

Pompano Beach
Community Redevelopment Agency
(A Component Unit of the City of Pompano Beach, Florida)

Basic Financial Statements

For the Fiscal Year Ended September 30, 2025

(With Independent Auditor's Report Thereon)

Prepared by the
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POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
Fiscal Year Ended September 30, 2025
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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and CRA Director
Pompano Beach Community Redevelopment Agency
Pompano Beach, Florida

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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

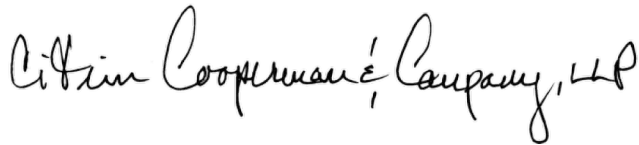
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2026, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



Fort Lauderdale, Florida
May 6, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
 (A Component Unit of the City of Pompano Beach, Florida)
 Management Discussion and Analysis for the Fiscal Year Ended September 30, 2025
 (Unaudited)

The Pompano Beach Community Redevelopment Agency (the Agency) offers readers of its financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the financial statements.

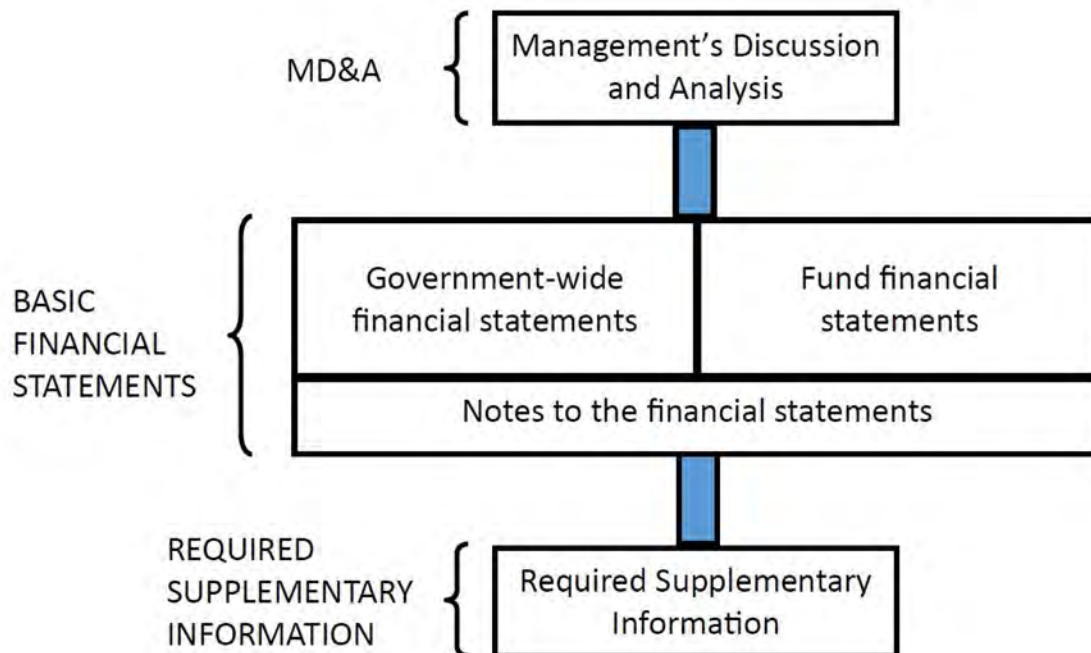
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report follows a format consisting of three parts – Management’s Discussion and Analysis (this section), the Basic Financial Statements and Required Supplementary Information. The basic financial statements include two kinds of statements that present different views of the Agency.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Agency’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Agency, reporting the Agency’s financial position and activity with a short-term focus and in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another.

FIGURE 1



FINANCIAL HIGHLIGHTS

The assets of the Agency exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$101.4 million. The Agency’s total net position increased by \$12.1 million. The increase in net position was primarily due to current year operations that included tax increment revenues, investment earnings less the cost of services.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2025
(Unaudited)

At the close of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$93.4 million, representing an increase of \$6.4 million from the previous fiscal year. The increase was primarily due to increased tax increment revenues and the timing of expenditures for approved capital outlay projects.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the Agency's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the net difference of these 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 showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements present functions of the Agency that are principally supported by taxes, intergovernmental revenues and various user fees and charges (governmental activities). The primary governmental activity of the Agency is providing services for economic environment.

The government-wide financial statements include only the financial activities of the Agency. However, the Agency is considered a component unit of the City of Pompano Beach, Florida (the City), and as such, the financial activities of the Agency are included in the City's Annual Comprehensive Financial Report in each fiscal year.

FUND FINANCIAL STATEMENTS

The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Reconciliation of the Governmental Fund Financial Statements to the Government-wide Financial Statements are provided within the Basic Financial Statements to explain the differences between the governmental fund financial statements and the government-wide financial statements.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2025
(Unaudited)

Governmental-wide Financial Analysis

The following table provides a summary of the Agency's net position as of September 30, 2025 and 2024.

TABLE 1
SUMMARY OF NET POSITION
SEPTEMBER 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Current and other assets	\$ 94,754,544	\$ 89,243,041
Capital assets	26,700,146	22,955,072
Total assets	<u>121,454,690</u>	<u>112,198,113</u>
Long-term liabilities	18,533,147	20,500,515
Other liabilities	936,310	1,559,848
Total liabilities	<u>19,469,457</u>	<u>22,060,363</u>
Deferred inflows of resources	<u>549,897</u>	<u>787,319</u>
Restricted		
Net investment in capital assets	8,140,723	2,616,839
Restricted for community redevelopment	-	86,733,592
Total net position	<u>\$ 8,140,723</u>	<u>\$ 89,350,431</u>

At September 30, 2025 and 2024, the Agency reported positive balances in net position.

Governmental Activities – There was an increase of \$5.5 million in current and other assets for governmental activities due to the acquisition of assets held for resale during the current fiscal year.

There was an increase of \$3.7 million in capital assets. The increase was primarily due to the net effect of the current fiscal year capital asset activity (as discussed in more detail on page 9) and the recognition of current fiscal year depreciation expense.

The decrease of \$2.0 million in long-term liabilities is primarily the result of scheduled payments on long-term debt.

The decrease of \$0.6 million in the other liabilities is primarily due to scheduled payments, including the current year on an advance the agency received from the City in FY 2015.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2025
(Unaudited)

Analysis of the Agency's Operations

The following table provides a summary of the Agency's changes in net position for the fiscal years ended September 30, 2025 and 2024.

TABLE 2
SUMMARY OF CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2025 and 2024

	Governmental Activities	
	<u>2025</u>	<u>2024</u>
Revenues		
Program Revenues:		
Charges for services	\$ 221,800	\$ 252,586
Capital grants and contributions	1,500,000	1,500,000
General Revenues:		
Tax increment fees	14,067,873	12,462,746
Gain on sale of capital assets	-	1,464,711
Investment earnings (loss)	1,440,445	2,267,144
Other revenue	8,282	18,916
Total revenues	<u>17,238,400</u>	<u>17,966,103</u>
Expenses		
Economic environment	4,508,604	5,789,662
Interest on long-term debt	644,891	711,514
Total expenses	<u>5,153,495</u>	<u>6,501,176</u>
Change in net position	12,084,905	11,464,927
Net position - beginning	89,350,431	77,885,504
Net position - ending	<u>\$ 101,435,336</u>	<u>\$ 89,350,431</u>

Governmental Activities – The Agency's net position increased by \$12.1 million.

Tax increment revenue increased by \$1.6 million primarily due to increased property values within the Pompano Beach Community Redevelopment Agency (CRA) Districts. Tax increment revenue is a function of the increase in the assessed values of properties within the CRA Districts above the base year valuation amounts, as well as the operating millage rate of each taxing district that contributes.

Gain on sale of capital assets decreased by \$1.5 million due to the absence of capital asset sales in the current fiscal year, whereas such sales occurred in the prior year.

Investment earnings decreased by \$0.8 million primarily due to cash and investments used to acquire assets held for resale and the result of investment market conditions in the current year.

Economic environment expenses decreased by \$1.3 million, primarily due to certain fees that, in the current year, met the criteria for capitalization and were recorded as assets to be depreciated over their estimated useful lives.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
 (A Component Unit of the City of Pompano Beach, Florida)
 Management Discussion and Analysis for the Fiscal Year Ended September 30, 2025
 (Unaudited)

The following charts depict the breakdown of actual receipts by revenue source and expenses by function for the Agency, for the fiscal year ended September 30, 2025 compared to the prior year:

FIGURE 2

Revenues by Source Governmental Activities

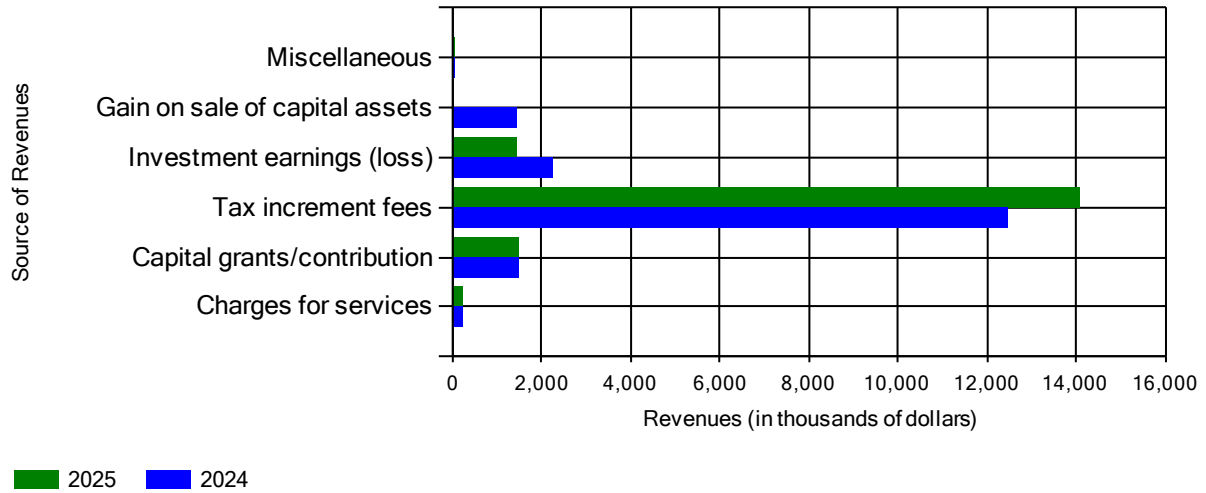
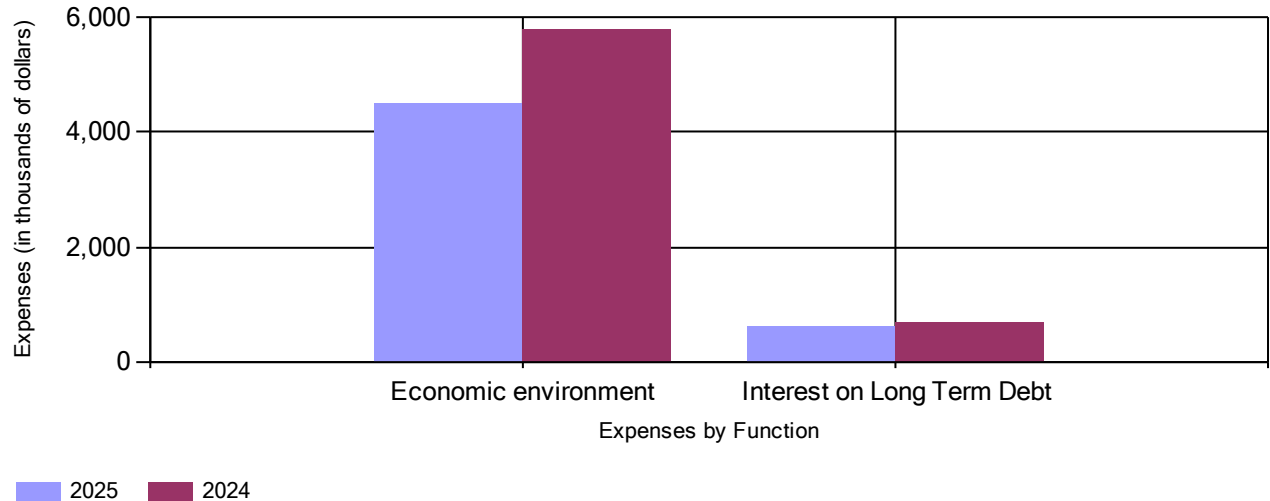


FIGURE 3

Expenses by Function Governmental Activities



POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2025
(Unaudited)

Northwest Community Redevelopment District Fund (NW CRA)

The fund balance of the NW CRA Fund increased by \$2.9 million primarily due to the timing of expenditures for capital outlay projects.

Original budget compared to final budget

The \$33.3 million variance between the original and final budget is primarily due to the budgets of previously approved multi-year capital projects that were rolled over from the prior year to the current year's final budget.

Final budget compared to actual

Investment earnings were \$0.9 million higher than the final budget primarily as a result of favorable market conditions.

Capital outlay expenditures were \$31.9 million lower than the final budget primarily due to the timing of expenditures of various multi-year capital projects, including the Downtown Pompano Infrastructure, the Dixie/Atlantic Segment 2 and the Streetscape Improvement project.

East Community Redevelopment District Fund (East CRA)

The fund balance of the East CRA Fund increased by \$3.4 million primarily due to the timing of expenditures for capital outlay projects.

Original budget compared to final budget

The \$7.9 million variance between original and final budget is primarily due to the budgets of previously approved multi-year capital projects being rolled over from the prior year to the current year's final budget.

Final budget compared to actual

Capital outlay expenditures were \$9.3 million lower than the final budget primarily due to the timing of expenditures for multi-year capital projects.

Capital Assets

The Agency's investment in capital assets, net of accumulated depreciation and amortization for its governmental activities as of September 30, 2025, amounts to \$26.7 million. This investment in capital assets includes construction in progress, infrastructure, improvements, machinery and equipment and various right-to-use agreements for land and buildings.

TABLE 3
CAPITAL ASSETS
(net of ACCUMULATED DEPRECIATION and AMORTIZATION)
SEPTEMBER 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Construction in progress	\$ 20,003,588	\$ 15,726,711
Infrastructure	994,083	1,101,083
Improvements	4,846,573	5,022,231
Machinery and equipment	43,750	58,749
Lease asset - land	12,503	18,315
Lease asset - building	799,649	1,027,983
Total	\$ 26,700,146	\$ 22,955,072

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2025
(Unaudited)

Additional information on the Agency’s capital assets can be found in the notes to the financial statements, Note II (C).

Outstanding Debt

At the end of the current fiscal year, the Agency had total debt of \$18,533,147 outstanding compared to \$20,500,515 last year, a 9.6% decrease, primarily due to scheduled principal payments on the outstanding debt.

TABLE 4
OUTSTANDING DEBT
SEPTEMBER 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Tax increment revenue bonds	\$ 17,575,000	\$ 19,335,000
Lease liability	958,147	1,165,515
Total	\$ 18,533,147	\$ 20,500,515

Additional information on the Agency’s long-term debt can be found in the notes to the financial statements, Note II (F).

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET RATES

Northwest Community Redevelopment District Fund (NW CRA)

Projected tax increment for fiscal year 2026 is based on taxable values provided by the Broward County Property Appraiser and an estimate of contributing taxing authorities millage rates. Taxable value growth for fiscal year 2026 totals 16% with the Residential market segment (27% growth) being the primary growth driver.

NW CRA’s adopted budget for fiscal year 2026 is \$56,770,738. The primary source of revenue is derived from tax increment revenues received from the City and an anticipated 2026 Revenue Bond issuance of \$32,300,000. Tax increment revenues for fiscal year 2025 are anticipated as follows:

City of Pompano Beach	\$9,449,549
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East Community Redevelopment District Fund (East CRA)

Projected tax increment for fiscal year 2026 is based on taxable values provided by the Broward County Property Appraiser and an estimate of contributing taxing authorities millage rates. Taxable value growth for fiscal year 2026 totals 23% with the Residential market segment (34% growth) being the primary growth driver.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2025
(Unaudited)

The East CRA's adopted budget for fiscal year 2026 is \$17,711,263. The primary source of revenue is derived from tax increment received from the City, County and North Broward Hospital District. Tax increment revenues for the fiscal year 2026 are anticipated as follows:

City of Pompano Beach	\$ 3,368,778
Broward County	3,622,257
North Broward Hospital District	<u>852,720</u>
Total	<u>\$ 7,843,755</u>

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have any questions about this report or need any additional financial information, contact the Agency's Finance Department, at the City of Pompano Beach, 100 W. Atlantic Boulevard, Pompano Beach, Florida 33060.

BASIC FINANCIAL STATEMENTS

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,971,361
Unrestricted investments	16,017,021
Restricted cash and cash equivalents	12,268,373
Interest receivable	96,653
Accounts receivables (net)	1,378
Lease receivables, short term	186,424
Lease receivables, long term	484,874
Prepays	1,453,567
Assets held for resale and redevelopment	59,274,893
Capital assets:	
Construction in progress	20,003,588
Depreciable capital assets, net of accum depr	6,696,558
Total capital assets net of accumulated depreciation and amortization	<u>26,700,146</u>
Total assets	<u>121,454,690</u>
LIABILITIES	
Accounts payable	792,417
Accrued interest payable	97,081
Customer deposits payable	42,312
Unearned revenue	4,500
Noncurrent liabilities:	
Due within one year:	
Bonds and leases payable	2,079,949
Due in more than one year:	
Bonds and leases payable	16,453,198
Total liabilities	<u>19,469,457</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - lease revenue	<u>549,897</u>
NET POSITION	
Net investment in capital assets	8,140,723
Restricted for:	
Community redevelopment	93,294,613
Total net position	<u>\$ 101,435,336</u>

The accompanying notes are an integral part of the financial statements.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Economic environment	\$ 4,508,604	\$ 221,800	\$ -	\$ 1,500,000	\$ (2,786,804)
Interest on long-term debt	644,891	-	-	-	(644,891)
Total governmental activities	<u>\$ 5,153,495</u>	<u>\$ 221,800</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ (3,431,695)</u>
General Revenues:					
					14,067,873
					1,440,445
					8,282
					<u>15,516,600</u>
					12,084,905
					89,350,431
					<u>\$ 101,435,336</u>

The accompanying notes are an integral part of the financial statements.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Pompano Beach, Florida)

BALANCE SHEET

SEPTEMBER 30, 2025

	Northwest Community Redevelopment District	East Community Redevelopment District	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,661,234	\$ 310,127	\$ 4,971,361
Unrestricted investments	11,255,081	4,761,940	16,017,021
Restricted cash and cash equivalents	5,782,202	6,486,171	12,268,373
Interest receivable	75,527	21,126	96,653
Lease and other accounts receivable, net	441,264	231,412	672,676
Prepays	1,173,567	280,000	1,453,567
Assets held for resale and redevelopment	50,590,071	8,684,822	59,274,893
Total assets	<u>\$ 73,978,946</u>	<u>\$ 20,775,598</u>	<u>\$ 94,754,544</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 618,358	\$ 174,059	\$ 792,417
Deposits	23,932	18,380	42,312
Unearned revenue	4,500	-	4,500
Total liabilities	<u>646,790</u>	<u>192,439</u>	<u>839,229</u>
Deferred inflows of resources:			
Deferred inflows - lease revenue	<u>332,627</u>	<u>217,270</u>	<u>549,897</u>
Fund balances:			
Nonspendable	1,280,826	294,142	1,574,968
Restricted	71,718,703	20,071,747	91,790,450
Total fund balances	<u>72,999,529</u>	<u>20,365,889</u>	<u>93,365,418</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 73,978,946</u>	<u>\$ 20,775,598</u>	<u>\$ 94,754,544</u>

The accompanying notes are an integral part of the financial statements.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
 (A Component Unit of the City of Pompano Beach, Florida)
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2025

Fund Balances - total governmental funds		\$ 93,365,418
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:</p>		
Capital assets	\$ 28,000,467	
Less: accumulated depreciation and amortization	<u>(1,300,321)</u>	26,700,146
<p>Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds:</p>		
Tax increment revenue bonds	(17,575,000)	
Lease liability	(958,147)	
Accrued interest payable	<u>(97,081)</u>	<u>(18,630,228)</u>
Net position of governmental activities		\$ <u>101,435,336</u>

The accompanying notes are an integral part of the financial statements.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Pompano Beach, Florida)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Northwest Community Redevelopment District	East Community Redevelopment District	Total Governmental Funds
REVENUES			
Taxes	\$ 7,979,459	\$ 6,088,414	\$ 14,067,873
Intergovernmental	1,500,000	-	1,500,000
Charges for services	43,455	178,345	221,800
Investment earnings (loss)	1,036,645	403,800	1,440,445
Miscellaneous	8,152	130	8,282
Total revenues	<u>10,567,711</u>	<u>6,670,689</u>	<u>17,238,400</u>
EXPENDITURES			
Current:			
Economic environment	2,836,837	1,149,281	3,986,118
Debt Service:			
Principal	1,062,368	905,000	1,967,368
Interest	451,053	191,313	642,366
Capital outlay	3,295,256	981,621	4,276,877
Total expenditures	<u>7,645,514</u>	<u>3,227,215</u>	<u>10,872,729</u>
Net changes in fund balances	2,922,197	3,443,474	6,365,671
Fund balances - beginning	70,077,332	16,922,415	86,999,747
Fund balances - ending	<u>\$ 72,999,529</u>	<u>\$ 20,365,889</u>	<u>\$ 93,365,418</u>

The accompanying notes are an integral part of the financial statements.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Pompano Beach, Florida)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds		\$ 6,365,671
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 those assets are capitalized and depreciated over their estimated useful lives.		
Expenditures for capital assets	\$ 4,276,877	
Less: depreciation and amortization of capital assets	<u>(531,803)</u>	3,745,074
Some revenues and expenses reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.		
Change in accrued interest	<u>6,792</u>	6,792
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position.		
Principal payments on bonds	<u>1,967,368</u>	<u>1,967,368</u>
Change in net position - governmental activities		<u>\$ 12,084,905</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Pompano Beach Community Redevelopment Agency
(A Component Unit of the City of Pompano Beach, Florida)
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For the Fiscal Year Ended September 30, 2025

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(A Component Unit of the City of Pompano Beach, Florida)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

(I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the Pompano Beach Community Redevelopment Agency (the Agency) Significant Accounting Policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

(A) Financial Reporting Entity

The City of Pompano Beach, Florida (the City) was delegated by the Broward County Board of County Commissioners (the County), the authority to exercise the powers of the Community Redevelopment Act by a resolution passed on October 14, 1980.

On March 17, 1981, by Resolution No. 81-139, the City Commission determined the existence of slum or blighted conditions within a portion of the City, which was then the Community Development Block Grant Target Area, and designated such area as appropriate for community redevelopment. This area was generally bounded by Copans Road on the north, Powerline Road on the west, Atlantic Boulevard on the south, and the F.E.C. Railroad on the east.

An additional declaration of blight was made by the City Commission on December 13, 1988, by Resolution No. 89-45. This finding expanded the original redevelopment area to include areas annexed to the City subsequent to the original resolution.

Upon the proper delegation of authority from the County and upon a further finding that it is necessary in the public interest for a community redevelopment agency to be formed to function in the City, the City Commission may create a public body corporate and politic to be known as a "Community Redevelopment Agency" and prepare a Community Redevelopment Plan to carry out the Community Redevelopment purposes outlined in Florida Statutes Chapter 163, Part III.

The Community Redevelopment Agency is a separate legal entity which is comprised of a Northwest District and an East District. Each District does not constitute a separate legal entity unto itself. The Northwest District which was created by the City in 1988 (Ordinance No. 89-27) and the East District which was created by the City in 2001 (Resolution No. 2002-12), collectively referred to as the Agency, were charged with preparing a Community Redevelopment Plan that would meet the requirements of the appropriate state statutes to eliminate blight and slum conditions within the redevelopment areas of the Agency pursuant to the redevelopment plans of the Districts for new residential and commercial activity in the redevelopment area.

As the City and the Agency are separate legal entities, the parties also share the mutual goal of redeveloping the Community Redevelopment Agency areas. The City provides administrative support services in the same manner as provided by the City in the conduct of its own affairs or as otherwise provided by the Agency Plans or By-Laws. The Agency is charged by the City for the provision of these administrative support services in accordance with the Interlocal Agreement between the City and Agency.

The Agency has adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, for the purpose of evaluating whether it has any component units. Based on the criteria therein, the Agency has determined that there are no component units that meet criteria for inclusion in the Agency's financial statements.

The Board of Directors of the Agency (the Board) is governed by five members of the City Commission and the Mayor. Management of the City has operational responsibility for the Agency. The City is considered to be financially accountable for the Agency; the Agency is

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considered to be a blended component unit in the City's annual comprehensive financial report.

The following is a summary of significant accounting policies of the Agency.

(B) Measurement focus, basis of accounting, and financial statement presentation

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements report information on all of the activities of the Agency, using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position reports all financial and capital resources of the Agency. The statement of activities represents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Program revenues derive directly from a program itself. The Agency reports rental revenue and donations as program revenue. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Agency reports donated assets held for resale and redevelopment as program revenue-operating contributions. Incremental property taxes and other items not properly included as program revenue are reported instead as general revenue. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Incremental property taxes are recognized as revenue in the year for which they are levied. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Their operating statements present sources (revenue and other financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Incremental property taxes are recognized as revenues in the year for which they are levied. Rental revenue, proceeds from the sale of property and investment earnings associated with the current fiscal periods are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue is considered to be measurable and available only when cash is received by the Agency or property has legally transferred to the Agency. Expenditures, other than debt service are generally recorded when a liability is incurred, as under accrual accounting.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are necessary to explain the adjustments needed to transform the fund-based financial statements into the governmental activities column of the government-wide presentation.

The Agency reports the Northwest and East Districts as major governmental special revenue funds in the accompanying financial statements. The Northwest and East District funds account for the activity of the Agency, which uses tax-increment financing to encourage development in the Northwest and East community redevelopment areas.

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 (A Component Unit of the City of Pompano Beach, Florida)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

(C) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, time and demand deposits and short-term investments with original maturity dates within three months of the date acquired by the Agency.

(D) Investments

Investments in participating interest-earning contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. All other investments are reported at fair value or amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

(E) Capital Assets

Capital assets recorded in the government-wide statements are stated at historical cost or estimated historical cost and include buildings, improvements other than buildings and machinery and equipment. Contributed capital assets are recorded at acquisition value when received.

Depreciation on all assets meeting the Agency's capitalization threshold of \$5,000, including those obtained through contributions, is charged to operations.

Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are as follows:

Buildings/Infrastructure	15-50 Years
Improvements other than buildings	5-50 Years
Machinery and equipment	3-15 Years

Major outlays for capital assets and improvements are capitalized as the projects are constructed. The Agency records impairment losses on long lived assets used in operations when events or circumstances indicate the assets might be impaired. No impairment losses have been recorded.

In governmental fund financial statements, the cost associated with the acquisition or construction of capital assets are shown as capital outlay expenditures. Capital assets are not shown on the governmental fund balance sheets and no depreciation expense is recognized in the governmental fund statement of revenues, expenditures and changes in fund balances.

(F) Leases and Subscription-Based Information Technology Arrangements (SBITAs)

Leases are defined by the general government as the right to use an underlying asset. As lessee, the Agency recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Re-measurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Agency calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest

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liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations, but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the Agency recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the Agency recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

Subscription-Based Information Technology Arrangements (SBITAs) are agreements that convey control of the right to use a third-party's information technology software. SBITAs with a maximum possible term under the SBITA contract of 12 months or less are considered short-term SBITA and recognized as outflows of resources. The Agency had no SBITA terms exceeding 12 months in the current reporting period.

(G) Deferred Outflows of Resources and Deferred Inflows of Resources

The governmental funds financial statements include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent the consumption of net assets applicable to future periods and will not be recognized as expenditures and expenses until the future period to which it applies.

Deferred inflows of resources represent the acquisition of net assets applicable to future periods and will not be recognized as revenue until the future period to which it applies. Deferred inflows on leased assets will be recognized as revenues in future fiscal years as provided for in the lease agreements.

(H) Risk Management

The City's risk management funds charge the Agency insurance premiums. The amount of the annual premium charged to the Agency by the City represents the maximum liability of the Agency for any related losses incurred for the fiscal year ended September 30, 2025. Consequently, the Agency does not retain its own liability on outstanding cases or claims against it beyond the maximum premium paid.

The City, which includes the Agency, is self-insured for automobile liability, general liability, including public officials liability and property damage claims pursuant to Florida Statute Section 768.28 (Waiver of Sovereign Immunity in Tort Actions; Recovery Limits; Limitation on Attorney Fees; Statute of Limitations; Exclusions; Indemnification; Risk Management Programs). Per Florida Statute Section 768.28, the City has statutory limits for general and automobile liability of

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up to \$200,000 per person and \$300,000 per occurrence. The City is also self-insured for workers' compensation claims, in accordance with Florida Statute Section 440. Workers' compensation claims are self-insured up to \$350,000 per occurrence and property damage (buildings and contents) up to \$100,000 per occurrence, with property damage claims, related to named hurricane/windstorm, having a 5% of total location value deductible. Excess insurance policies apply above these self-insured levels.

(I) Long-term Obligations

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 premiums and discounts and gain/loss on bond refunding are deferred and amortized over the life of the bonds using the straight-line method, which is not materially different than the effective interest method. Bonds payable are reported net of the unamortized amount of the applicable bond premium/discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Payments on debt are recorded as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred in government-wide statements. Prepaid insurance costs are reported as an asset and recognized as an expense over the duration of the related debt.

(J) Unearned/Unavailable Revenue

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the governmental fund financial statements. These amounts represent rent deposits. In addition, amounts related to governmental fund receivables that are measurable, but not available (not received within 60 days from fiscal year end), are recorded as unavailable (a deferred inflow of resources) in the governmental fund financial statements.

(K) Fund Balance/Net Position

In the governmental fund financial statements, fund balance classifications are as follows:

- Nonspendable Fund Balance – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated

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amortization and depreciation, reduced by the outstanding balances of bonds, notes, or other obligations that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related obligations are also included in this component of net position.

- Restricted Net Position – amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

(L) Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows and outflows of resources and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from those estimates.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

(II) DETAILED NOTES ON ALL FUNDS

(A) Cash and Cash Equivalents and Investments

The following are components of the Agency's cash, cash equivalents and investments at September 30, 2025:

	Unrestricted		Restricted		Total cash, cash equivalents and investments
	Cash and cash equivalents	Investments	Cash and cash equivalents	Investments	
Governmental activities:					
NW CRA	\$ 4,661,234	\$ 11,255,081	\$ 5,782,202	\$ -	\$ 21,698,517
East CRA	310,127	4,761,940	6,486,171	-	11,558,238
Total governmental	\$ 4,971,361	\$ 16,017,021	\$ 12,268,373	\$ -	\$ 33,256,755

Public Deposits:

At September 30, 2025, the book balance of the Agency's deposits was \$17,239,734. Deposits whose balance exceeds the limits of federal depository insurance are collateralized pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act (the Act). Under this Act, financial institutions which are qualified as public depositories place with the State Board of Administration (SBA), securities which have a market value equal to 50 percent of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. It is the Agency's practice to ensure that all its public deposits are maintained with a qualified depository and, as a result, all Agency depositories at fiscal year-end were designated as qualified public depositories in accordance with Florida Statute. Therefore, all deposits are insured or collateralized. As of September 30, 2025, the amount of deposits that the Agency held in qualified depositories was \$15,922,145 .

Investment Authorization:

The Agency's investment program is established in accordance with the Agency's investment policy, which was adopted via resolution by the Board, and Florida State Statute Chapter 218.415, Local Government Investment Policies, which establishes investment plan guidelines for local governments in Florida. Authorized investments include Florida Local Government Surplus Trust Fund, United States Government securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), Repurchase Agreements, Commercial Paper, Corporate Notes, Asset Backed Securities, Banker Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, Intergovernmental Investment Pools and Savings Accounts of financial institutions that are Qualified Public Depositories, in accordance with Florida State Statute Chapter 280.01, Security for Public Deposits.

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The Agency's investment policy stipulates the following maximum portfolio percentages:

Authorized Investments	Maximum % Portfolio Composition	Maximum % Individual Issuers	Maximum % Individual Sectors
Florida Local Government Surplus Funds Trust Fund	25%	NA	NA
US Government Securities	100% (1)	NA	NA
US Government Agencies	50%	10%	NA
US Sponsored Agencies	80%	25%	NA
Interest Bearing Time Deposit	10%	10%	NA
Repurchase Agreements	20% (2)	5%	NA
Commercial Paper	25%	2%	10%
Corporate Notes	25%	2%	10%
Asset Backed Securities	10%	2%	5%
Bankers' Acceptances	15%	5%	NA
State/Local Government Taxable/Tax Exempt General Obligation Bonds	25%	NA	NA
State/Local Government Taxable/Tax Exempt Revenue/Excise Tax Bonds	10%	NA	NA
Money Market Mutual Funds	35%	15%	NA
Intergovernmental Investment Pools	25%	NA	NA

(1)10% for treasury strips

(2)excludes one (1) business day agreements and overnight sweep agreements

NA-not applicable

Security:

The Agency has a third-party custodial arrangement with certain financial institutions to accept securities on a delivery vs. payment basis for direct purchase agreements. Securities purchased in the Agency's name are registered in the name of the Agency by an agent of these entities and are confirmed with safekeeping statements.

Fair Value Measurement

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Intergovernmental Investment Pool invests mainly in US government and agency securities and asset-backed securities. The underlying securities have Level 1 quoted pricing inputs or Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a

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pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. As such, this is reported as Level 2, since the value is based on market-corroborated data. The Agency does not value any of its investments using Level 1 or Level 3 inputs.

The Agency has the following recurring fair value measurements as of September 30, 2025:

	Reported Value	Fair Value Hierarchy		
		Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
US Treasury Notes	\$ 2,961,397	\$ -	\$ 2,961,397	\$ -
US Sponsored Agencies	8,669,313	-	8,669,313	-
Asset Backed Securities	1,060,095	-	1,060,095	-
Corporate Bonds	3,304,994	-	3,304,994	-
Total investments by fair value level	15,995,799	\$ -	\$ 15,995,799	\$ -
Demand Deposits	17,239,734			
Money Market Funds	21,222			
Total Government-wide	<u>\$ 33,256,755</u>			

Risk Disclosures:

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The Agency employs multiple investment duration and investment management strategies which seek to minimize the Agency’s portfolio interest rate risk. The Agency maintains sixty days or more of liquidity in overnight investments and remaining assets are invested in short term securities with maturity and diversification limitations to further minimize changes in market price, as interest rates change.

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Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity at September 30, 2025:

Investment Type	Remaining Maturity (in years)	
	Reported Value	1 to 2
US Treasury Notes	\$ 2,961,397	\$ 2,961,397
US Sponsored Agencies	8,669,313	8,669,313
Asset Backed Securities	1,060,095	1,060,095
Corporate Bonds	3,304,994	3,304,994
	<u>\$ 15,995,799</u>	<u>\$ 15,995,799</u>
Breakdown Government-wide Investments --		
(subject to interest rate risk)	\$ 15,995,799	
Deposits --		
(not subject to interest rate risk)		
Demand Deposits	17,239,734	
Money Market Funds	21,222	
Total Cash, Cash Equivalents and Investments	<u>\$ 33,256,755</u>	

Credit Risk – This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. One measure of the perceived credit risk of an issuer is the credit rating. The Agency's investment policy provides strict guidelines and limits investments to highly rated securities with minimum ratings of AAA for money market funds, AA for corporate notes, A-1 for commercial paper and AAA for US Agencies and US Treasuries. To further minimize credit risk the Agency's investment policy also provides asset allocation limits for each security type. Issuer limits are also provided for certain investment types. Corporate notes limits (25%) and commercial paper limits (25%) are established with additional asset allocation limits for the sector (10%) and issuer (2%). Asset backed securities (10%) are established with additional asset allocation limits for the sector (5%) and issuer (2%). There were no individual investments in a single issuer that exceeded 5% of the investments. The following table discloses composite credit ratings by investment type for the Agency as rated by Moody's or Standard & Poor's (Fitch for LGIP) at September 30, 2025:

Investment Type	Rating at September		
	Reported Value	AAAm	Aaa/AAA/Aa A/AA/A-1
US Treasury Notes	\$ 2,961,397	\$ -	\$ 2,961,397
US Sponsored Agencies	8,669,313	-	8,669,313
Asset Backed Securities	1,060,095	-	1,060,095
Corporate Bonds	3,304,994	-	3,304,994
Money Market Funds	21,222	21,222	-
Total Investments with Credit Risk	16,017,021	<u>\$ 21,222</u>	<u>\$ 15,995,799</u>
Demand Deposits	17,239,734		
Total Agency Portfolio	<u>\$ 33,256,755</u>		

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(B) Receivables and Other Assets

Receivables at fiscal year-end for the Agency's governmental individual major funds are as follows:

Governmental	NW CRA	East CRA	Total
Lease revenues	\$ 439,886	\$ 231,412	\$ 671,298
Other	1,378	-	1,378
Total	<u>\$ 441,264</u>	<u>\$ 231,412</u>	<u>\$ 672,676</u>

Mortgages

The Northwest Community Redevelopment District (the Northwest District) provided qualified individuals with loans/grants to build new homes for various infill housing projects which were reported as community redevelopment expenses/expenditures. The Northwest District has placed a mortgage lien on these new homes with a covenant that the owner must reside at the property for the respective period of time in order to remain eligible for the grant. The Northwest District's reasonable assumption is that the homeowner will reside at the home for the stipulated period. The Northwest District maintains a memorandum record of the outstanding mortgage amounts related to these grants. These amounts are reduced ratably over the 10 year period as it relates to the grants for the infill housing projects. Should the homeowner move, sell or refinance, the Northwest District is paid a prorated amount of the initial grant. After the 10 year period, the amounts relating to these mortgages are forgiven. During fiscal year 2025, no one defaulted on the terms of the grants and, consequently, the Northwest District did not receive any repayments related to these grants. At September 30, 2025, the unamortized amount outstanding related to these grants was \$410,613. Due to the reasonable assumption made above of expected homeowner residence for the grant period, a receivable has not been recorded.

Assets Held for Resale and Redevelopment

The Agency acquires and develops property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling it to private sector purchasers meeting certain criteria. Since these properties are acquired with the express intent of resale and development, they are reported at lower of cost/donated value or net realizable value. Assets donated from the City or other related entities are recorded at the carrying value of the donor entity. Donated assets from other sources are recorded at lower of cost/donated value or net realizable value. The cost basis of assets held for resale and development include costs incurred to acquire the asset and prepare the asset for resale and development, such as purchase price, closing fees, surveys, lot clearing, demolition, judgments levied through suits, costs of construction, permits etc. These assets include land, land improvements and buildings. Upon the sale of these assets, a gain or loss is recognized. When the net realizable amount is less than the carrying amount, a loss would be recognized. Gains are recorded as a gain from sale of capital assets in the government-wide statements and proceeds from sale of capital assets in the fund financial statements, and losses are recorded as economic environment expenses/expenditures.

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Assets held for resale and redevelopment activity for the fiscal year ended September 30, 2025 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets held for resale and redevelopment	\$ 41,591,235	\$ 17,683,658	-	\$ 59,274,893

(C) Capital Assets and Construction Commitments

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Construction in progress	\$ 15,726,711	\$ 4,276,877	-	\$ 20,003,588
Capital assets, being depreciated or amortized:				
Infrastructure	1,110,000	-	-	1,110,000
Improvements other than buildings	5,229,624	-	-	5,229,624
Machinery and equipment	134,820	-	-	134,820
Lease asset - land	36,928	-	2,302	34,626
Lease asset - buildings	1,487,809	-	-	1,487,809
Total capital assets being depreciated or amortized	7,999,181	-	2,302	7,996,879
Less accumulated depreciation and amortization for:				
Infrastructure	8,917	107,000	-	115,917
Improvements other than buildings	207,393	175,658	-	383,051
Machinery and equipment	76,071	14,999	-	91,070
Lease asset - land	18,613	5,812	2,302	22,123
Lease asset - buildings	459,826	228,334	-	688,160
Total accumulated depreciation and amortization	770,820	531,803	2,302	1,300,321
Total capital assets being depreciated and amortized, net	7,228,361	(531,803)	-	6,696,558
Governmental activities capital assets, net	<u>\$ 22,955,072</u>	<u>\$ 3,745,074</u>	<u>\$ -</u>	<u>\$ 26,700,146</u>

Depreciation and amortization expense was charged to functions/programs of the Agency as follows:

Governmental activities:	
Economic environment	\$ 531,803
Total depreciation and amortization expense - governmental activities	<u>\$ 531,803</u>

The Agency has active construction projects as of September 30, 2025. Significant projects that were ongoing as of September 30, 2025 for governmental activities with significant commitments,

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were as follows:

Project	Expended through September 30, 2025	Remaining Commitments
CRA Dixie/Atl Infrastructure	\$ 14,260,590	\$ 1,595,262
CRA McNab House	2,890,173	898,628
	<u>\$ 17,150,763</u>	<u>\$ 2,493,890</u>

(D) Leases

A lease is defined as a contractual agreement that conveys control of the right-to-use (RTU) of another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The Agency may be the lessee or the lessor in nonfinancial assets with lease contracts that include land, buildings, building improvements, vehicles, machinery and equipment.

In compliance with GASB Statement No. 87, *Leases*, when the Agency is the lessor, the Agency recognized lease receivable, accrued interest receivable, deferred inflows of resources related to leases, lease revenues and interest revenue in the governmental funds and government-wide financial statements.

When the Agency is the lessee, the governmental funds recognized the lease expenditures. The government-wide financial statement recognized the right-to-use (RTU) assets with related accumulated amortization, lease liabilities, accrued interest payable, interest expense and amortization expense.

The Agency has a variety of variable payment clauses within its lease arrangements. Components of variable payments that are fixed in substance are included in the measurement of the lease liability, while variable payments based on the usage of the underlying asset are excluded from this liability.

Contracts with maximum terms of 12 months or less, those with termination clauses by either party without notice periods or leases that transfer ownership of the underlying assets, are excluded from GASB Statement No. 87.

Agency as Lessor

The Agency owns various buildings and land parcels that it leases to third parties. As of September 30, 2025, the value of the lease receivable was \$671,298. The value of the deferred inflow of resources was \$549,897. The Agency recognized lease revenue of \$237,424. The Agency uses its estimated incremental borrowing interest rate to record its leases. The interest rates range from 0.8640% to 3.7417%. The remaining terms of the leases are between three to five years.

Classification	Governmental Activities Term Range in Months	Lease Receivable as of September 30, 2025
Buildings	24-120	\$ 671,298
Total lease receivable		<u>\$ 671,298</u>

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Receipts Forecast

Year Ending September 30	Governmental Activities		
	Principal and Interest Expected to Maturity		
	Principal	Interest	Total
2026	\$ 186,424	\$ 17,058	\$ 203,482
2027	171,017	12,115	\$ 183,132
2028	175,580	7,051	\$ 182,631
2029	121,630	2,312	\$ 123,942
2030	16,647	104	\$ 16,751
Total	<u>\$ 671,298</u>	<u>\$ 38,640</u>	<u>\$ 709,938</u>

Agency as Lessee

As of September 30, 2025, the Agency was a lessee on various leases related to Governmental Activities for the use of various parcels of land and buildings expiring between the fiscal years ending 2025 and 2035. As of September 30, 2025, the value of the lease liability is \$958,147. The leases have interest rates ranging from 2.312% to 3.305%. The value of the right to use asset as of September 30, 2025 of \$1,522,435 with accumulated amortization of \$710,284 is included on the Capital Assets activity table as lease assets land and buildings.

Total future minimum lease payments under lease agreements are as follows:

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2026	\$ 254,949	\$ 24,234	\$ 279,183
2027	320,589	15,841	\$ 336,430
2028	152,539	8,606	\$ 161,145
2029	103,892	4,893	\$ 108,785
2030	41,567	2,826	\$ 44,393
2031-2035	84,611	3,448	\$ 88,059
Total	<u>\$ 958,147</u>	<u>\$ 59,848</u>	<u>\$ 1,017,995</u>

(E) Unearned/Unavailable Revenue

Unearned/Unavailable revenue at fiscal year-end for the Agency's governmental individual major funds are as follows:

Governmental Activities	NW CRA	East CRA	Total
Unearned revenue:			
Prepaid Rent	\$ 4,500	\$ -	\$ 4,500
Total unearned revenue	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ 4,500</u>
Unavailable revenue:			
Deferred Lease Revenue	\$ 332,627	\$ 217,270	\$ 549,897
Total unavailable revenue	<u>\$ 332,627</u>	<u>\$ 217,270</u>	<u>\$ 549,897</u>

(F) Long-term Obligations

Summarized below is the Agency's debt issued to finance the acquisition of properties for community development and capital projects, which were outstanding at September 30, 2025.

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Governmental Activities Debt:

- On April 23, 2013 the Pompano Beach Community Redevelopment Agency Board authorized the issuance of tax increment revenue bonds – Series 2013A and B (collectively known as the Series 2013 bonds). The Series 2013 bonds were subsequently issued on June 20, 2013. The Series 2013A bonds were issued at a fixed rate of 3.48%, with a final maturity of February 1, 2030, for the purpose of refunding and redeeming the Agency's outstanding tax increment revenue bonds, Series 2010A, which bore an interest rate of 5.13% and had an outstanding balance of \$9,055,000. As a result of the refunding, the Series 2010A bonds are considered fully refunded and the outstanding balance has been removed from the financial statements. The Series 2013B bonds were issued at a fixed interest rate of 2.83% and a final maturity of February 1, 2030, to finance the cost of community projects in the East District Redevelopment Area and to cover related costs of issuance in the original aggregate principal amount of \$5,000,000. This Bond and the interest hereon is payable solely from and secured by a lien upon a pledge of the Pledged Tax Increment Revenues.

At September 30, 2025, the Agency had \$5,045,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax increment revenues were \$1,096,313 and \$6,088,414, respectively. At September 30, 2025, total principal and interest remaining on the bonds is \$5,496,095 payable through February 2030.

- On June 28, 2022 the Pompano Beach Community Redevelopment Agency Board authorized the issuance of tax increment revenue bonds – Series 2022. The Series 2022 were subsequently issued on July 6, 2022. The Series 2022 bonds were issued at a fixed rate of 3.00%, with a final maturity of August 1, 2037. The Series 2022 bonds were issued in order to finance the improvements in the Northwest District Redevelopment Area for Dixie Highway from SW 2nd Street to NE 10th Street and along Atlantic Boulevard from NW 7th Avenue to Cypress Road within the public rights-of-way. This bond and the interest hereon is payable solely from and secured by a lien upon a pledge of the Pledged Tax Increment Revenues.

At September 30, 2025, the Agency had \$12,530,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax increment revenues were \$1,256,550 and \$7,979,459, respectively. At September 30, 2025, total principal and interest remaining on the bonds is \$15,104,450 payable through August 1, 2037.

Changes in long-term liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Direct borrowings and direct placements					
Bonds payable:					
Tax increment revenue bonds-East District	\$ 5,950,000	\$ -	\$ 905,000	\$ 5,045,000	\$ 940,000
Tax increment revenue bonds-NW District	13,385,000	-	855,000	12,530,000	885,000
Total bonds payable	19,335,000	-	1,760,000	17,575,000	1,825,000
Lease liability	1,165,515	-	207,368	958,147	254,949
Total long-term liabilities	<u>\$ 20,500,515</u>	<u>\$ -</u>	<u>\$ 1,967,368</u>	<u>\$ 18,533,147</u>	<u>\$ 2,079,949</u>

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Direct borrowings and direct placements

The Agency's outstanding liabilities from direct borrowings and direct placements related to governmental activities were \$18,533,147 as of September 30, 2025.

The Series 2013 tax increment revenue bonds are secured by a lien on tax increment revenues generated within the Agency's East District Redevelopment Area on parity with the 2013A bonds. The bond resolution contains events of default provisions such as payment defaults; and breaches of bond covenant, agreements and provisions in the bonds. The occurrence of a material adverse effect and certain bankruptcy events provide the bondholders the authority to pursue action in court to enforce collection, however it is not construed as granting the bondholder to any lien on any real property of the City.

The Series 2022 tax increment revenue bonds are secured solely by the Pledged Revenues generated within the Agency's Northwest District Redevelopment Area. The bond resolution contains events of default provisions such as payment defaults; and breaches of bond covenant, agreements and provisions in the bonds. The occurrence of a material adverse effect and certain bankruptcy events provide the bondholders the authority to pursue action in court to enforce collection, however it is not construed as granting the bondholders a lien on any real property of the City.

The Agency has no lines of credit. The annual requirements to pay principal and interest on the bonds at September 30, 2025 are as follows:

Bonds:

	Governmental Activities							Total Governmental Activities
	Direct Borrowings and Direct Placement Activities							
	Northwest CRA District - Series 2022 Tax Increment Revenue Bond			East CRA District - Series 2013 Tax Increment Revenue Bond				
	Principal	Interest	Subtotal NW District	Principal	Interest	Subtotal East District		
2026	\$ 885,000	\$ 375,900	\$ 1,260,900	\$ 940,000	\$ 159,210	\$ 1,099,210	\$ 2,360,110	
2027	910,000	349,350	1,259,350	975,000	125,889	1,100,889	2,360,239	
2028	935,000	322,050	1,257,050	1,005,000	91,437	1,096,437	2,353,487	
2029	965,000	294,000	1,259,000	1,045,000	55,767	1,100,767	2,359,767	
2030	995,000	265,050	1,260,050	1,080,000	18,792	1,098,792	2,358,842	
2031-2035	7,840,000	968,100	8,808,100	-	-	-	8,808,100	
	<u>\$ 12,530,000</u>	<u>\$ 2,574,450</u>	<u>\$ 15,104,450</u>	<u>\$ 5,045,000</u>	<u>\$ 451,095</u>	<u>\$ 5,496,095</u>	<u>\$ 20,600,545</u>	

(G) Incremental Property Tax Revenue

NW CRA's primary sources of revenue are tax-increment funds (TIF) and Project Funds. The TIF is computed by applying the respective operating tax rates for the City multiplied by the increased value of property located within the boundaries of the redevelopment areas of the Agency in excess of the base property value, minus 5%. The City is required to fund this amount annually without regard to tax collections or other obligations to the NW CRA. Broward County, North Broward Hospital District and Children's Services Council contribute a fixed amount annually to Project Funds until 2025, as approved in Resolution No. 2018-47.

East CRA's primary source of revenue is tax-increment funds (TIF). This revenue is computed by applying the respective operating tax rates for the City, the County and the North Broward Hospital District, multiplied by the increased value of property located within the boundaries of the redevelopment areas of the Agency in excess of the base property value, minus 5%. The City, the County and the North Broward Hospital District are required to fund this amount annually without regard to tax collections or other obligations to the East CRA.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

(III) OTHER INFORMATION

(A) Deposits to and withdrawals from the Agency

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Agency for the fiscal year ended September 30, 2025:

	NW CRA	
	Deposits	Withdrawals
Sources of deposits:		
Tax increment revenues	\$ 7,979,459	
Investment earnings (loss)	1,036,645	
Grants/contributions	1,500,000	
Facility rentals & concessions	43,455	
Miscellaneous	8,152	
Purpose of withdrawals:		
Debt service - principal		\$ 1,062,368
Debt service - interest		451,053
Professional services		1,044,504
Reimbursement for services		487,428
Administrative and overhead		398,789
Insurance premiums		85,000
Economic development		802,443
Advertising		270
Supplies		3,227
Capital outlay		3,295,256
Miscellaneous		15,176
Total	\$ 10,567,711	\$ 7,645,514

	East CRA	
	Deposits	Withdrawals
Sources of deposits:		
Tax increment revenues	\$ 6,088,414	
Investment earnings (loss)	403,800	
Facility rentals & concessions	178,345	
Miscellaneous	130	
Purpose of withdrawals:		
Debt service - principal		\$ 905,000
Debt service - interest		191,313
Professional services		264,715
Reimbursement for services		475,440
Administrative and overhead		106,927
Leased assets		18,699
Insurance premiums		45,000
Economic development		228,054
Supplies		3,843
Miscellaneous		6,603
Capital outlay		981,621
Total	\$ 6,670,689	\$ 3,227,215

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
NORTHWEST COMMUNITY REDEVELOPMENT DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 8,018,253	\$ 8,018,253	\$ 7,979,459	\$ (38,794)
Intergovernmental	1,500,000	1,500,000	1,500,000	-
Charges for services	85,244	85,244	43,455	(41,789)
Investment earnings (loss)	150,000	150,000	1,036,645	886,645
Miscellaneous	6,000	6,000	8,152	2,152
Total revenues	<u>9,759,497</u>	<u>9,759,497</u>	<u>10,567,711</u>	<u>808,214</u>
EXPENDITURES				
Current:				
Economic environment	5,271,316	4,774,653	4,561,259	213,394
Debt Service:				
Principal	1,349,126	1,349,126	1,062,368	286,758
Interest	417,816	417,816	451,053	(33,237)
Capital outlay	3,952,168	37,810,262	5,860,821	31,949,441
Total expenditures	<u>10,990,426</u>	<u>44,351,857</u>	<u>11,935,501</u>	<u>32,416,356</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,230,929)</u>	<u>(34,592,360)</u>	<u>(1,367,790)</u>	<u>33,224,570</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	1,230,929	34,592,360	-	(34,592,360)
Total other financing sources (uses)	<u>1,230,929</u>	<u>34,592,360</u>	<u>-</u>	<u>(34,592,360)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,367,790)</u>	<u>\$ (1,367,790)</u>
FUND BALANCE - BEGINNING			<u>54,210,583</u>	
FUND BALANCE - ENDING			<u>\$ 52,842,793</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
EAST COMMUNITY REDEVELOPMENT DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 6,109,751	\$ 6,109,751	\$ 6,088,414	\$ (21,337)
Charges for services	169,603	169,603	178,345	8,742
Investment earnings (loss)	75,000	75,000	403,800	328,800
Miscellaneous	-	-	130	130
Total revenues	<u>6,354,354</u>	<u>6,354,354</u>	<u>6,670,689</u>	<u>316,335</u>
EXPENDITURES				
Current:				
Economic environment	1,700,115	1,939,560	1,512,249	427,311
Debt Service:				
Principal	905,000	905,000	905,000	-
Interest	191,313	191,313	191,313	-
Capital outlay	3,528,463	11,187,781	1,880,249	9,307,532
Total expenditures	<u>6,324,891</u>	<u>14,223,654</u>	<u>4,488,811</u>	<u>9,734,843</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,463</u>	<u>(7,869,300)</u>	<u>2,181,878</u>	<u>10,051,178</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(29,463)	7,869,300	-	(7,869,300)
Total other financing sources (uses)	<u>(29,463)</u>	<u>7,869,300</u>	<u>-</u>	<u>(7,869,300)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,181,878</u>	<u>\$ 2,181,878</u>
FUND BALANCE - BEGINNING			<u>10,796,738</u>	
FUND BALANCE - ENDING			<u>\$ 12,978,616</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Pompano Beach, Florida)
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Budgetary Information

The Agency is required to establish a budgetary system and an approved annual budget for the NW CRA and East CRA funds. The Agency's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board.

The Agency adopts an annual budget for each District. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except the budgets for each district includes encumbrances as the equivalent of expenditures. A budgetary comparison schedule is presented for each District. Expenditures may not exceed the budget and are controlled at the fund level.

Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board. The reported budgetary data represents the final approved budget after amendments adopted by the Board.

The table below shows the adjustments necessary to convert each of the fund's results of operations and change in fund balance at September 30, 2025 from GAAP basis of accounting to the budget basis.

	<u>Revenues/ Other Financing Sources</u>	<u>Expenditures/ Other Financing Uses</u>	<u>Change in Fund Balances</u>
<u>NW CRA</u>			
GAAP Basis	\$ 10,567,711	\$ 7,645,514	\$ 2,922,197
Encumbrances	-	4,289,987	(4,289,987)
Budgetary Basis	<u>\$ 10,567,711</u>	<u>\$ 11,935,501</u>	<u>\$ (1,367,790)</u>
<u>East CRA</u>			
GAAP Basis	\$ 6,670,689	\$ 3,227,215	\$ 3,443,474
Encumbrances	-	1,261,596	(1,261,596)
Budgetary Basis	<u>\$ 6,670,689</u>	<u>\$ 4,488,811</u>	<u>\$ 2,181,878</u>

COMPLIANCE REPORTS
and
MANAGEMENT LETTER



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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 Directors and CRA Director
Pompano Beach Community Redevelopment Agency
Pompano Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Pompano Beach Community Redevelopment Agency (a component unit of the City of Pompano Beach, Florida) (the "Agency") as of and for the fiscal 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 May 6, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

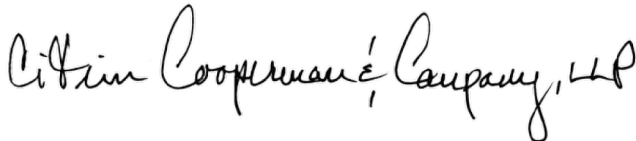
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Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Fort Lauderdale, Florida
May 6, 2026



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

To the Board of Directors and CRA Director
Pompano Beach Community Redevelopment Agency
Pompano Beach, Florida

Report on Financial Statements

We have audited the governmental activities and each major fund of the Pompano Beach Community Redevelopment Agency (a component unit of the City of Pompano Beach, Florida) (the "Agency"), as of and for the year ended September 30, 2025, and have issued our report thereon dated May 6, 2026.

Auditor's Responsibility

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

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* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 6, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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Financial Condition

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 local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Specific Information

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

Additional Matters

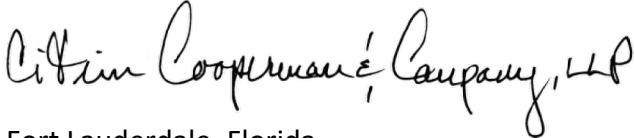
Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that have an effect on the financial statements that is less than material but warrants attention of those charged with governance. In connection with our audit, we did not note any such findings.

Property Assessed Clean Energy (PACE) Programs

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

Purpose of this Letter

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



Fort Lauderdale, Florida
May 6, 2026



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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES AND SECTIONS 163.387(6)
AND 163.387(7), FLORIDA STATUTES

To the Board of Directors and CRA Director
Pompano Beach Community Redevelopment Agency
Pompano Beach, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Agency and to meet our 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 the specified requirements.

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

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

A handwritten signature in black ink that reads "Citrin Cooperman & Company, LLP".

Fort Lauderdale, Florida
May 6, 2026

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