

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

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**Audited Financial Statements**  
**For the Year Ended September 30, 2017**



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# **Independent Auditor's Report**

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Miami Community Redevelopment Agency (the Agency), a component unit of the City of North Miami, Florida (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above 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, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–10 and 21–22 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2018, on our consideration of the Agency, a component unit of the City's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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, a component unit of the City's, internal control over financial reporting and compliance.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
March 23, 2018

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# **Management's Discussion and Analysis**

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**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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

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

On December 6, 2016, the County approved a second amendment to the NMCRA Plan and a third amendment to the Inter-local Cooperation Agreement effective October 3, 2017, making several substantive changes of note. The new Inter-local calls for:

- 1) County Board representation on the CRA Board;
- 2) Agency to continue to refund the County’s portion of the tax increment revenue collected from the geographic area west of Biscayne Boulevard;
- 3) Imposed a cap on the County’s portion of the tax increment contribution requirement of \$1 million;
- 4) Imposed a cap on the City of North Miami’s portion of the tax increment contribution requirement for the geographic area East of Biscayne Blvd to 50% of total tax increment revenue collected;
- 5) Imposed project and redevelopment milestones measurements to be achieved by September 2024;
- 6) Imposed a requirement that 10% of annual tax increment collected be dedicated to housing efforts;
- 7) Extended the sunset date of the Agency to July 2044.

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

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

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

**FINANCIAL HIGHLIGHTS**

- For fiscal year 2017, the Agency's tax increment revenues, increased by \$595,080 (20%) to \$3,593,421 in comparison with the prior fiscal year 2016 total of \$2,998,341. The \$1,305,780 tax increment revenues refunded to the County and the City increased by \$814,750 and was due primarily to increase in property values for the west side of Biscayne Boulevard. The prior year refund was \$491,030. The increased tax increment revenues and the amount refunded to taxing authorities resulted from the revised formula in the new Interlocal Cooperation Agreement.
- The Agency began the fiscal year with a net position of \$4,048,475.
- The Agency's total net revenues for the year ended September 30, 2017, were \$2,299,100 while total expenses were \$2,043,980, increasing net position by \$255,120. This approximately 12% increase in the Agency's total net position as of September 30, 2017, is due to the increased in property values and formula changes.
- The Agency reported special item of \$317,965 relating to the forgiveness of a long-outstanding amount payable to the City.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

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

**Government-wide Financial Statements**

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

The *Statement of Net Position* presents all information on the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

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

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

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

The government-wide financial statements are found beginning on page 11 of this report.

**Fund Financial Statements**

The governmental fund financial statements provide readers with an overview of each fund and its related function in a traditional format. A fund is a grouping of related accounts that maintain control over resources segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The Agency utilizes two Governmental funds for the fiscal year ended September 30, 2017: The *General Fund*, which accounts for the operating activities of the Agency, and the *Special Revenue Fund*, from which all capital outlays for redevelopment projects, programs and activities are spent.

**Governmental funds** - are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By comparing, readers may better understand the long-term impact of the Agency's near term financing decisions. The "Balance Sheet – Governmental Funds" and "Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds" provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

The basic governmental funds financial statements can be found beginning on page 13 of this report. The reconciliations between the governmental funds and governmental activities are found at the bottom of each statement.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. These notes to the financial statements can be found beginning on page 15 of this report.

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

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Agency's budget to actual results for the General Fund for fiscal year 2017. The required supplementary information can be found on page 21 of this report.

There was one amendment to the budget for the fiscal year ended September 30, 2017, which was due to the interlocal agreement.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As previously noted, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$4,621,560 at the close of fiscal year 2017. Approximately 97% of the Agency's total assets was comprised of cash.

	<u>Year Ended September 30,</u>		<u>Change</u>	
	<u>2017</u>	<u>2016</u>	<u>\$</u>	<u>Percent</u>
<b><u>Assets</u></b>				
Current assets:				
Cash, cash equivalents and other assets	\$ 4,714,037	\$ 4,027,854	\$ 686,183	17%
Due from other government	-	280,562	(280,562)	-100%
Non-current assets:				
Capital assets	<u>133,748</u>	<u>133,748</u>	<u>-</u>	100%
Total assets	<u>4,847,785</u>	<u>4,442,164</u>	<u>405,621</u>	9%
<b><u>Liabilities</u></b>				
Current liabilities:	<u>226,225</u>	<u>393,689</u>	<u>(167,464)</u>	-43%
Total liabilities	<u>226,225</u>	<u>393,689</u>	<u>(167,464)</u>	-43%
<b><u>Net Position</u></b>	<u>\$ 4,621,560</u>	<u>\$ 4,048,475</u>	<u>\$ 573,085</u>	14%

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

**Governmental Activities**

	<u>Year Ended September 30,</u>			
	2017	2016	Change	Percent
<b><u>Revenues</u></b>				
Tax increment revenues	\$ 3,593,421	\$ 2,998,341	\$ 595,080	20%
Tax increment revenues refunded to taxing authorities from the Agency	(1,403,110)	(680,991)	(722,119)	106%
Prior year County reconciliation tax increment revenue increase to the Agency	97,330	189,961	(92,631)	-49%
Tax increment revenues, net	2,287,641	2,507,311	(219,670)	-9%
Other revenues	11,459	3,648	7,811	214%
<b>Total revenues</b>	<b>2,299,100</b>	<b>2,510,959</b>	<b>(211,859)</b>	<b>-8%</b>
<b><u>Expenses</u></b>				
General government	906,129	768,733	137,396	18%
Community redevelopment projects	1,137,851	644,457	493,394	77%
<b>Total expenses</b>	<b>2,043,980</b>	<b>1,413,190</b>	<b>630,790</b>	<b>45%</b>
Special item - debt forgiveness	317,965	-	317,965	100%
Increase in net position	573,085	1,097,769	(524,684)	-48%
Net position, beginning	4,048,475	3,469,326	579,149	17%
Prior year adjustment	-	(518,620)	518,620	-100%
Net position, beginning (restated)	4,048,475	2,950,706	1,097,769	37%
<b>Net position, ending</b>	<b>\$ 4,621,560</b>	<b>\$ 4,048,475</b>	<b>\$ 573,085</b>	<b>14%</b>

The Agency's net position increased for the second consecutive year. In 2017 the \$1,403,110 tax increment revenues refunded to taxing authorities comprised both County (\$1,046,218) and City (\$356,892). The net position increased by 14%. Key elements of the increase in 2017 were as follows:

- Although total net revenues decreased by \$219,670, the total tax increment revenues increased by \$595,080 or 20%. The total net tax increment revenues decreased primarily because of the increase in the amount refunded to the County and the City.
- There was a special item of \$317,965 relating to the forgiveness of a long-outstanding amount payable to the City.
- Total expenses for fiscal year 2017 were \$2,043,980, and represent an increase of \$630,790 or 45% over fiscal year 2016. This increase was attributable to continued increases in redevelopment activities, specifically funding of business rehab grants.

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

**FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS**

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Agency's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of fiscal year 2017, the Agency's governmental funds reported an ending fund balance of \$4,487,812. Current year activities resulted in an increase of \$573,085 in fund balance. The increase is attributable increase in the TIF revenue for fiscal year 2017 and the special item.

**GENERAL BUDGETARY HIGHLIGHTS**

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

**BUDGETARY COMPARISON SCHEDULE**  
**UNAUDITED**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual results - budgetary basis</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Tax increment revenue	\$ 2,469,943	\$ 3,593,421	\$ 3,593,421	\$ -
Return of tax increment revenues refunded to taxing authorities	-	-	(1,305,780)	(1,305,780)
Tax increment revenues, net	2,469,943	3,593,421	2,287,641	(1,305,780)
Interest and other	3,000	7,328	11,459	4,131
Carry over surplus	4,027,616	4,362,541	-	(4,362,541)
Total revenues	<u>6,500,559</u>	<u>7,963,290</u>	<u>2,299,100</u>	<u>(5,664,190)</u>
<b><u>Expenditures:</u></b>				
General Government	1,166,797	1,362,974	906,129	456,845
Return of tax increment revenues refunded to taxing authorities	948,888	1,305,780	-	1,305,780
Community Redevelopment:				
Capital Projects Infrastructure	3,284,874	3,474,536	469,445	3,005,091
Capital Projects Grants	1,100,000	1,820,000	668,406	1,151,594
Total expenditures	<u>6,500,559</u>	<u>7,963,290</u>	<u>2,043,980</u>	<u>5,919,310</u>
Excess of revenues over expenditures	-	-	255,120	255,120
<b><u>Other financing sources (uses):</u></b>				
Special item - debt forgiveness	-	-	317,965	317,965
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	573,085	573,085
Fund balances - beginning			3,914,727	
Fund balances - ending			<u>\$ 4,487,812</u>	

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

**Revenues**

The budgeted "tax increment revenue" in the amount of \$3,593,421 was realized without variance.

The "return of tax increment revenue refunded to taxing authorities" shows a negative variance of \$1,305,780 due primarily to the planned expenditure being reclassified and shown as a contra revenue for presentation purposes. This variance also shows up in the expenditures section for the same reason but as a positive variance.

The positive variance of \$317,965 for the special item was a result of the forgiveness of a long-outstanding amount that was due to the City.

The positive variance for interest and other revenue of \$4,131 was due primarily to revenue collected from the foreclosure prevention loan program.

The negative variance for "carryover surplus" in the amount of \$4,362,541 represents funding for multi-year projects not completed in the prior fiscal year. Specifically, this roll-over is appropriated for budget purposes but is not recorded as new revenue in the actual financials.

**Expenditures**

The positive variance of \$456,845 for "general government" is due primarily to the following factors:

1. Approximately \$180,000 for unspent professional services for train station master plan designs.
2. Approximately \$90,000 for unspent public safety funds that were planned for license plate readers.
3. Approximately \$80,000 in unspent marketing and publishing expenditures that were planned for agency promotional activities.
4. Approximately \$115,000 in unspent administration expenditures that were planned for shared overhead.
5. Negative variance of \$8,000 for additional legal services that were required for the interlocal agreement that extended the life of the CRA.

The remaining positive variances of \$4,156,685 in "Community Redevelopment" relates to multi-year infrastructure and grants projects ongoing in the CRA boundary. These projects are expected to advance to completion within the statutorily required time.

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

- The Agency owns land and assets related to properties used in program projects which are classified as capital assets. The Agency's capital assets of furniture and equipment were fully depreciated as of September 30, 2017.
- The Agency had no debt for fiscal year ended September 30, 2017.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Agency Board approved the 2016-2017 amended budget in the amount of \$7,963,290 which included an increase of gross budgeted tax increment revenue in the amount of \$856,698. Tax increment revenue projections were based upon actual values from the County's Property Appraiser's Office and the City of North Miami. The TIF increase is attributable to an increase in property valuations within the Agency's district. The Agency anticipates further TIF revenue growth in the coming years as perennial increases in property values continue and future redevelopment projects break ground.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Larry M. Spring, Jr., CPA, Executive Director, 776 N.E. 125<sup>th</sup> Street, North Miami Florida 33161.

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## **Basic Financial Statements**

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**Government-wide Financial Statements**

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**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2017**

<b>ASSETS</b>	<u><b>Governmental Activities</b></u>
Cash and cash equivalents	\$ 4,714,037
Capital assets	133,748
<b>Total assets</b>	<u>4,847,785</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	219,460
Due to other governments	6,765
<b>Total liabilities</b>	<u>226,225</u>
<b>NET POSITION</b>	
Net investments in capital assets	133,748
Restricted for:	
Capital projects	4,487,812
<b>Total net position</b>	<u>\$ 4,621,560</u>

See notes to the basic financial statements

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2017**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenue</b>	<b>Net (Expense)</b>
		<b>Charges for</b>	<b>Revenue and</b>
		<b>Services</b>	<b>Changes in Net</b>
			<b>Position</b>
Governmental Activities:			
General government	\$ 906,129	\$ -	\$ (906,129)
Community redevelopment	1,137,851	-	(1,137,851)
Total	\$ 2,043,980	\$ -	(2,043,980)
General Revenue:			
			3,593,421
			(1,305,780)
			2,287,641
			11,459
			317,965
			2,617,065
			573,085
			4,048,475
			\$ 4,621,560

See notes to the basic financial statements.

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**Fund Financial Statements**

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**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2017**

	<b>General</b>	<b>Special revenue</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 506,962	\$ 4,207,075	\$ 4,714,037
<b>Total assets</b>	506,962	4,207,075	4,714,037
<b>LIABILITIES AND FUND BALANCES</b>			
<u>Liabilities:</u>			
Accounts payable and accrued liabilities	219,460	-	219,460
Due to other governments	6,765	-	6,765
Total liabilities	226,225	-	226,225
<u>Fund Balances:</u>			
Assigned:			
Capital projects	-	4,207,075	4,207,075
Unassigned	280,737	-	280,737
Total fund balances	280,737	4,207,075	4,487,812
<b>Total liabilities and fund balances</b>	\$ 506,962	\$ 4,207,075	\$ 4,714,037

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**

Total fund balance - governmental fund (above)	\$ 4,487,812
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.	133,748
<b>Net position of governmental activities (page 11)</b>	<b>\$ 4,621,560</b>

See notes to the basic financial statements.

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

	<b>General</b>	<b>Special Revenue</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Tax increment revenue	\$ 3,593,421	\$ -	\$ 3,593,421
Tax increment revenues refunded to taxing authorities (Note 5)	(1,305,780)	-	(1,305,780)
Tax increment revenues, net	2,287,641	-	2,287,641
Interest and other	11,459	-	11,459
Total revenues	2,299,100	-	2,299,100
<b>EXPENDITURES</b>			
General Government	906,129	-	906,129
Community Redevelopment	-	1,137,851	1,137,851
Total expenditures	906,129	1,137,851	2,043,980
Excess (deficiency) of revenues over expenditures	1,392,971	(1,137,851)	255,120
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	1,657,072	1,657,072
Transfers out	(1,657,072)	-	(1,657,072)
Total other financing sources (uses)	(1,657,072)	1,657,072	-
<b>SPECIAL ITEM</b>			
Forgiveness of debt	317,965	-	317,965
Net change in fund balances	53,864	519,221	573,085
<b>Fund balances - beginning</b>	226,873	3,687,854	3,914,727
<b>Fund balances - ending</b>	\$ 280,737	\$ 4,207,075	\$ 4,487,812

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities**

<b>Net change in fund balances - total governmental funds (above)</b>	\$ 573,085
Amounts reported for governmental activities in the statement of activities are different because:	
There are no reconciling items and there are no differences	-
<b>Change in net position of governmental activities (page 12)</b>	\$ 573,085

See notes to the basic financial statements.

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**Notes to the Basic  
Financial Statements**

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**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency’s accounting policies are described below.

**a. Financial Reporting Entity**

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

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

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

Pursuant to the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Agency is considered a blended component unit of the City. The Agency has therefore been reported

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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

in the City's basic financial statements, as required. The Board of Commissioners of the Agency is comprised of the members of the City Council and the Mayor.

**b. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the Agency's activities. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a specific function. Taxes and other items not properly included among program revenues are reported as general revenues. The Agency does not have any business-type activities. The effect of interfund activity has been removed from the government-wide financial statements.

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

**c. Measurement Focus and Basis of Accounting**

*Government-wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

*Governmental Fund Financial Statements*

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Interest on invested funds is recognized when earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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

The Agency reports the following major governmental funds:

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

**d. Use of Restricted Funds**

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

**e. Cash and Cash Equivalents**

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

**f. Capital Assets**

Capital assets, which currently include lands, furniture and equipment, are reported in the governmental-type activities column in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$1,000 and an estimated useful life more than one year. Property and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over the remaining useful lives of the related assets, as applicable. Depreciation for the Agency’s furniture and equipment is computed using the straight-line method over an estimated useful life of 3 – 5 years.

**g. Nature and Purpose of Classifications of Fund Balance**

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by, a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or, b) imposed by law through constitutional provisions

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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

or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Agency's Commission through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the Agency's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by Agency management based on Commission direction. Non-spendable fund balances include amounts that cannot be spent because they are either, (a) not in spendable form or, (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**h. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosures of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets. Although these estimates as well as all estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ with actual results.

**NOTE 2 – CASH DEPOSITS**

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

**NOTE 3 – CAPITAL ASSETS**

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

At September 30, 2016, these properties were deemed to be impaired and were written down to their recoverable value of \$133,748 and reclassified as capital assets. The Agency's investments in capital assets for its furniture and equipment as of September 30, 2017, was as follows:

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**NOTE 3 – CAPITAL ASSETS (Continued)**

	Beginning Balance	Additions	Adjustments/ Deletions	Ending Balance
Land	\$ 133,748	\$ -	\$ -	\$ 133,748
Furniture and equipment	16,119	-	-	16,119
Less: accumulated depreciation	(16,119)	-	-	(16,119)
Total Capital Assets, net	<u>\$ 133,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,748</u>

**NOTE 4 – RELATED PARTY TRANSACTIONS**

As of September 30, 2017, the Agency has an amount of \$6,765 due to the City of North Miami for reimbursement of expenditures.

**NOTE 5 – TAX INCREMENT REVENUE**

The primary source of revenues is tax increment funds received through the City and the County. This revenue is computed by multiplying the operating tax rate for the City and the County by the increased value of property located within the boundaries of the redevelopment areas of the Agency, over the base property value, less five percent (administrative fee). Both the City and the County are required to annually fund this amount without regard to tax collections or other obligations.

In accordance with the Inter-Local Cooperation Agreement, the Agency is required to provide annual refunding to the City and County equal to the amount of tax increment revenues generated by the redevelopment area, other than properties to the east of Biscayne Boulevard, and not necessary to pay debt services and related bond payments. In addition, the City is required to contribute an amount equal to its refunded amount back to the Agency in support of redevelopment activities including debt service and related payments on bonds. In fiscal 2017 the Agency refunded to the taxing authorities \$1,305,780 ( \$ 948,888 to the County and \$ 356,892 to the city).

**NOTE 6 – INTERFUND TRANSFERS**

Interfund transfers during the fiscal year 2017 were comprised of General Fund transfers of \$1,657,072 to the Special Revenue Fund to cover costs of community redevelopment and other on-going capital projects.

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**NOTE 7 – RISK MANAGEMENT**

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

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

**NOTE 8 – SPECIAL ITEM**

The Agency had a long-outstanding amount payable to the City from fiscal year 2014, relating to expenditures incurred on its behalf. The City has decided to absorb the costs and forgive the total amount of \$317,965. The transaction meets the accounting criteria for classification as "special item" and is reported as such in the government-wide and fund financial statements.

**NOTE 9 – SUBSEQUENT EVENTS**

The Agency passed a Resolution on February 13, 2018, to discharge participants' obligations under the following programs:

**a. Home Purchase Subsidy Assistance Program**

Discharge obligations for the total outstanding mortgages receivable balance of \$80,000, under the City of North Miami Home Purchase Subsidy Assistance Program. The Program was designed to assist in the acquisition and/or rehabilitation of qualified primary residences, in an amount not to exceed \$50,000. The initial total amount of the forgivable mortgages was \$450,000 for a term of up to 10 years.

**b. Home Mortgage Foreclosure Prevention Loan Program**

Discharge obligations for the total outstanding loans receivable balance of \$19,998 under the Home Mortgage Foreclosure Prevention Loan Program. The Program was designed to provide funding to the City of North Miami for its Home Mortgage Foreclosure Prevention Loan Program to assist residents who were in jeopardy of losing their homes. The total initial amount of these loans was \$29,330.

Management has evaluated subsequent events through March 23, 2018, the date which the financial statements were available for issue.

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**Required Supplementary Information**

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**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**UNAUDITED**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual results - budgetary basis</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Tax increment revenue	\$ 2,469,943	\$ 3,593,421	\$ 3,593,421	\$ -
Return of tax increment revenues refunded to taxing authorities	-	-	(1,305,780)	(1,305,780)
Tax increment revenues, net	2,469,943	3,593,421	2,287,641	(1,305,780)
Interest and other	3,000	7,328	11,459	4,131
Carry over surplus	4,027,616	4,362,541	-	(4,362,541)
Total revenues	<u>6,500,559</u>	<u>7,963,290</u>	<u>2,299,100</u>	<u>(5,664,190)</u>
<b><u>Expenditures:</u></b>				
General Government	1,166,797	1,362,974	906,129	456,845
Return of tax increment revenues refunded to taxing authorities	948,888	1,305,780	-	1,305,780
Community Redevelopment:				
Capital Projects Infrastructure	3,284,874	3,474,536	469,445	3,005,091
Capital Projects Grants	1,100,000	1,820,000	668,406	1,151,594
Total expenditures	<u>6,500,559</u>	<u>7,963,290</u>	<u>2,043,980</u>	<u>5,919,310</u>
Excess of revenues over expenditures	-	-	255,120	255,120
<b><u>Other financing sources (uses):</u></b>				
Special item - debt forgiveness	-	-	317,965	317,965
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	573,085	573,085
Fund balances - beginning			<u>3,914,727</u>	
Fund balances - ending			<u>\$ 4,487,812</u>	

See note to budgetary comparison schedule.

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2017**

**NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

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

A draft of the annual budget is prepared, approved by the Board of Commissioners and submitted to the County no later than 45 days prior to the beginning of the fiscal year. Should changes in the millage rates require modification of the budget, the budget must be revised and made final, and submitted to the County on or before the 15<sup>th</sup> day of the beginning of the fiscal year. The budget is then legally enacted through the passage of a resolution. The legal level of control, the level at which expenditures may not exceed the budget, is at the fund level. There was one amendment to the budget for the fiscal year ended September 30, 2017, which was due to the interlocal agreement.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the North Miami Community Redevelopment Agency (the Agency), a component unit of the City of North Miami, Florida, (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements and have issued our report thereon dated March 23, 2018.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of Agency’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We noted no significant deficiencies for this fiscal year.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

### **Prior Year Findings**

None Noted.

### **Current Year Findings**

None Noted.

### **The Agency's Response to Findings**

No findings were identified in our audit as described in the accompanying schedule of findings and questioned costs. The Agency's response was not required or subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida

March 23, 2018

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

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

**Report on the Financial Statements**

We have audited the financial statements of the North Miami Community Redevelopment Agency (the Agency), a component unit of the City of North Miami, Florida (the City), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 23, 2018.

**Auditor's Responsibility**

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

**Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 23, 2018, 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 identified in our audit report.

**Official Title and Legal Authority**

Section 10.554(1)(i)5., 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 pertinent details of the Agency are disclosed in the notes to the financial statements.

## **Financial Condition**

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and 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. c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

## **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Agency complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we noted no findings.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## **Purpose of this Letter**

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

We would like to thank the management and staff of the Agency for their assistance and courtesy during the engagement. Please feel free to contact us with any questions or comments, as we would be pleased to meet with you at your convenience.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
March 23, 2018