to three properties which were initially earmarked for development by the Agency. These properties were subsequently leased to Miami-Dade County in March 2009 for 30 years. The County used the properties for construction, operations and maintenance of the Miami-Dade Fire Rescue North Miami Station Number 18 and for performance work incidental thereto.

At September 30, 2016, the properties were deemed to be impaired and were written down to their recoverable value of \$133,748 and reclassified as capital assets.

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3 – CAPITAL ASSETS *(continued)*

Capital assets activities for the year ended September 30, 2025, are as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being depreciated:				
Land - impaired	\$ 133,748	\$ -	\$ -	\$ 133,748
Land	85,606	-	-	85,606
Total capital assets not being depreciated	<u>219,354</u>	<u>-</u>	<u>-</u>	<u>219,354</u>
Capital assets being depreciated:				
Building - right-to-use	215,918	-	-	215,918
Building and improvements	192,400	-	-	192,400
Furniture and equipment	59,866	-	-	59,866
Total capital assets being depreciated	<u>468,184</u>	<u>-</u>	<u>-</u>	<u>468,184</u>
Less accumulated depreciation:				
Building - right-to-use	(79,724)	(39,862)	-	(119,586)
Building and improvements	(14,430)	(9,620)	-	(24,050)
Furniture and equipment	(39,007)	(8,487)	-	(47,494)
Total accumulated depreciation	<u>(133,161)</u>	<u>(57,969)</u>	<u>-</u>	<u>(191,130)</u>
Total capital assets being depreciated, net	<u>335,023</u>	<u>(57,969)</u>	<u>-</u>	<u>277,054</u>
Capital assets, net	<u>\$ 554,377</u>	<u>\$ (57,969)</u>	<u>\$ -</u>	<u>\$ 496,408</u>

Depreciation expense was adjusted in the current year and the net amount charged to the function/program was \$57,969.

NOTE 4 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the Agency for the year ended September 30, 2025:

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bond payable	\$ 50,000,000	\$ -	\$ (1,615,000)	\$ 48,385,000	\$ 1,700,000
Bond premium	2,236,769	-	(246,283)	1,990,486	119,294
Right-to-use operating lease obligation	141,509	-	(39,862)	101,647	39,862
Total debt payable	<u>\$ 52,378,278</u>	<u>\$ -</u>	<u>\$ (1,901,145)</u>	<u>\$ 50,477,133</u>	<u>\$ 1,859,156</u>

NOTE 4 – LONG-TERM LIABILITIES *(continued)*

Bond Payable

On May 30, 2024, the Agency issued a Redevelopment Revenue Bond, Series 2024, with a Par amount of \$50,000,000 and a premium of \$2,236,769.10 for a total of \$52,236,769.10, to finance the costs of certain capital improvement projects within the Redevelopment Area and to fund the Reserve Account. The interest rate on the bond is 5%. The bond premium is being amortized over the life of the bond. The total bond cost is funded by specific pledged revenues and is appropriated by the Agency on an annual basis.

The Bond agreement also includes the following additional information:

- **Optional Redemption of Bonds.** The Bonds that mature on or before March 1, 2034, are not subject to optional redemption prior to their maturities. The Bonds that mature on or after March 1, 2035, are subject to redemption beginning March 1, 2034, in whole or in part at any time, in any order of maturities at the option of the Issuer, and by lot within a maturity if less than a full maturity is redeemed, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date.
- **Authorizing Acts.** The Bonds were issued under the authority of the Community Redevelopment Act of 1969 (Part III of Chapter 163, Florida Statutes), County Resolution No. R-837-04 adopted on July 13, 2004, City Ordinance No. 2004-3 enacted on June 21, 2004, as amended, and other applicable provisions of law, and pursuant to Resolution No. 2024-004 adopted by the Issuer on May 14, 2024 (the "Bond Resolution").
- **Assignment.** This Agreement may not be assigned by the Issuer.

Principal and interest are payable through March 1, 2043. Debt service requirements to maturity on the Bond as follows:

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Fiscal years ending September 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,700,000	\$ 2,376,750	\$ 4,076,750
2027	1,785,000	2,289,625	4,074,625
2028	1,880,000	2,198,000	4,078,000
2029	1,975,000	2,101,625	4,076,625
2030	2,075,000	2,000,375	4,075,375
2031-2035	12,090,000	8,291,250	20,381,250
2036-2040	15,520,000	4,858,000	20,378,000
2041-2043	11,360,000	870,750	12,230,750
Total	\$ 48,385,000	\$ 24,986,375	\$ 73,371,375

NOTE 4 – LONG-TERM LIABILITIES *(continued)*

LEASE OBLIGATION

North Miami CRA entered into a lease agreement for its office location on October 12, 2021. The term of the lease was for seven years, with the rental payment increasing by 3% on the anniversary of the lease.

As of September 30, 2025, the minimum principal and interest payment requirement for the leasing activities are as follows:

Fiscal years ending September 30:	<u>Principal</u>
2026	39,862
2027	39,862
2028	28,814
Total minimum lease payments	108,538
Less amount representing interest	(6,890)
Present value of minimum lease payments	<u>\$ 101,648</u>

NOTE 5 – RELATED PARTY TRANSACTIONS

At September 30, 2025, the Agency reported a liability of \$299,035 due to the City of North Miami. This balance represents administrative reimbursements and is expected to be liquidated during the subsequent fiscal year.

NOTE 6 – TAX INCREMENT REVENUE

The Agency’s primary source of revenues is the tax increment funds received through the City and the County. This revenue is computed by multiplying the operating tax rate for the City and the County by the increased value of property located within the boundaries of the redevelopment area

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

of the Agency, over the base property value, less five percent (administrative fee). Both the City and the County are required to fund the Agency on an annual basis with this amount without regard to tax collections or other obligations.

In accordance with the Inter-Local Cooperation Agreement, the Agency is required to provide an annual refund to the City and County equal to the amount of tax the increment revenues generated by the redevelopment area, other than properties to the east of Biscayne Boulevard, and not necessary to pay debt services and related bond payments. In addition, the City is required to contribute an amount equal to its refunded amount back to the Agency in support of the redevelopment activities, including the bond debt service and related payments. In fiscal year 2025, the Agency refunded \$5,767,842 to the taxing authorities (\$2,189,787 to the County and \$3,578,055 to the City).

NOTE 7 – INTERFUND TRANSFERS

During the fiscal year 2025, interfund transfers comprised of the General Fund transfers of \$9,158,202 to the Special Revenue Fund to cover community redevelopment costs and other ongoing capital projects.

NOTE 8 – RISK MANAGEMENT

The Agency is exposed to various risks of loss related to workers' compensation, general liability, theft, errors, and omissions. The Agency is covered for such risks under the Florida Municipal Insurance Trust.

There were no settlements that exceeded the insurance coverage during the fiscal year 2025. In addition, the Agency employees have the option to participate in the City's health, dental, life and disability insurance plans. Under an agreement with the City, the Agency reimburses the City quarterly for the participating employees.

NOTE 9 – SUBSEQUENT EVENTS

The Agency's management has evaluated subsequent events through February 27, 2026, the date on which the financial statements were available for issue.

Required Supplementary Information

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
UNAUDITED
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>			Variance with final budget - positive (negative)
	<u>Original</u>	<u>Final</u>	Actual results - budgetary basis	
<u>Revenues:</u>				
Tax increment revenue	\$ 19,781,649	\$ 22,883,284	\$ 22,883,284	\$ -
Return of tax increment revenues refunded to taxing authorities	-	-	(5,767,842)	(5,767,842)
Tax increment revenues, net	19,781,649	22,883,284	17,115,442	(5,767,842)
Interest and other	176,099	176,099	591,571	415,472
Carry over surplus	6,495,918	55,321,322	-	(55,321,322)
Total revenues	<u>26,453,666</u>	<u>78,380,705</u>	<u>17,707,013</u>	<u>(60,673,692)</u>
<u>Expenditures:</u>				
General government	3,008,384	9,425,284	4,898,409	4,526,875
Return of tax increment revenues refunded to taxing authorities	5,376,967	5,767,842	-	5,767,842
Debt service	-	4,074,625	4,074,625	-
Community redevelopment:				
Capital Projects Infrastructure	14,900,268	50,532,284	4,006,491	46,525,793
Capital Projects Grants	3,106,034	8,580,670	2,230,206	6,350,464
Total expenditures	<u>26,391,653</u>	<u>78,380,705</u>	<u>15,209,730</u>	<u>63,170,975</u>
Excess of revenues over expenditures	<u>62,013</u>	<u>-</u>	<u>2,497,283</u>	<u>2,497,283</u>
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 62,013</u>	<u>\$ -</u>	<u>2,497,283</u>	
Fund balances - beginning			<u>55,350,979</u>	
Fund balances - ending			<u>\$ 57,848,262</u>	

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY INFORMATION
UNAUDITED
FISCAL YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles (“GAAP”). Pursuant to the By-Laws of North Miami Community Redevelopment Agency, as adopted on November 1, 2005, and revised on November 14, 2023, the Executive Director must prepare an annual budget and work program for approval by the Board of Commissioners for each fiscal year, and such other budgets as the Commissioners may determine. The Agency is not authorized to expend any monies other than those authorized in the budget, except that Commissioners shall amend the budget from time to time as may be necessary. As agreed to in the Interlocal Cooperation Agreement with the County and the City, the County must approve the Agency’s annual budget prior to expenditures of any funds contributed by the City or the County, except for the payment of debt service and related payments for which tax increment financing (“TIF”) revenues have been pledged. Further, without such approval, all required agency costs must be funded through City advances or other eligible sources and not from the TIF fund revenues.

A draft of the annual budget is prepared, approved by the Board of Commissioners and submitted to the County no later than 10 days prior to the beginning of the fiscal year. Should changes in the millage rates require modification of the budget, the budget must be revised and made final, and submitted to the County on or before the 15th day of the beginning of the fiscal year. The budget is then legally enacted through the passage of a resolution. The legal level of control, the level at which expenditures may not exceed the budget, is at the fund level.

There was one end-of-year amendment to the budget for the fiscal year ended September 30, 2025.

Other Annual Supplemental Information

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
 (A Component Unit of the City of North Miami, Florida)
OTHER ANNUAL SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2025

CALCULATION OF DEBT SERVICE COVERAGE

FY 2025 Tax Increment Revenue Collected	\$	22,883,284
Operating Expenses (excluding depreciation)		(11,135,105)
Excess of Revenue Over Expenses	\$	11,748,179
FY 2025 Debt Service	\$	4,076,750
FY 2025 Debt Service Coverage		2.88
FY 2026 Debt Service	\$	4,076,750
FY 2026 Debt Service Coverage		2.88
Maximum Annual Debt Service	\$	4,078,875
Maximum Debt Service Coverage		2.88

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
 (A Component Unit of the City of North Miami, Florida)
OTHER ANNUAL SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2025

FIVE-YEAR HISTORY - MILLAGE RATE

Fiscal Year	City Of North Miami	Miami-Dade County
2025	7.400	4.574
2024	7.400	4.574
2023	7.400	4.620
2022	7.400	4.667
2021	7.500	4.667

FIVE-YEAR HISTORY – TAX INCREMENT REVENUES COLLECTED

Fiscal Year	City Of North Miami	Miami-Dade County
2025	\$ 14,124,138	\$ 8,759,146
2024	\$ 12,193,237	\$ 7,588,412
2023	\$ 9,736,246	\$ 6,110,823
2022	\$ 7,939,428	\$ 4,939,962
2021	\$ 6,791,012	\$ 4,299,084

FIVE-YEAR HISTORY – ASSESSED AND TAXABLE PROPERTY VALUATIONS

Fiscal Year	City of North Miami			Miami-Dade County		
	Base Year Taxable Year	Taxable Value	Increment	Base Year Taxable Year	Taxable Value	Increment
2025	\$ 879,399,850	\$ 3,232,922,315	\$ 2,353,522,465	\$ 870,434,294	\$ 3,232,922,315	\$ 2,362,488,021
2024	\$ 879,399,850	\$ 2,914,602,039	\$ 2,035,202,189	\$ 870,434,295	\$ 2,914,602,039	\$ 2,044,167,745
2023	\$ 879,399,850	\$ 2,641,966,645	\$ 1,762,566,795	\$ 870,434,295	\$ 2,641,966,645	\$ 1,771,532,351
2022	\$ 879,399,850	\$ 2,289,372,050	\$ 1,409,972,200	\$ 870,434,295	\$ 2,289,372,050	\$ 1,418,937,756
2021	\$ 879,399,850	\$ 2,020,132,285	\$ 1,140,732,435	\$ 870,434,295	\$ 2,020,132,285	\$ 1,149,697,991

Source: Miami-Dade County Property Appraiser

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
 (A Component Unit of the City of North Miami, Florida)
OTHER ANNUAL SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2025

LARGEST TEN TAXPAYERS WITHIN THE REDEVELOPMENT

<u>Taxpayer</u>	<u>Taxed Assessed Value</u>
BRE Portofino MF Property Owner	\$ 116,244,700
OPLH IV LLC	115,304,640
Countyline Auto Center Inc	68,929,871
1490 North 123rd LLC	51,564,419
SM Parcel B LLC	45,700,000
SM Parcel A LLC	43,100,000
Public Super Markets Inc.	34,420,737
Causeway Square LLC	26,315,554
G1R Florida LLC	23,439,861
Totals	<u><u>\$ 633,063,018</u></u>

Source: Miami-Dade County Property Appraiser

Compliance Section

**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 Board of Commissioners of
The North Miami Community Redevelopment Agency
North Miami, 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, of the North Miami Community Redevelopment Agency (the “Agency”), a component unit of the City of North Miami, Florida (the “City”), 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 February 27, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the 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 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 and therefore, 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 determination of financial statement amounts. 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 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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

February 27, 2026

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE
10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Commissioners of
The North Miami Community Redevelopment Agency
North Miami, Florida

We have examined the North Miami Community Redevelopment Agency’s (the “Agency”), a component unit of the City of North Miami (the “City”) compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the state of Florida during the year ended September 30, 2025. Management is responsible for Agency’s compliance with those requirements. Our responsibility is to express an opinion on the Agency'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 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 judgement, 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 other 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 specified requirements.

In our opinion, the Agency complied, in all material respects, with Section 218.415, Florida Statutes, for the fiscal ended September 30, 2025.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

HCT Certified Public Accountants & Consultants, LLC
Hollywood, Florida
February 27, 2026

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTIONS 163.387(6) and 163.387(7), FLORIDA STATUTES**

To the Board of Commissioners of
The North Miami Community Redevelopment Agency
North Miami, Florida

We have examined the North Miami Community Redevelopment Agency (the “Agency”), a component unit of the City of North Miami, Florida compliance with the requirements of Sections 163.387(6) and 163.387(7), Florida Statutes, regarding the redevelopment trust fund, during the fiscal year ended September 30, 2025. Management of the Agency is responsible for the Agency’s compliance with those requirements. Our responsibility is to express an opinion on the Agency’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). 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 depends on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the year ending September 30, 2025.

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 reasons.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

April 28, 2026

West Palm Beach
Phone (561) 655-2664

Miami
Phone (305) 331-8768

Hollywood
Phone (954) 966-4435

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA**

To the Board of Commissioners of
The North Miami Community Redevelopment Agency
North Miami, Florida

Report on the Financial Statements

We have audited the financial statements of the North Miami Community Redevelopment Agency (the “Agency”), a component unit of the City of North Miami, Florida (the “City”) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 27, 2026.

Auditor’s 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 Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Chapter 10.550, Rules of the Auditor General; and Independent Accountant’s Report on compliance to Section 218.415, Florida Statutes; 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 February 27, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, require 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. The pertinent details of the Agency are disclosed in notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5. a. and 10.556(7), Rules of the Auditor General, require 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 Statute.

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 City. 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 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, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6. a., Rules of the Auditor General, the Agency 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 Agency geographical boundaries during the fiscal year under audit. The Agency did not operate any PACE program within the Agency geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6. b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Agency, a list of all program administrators and third-party administrators that administered the program. The Agency did not operate any PACE program within the Agency geographical boundaries during the fiscal year under audit

As required by Section 10.554(1)(i)6. c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Agency, the full names and contact information of each such program administrator and third-party administrator. The Agency did not operate any PACE program within the Agency geographical boundaries during the fiscal year under audit

Special District Component Units

Sections 10.554(1)(i)5. c., Rules of the Auditor General, require, if appropriate, that we communicate the failure of a special district that is a component unit of a 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.

As required by Section 218.39(3)(c), Florida Status, and Section 10.554 (1) (i) 6, Rules of the Auditor General. The Agency reported:

- a) The total number of district employees compensated in the last period of the district's fiscal year as - seven (7).
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as - ten (10).
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$763,454.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$385,190.
- e) Each construction project with a total cost of at least \$65,000 approved by the district 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 - \$0.
- 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 district amends a final adopted budget under Section 189.016(6), Florida Status, as \$78,380,705 vs. \$80,112,973 resulting in an unfavorable variance of \$1,732,268.

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 abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which 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, Federal and other granting agencies, pass-through entities the City, members of the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
February 27, 2026