



**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, 2022**



HCT Certified Public Accountants and Consultants, LLC  
3816 Hollywood Boulevard, Suite 203  
Hollywood, Florida 33021  
Telephone: (954) 966-4435  
Facsimile: (954) 962-7747



**NORTH MIAMI COMMUNITY  
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**Audited Financial Statements  
For the Year Ended September 30, 2022**

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

**Audited Financial Statements**  
**For the Year Ended September 30, 2022**

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# **Independent Auditor's Report**

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## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the accompanying financial statements of the North Miami Community Redevelopment Agency (the "Agency"), a component unit of the City of North Miami, State of Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of September 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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.

## **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 January 27, 2023 on our consideration of the Agency's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida

January 30, 2023



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

On 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 amended Inter-local agreement 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) Cap to be imposed on the County's portion of the tax increment contribution requirement of \$1 million;
- 4) Cap to be imposed on the City of North Miami's portion of the tax increment contribution requirement for the geographic area east of Biscayne Boulevard to 50% of total tax increment revenue collected;
- 5) Project and redevelopment milestone measurements to be achieved by September 2024;
- 6) 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. 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 2022, the Agency's tax increment revenues, increased by \$1,789,294 (16%) to \$12,879,390, from the prior fiscal year 2021 total of \$11,090,096. The amount of tax increment revenues refunded to the County and the City increased this year by \$550,655 to \$4,862,310 from last year's \$4,311,655. This increase was due, in part, to an extraordinary growth in homes values year over year on the west side of Biscayne Boulevard. The increases in tax increment revenues and the amounts refunded to taxing authorities are also a result of formula revisions in the new Inter-local Cooperation Agreement.
- The Agency began the fiscal year with a net position of \$4,986,273.
- The Agency's total net revenues for the year ended September 30, 2022, were \$8,309,282, while total expenses were \$7,616,754, increasing net position by \$692,528 compared to the prior year's increase of \$1,276,622 a 46% decrease in the Agency's total net position as of September 30, 2022. The 14% increase in total net position for fiscal 2022 was due primarily to the net result of the increase in tax increment revenues, the accrual of a refund of \$252,236 due from the City for TIF overpayment in prior years, and the increase in operating expenses.

**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's report contains required supplementary information to the basic financial statements themselves.

**Government-wide Financial Statements**

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

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

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

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

The government-wide financial statements 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, 2022: the *General Fund*, which accounts for the operating activities of the Agency, and the *Special Revenue Fund*, from which all capital outlays for redevelopment projects, programs and activities are spent.

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

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

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

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

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**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.

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 2022. 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, 2022. It pertained to an increase in the final year-end carryover of \$5,072,398 and the creation of various post-COVID-19 relief grants. Funds were also transferred from capital grants to operations.

**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 \$5,678,801 at the close of fiscal year 2022. Approximately 94% of the Agency's total assets was composed of cash.

	<u>Year Ended September 30,</u>		<u>Change</u>	
	<u>2022</u>	<u>2021</u>	<u>\$</u>	<u>Percent</u>
<b><u>Assets</u></b>				
Current assets:				
Cash, cash equivalents and other assets	\$ 6,897,637	\$ 5,240,406	\$ 1,657,231	32%
Due from other government	252,236	-	252,236	100%
Other assets	33,787	19,278	14,509	75%
Non-current assets:				
Capital assets	<u>154,596</u>	<u>157,675</u>	<u>(3,079)</u>	-2%
Total assets	<u>7,338,256</u>	<u>5,417,359</u>	<u>1,920,897</u>	35%
<b><u>Liabilities</u></b>				
Current liability	<u>1,659,455</u>	<u>431,086</u>	<u>1,228,369</u>	285%
Total liabilities	<u>1,659,455</u>	<u>431,086</u>	<u>1,228,369</u>	285%
<b><u>Net Position</u></b>	<u>\$ 5,678,801</u>	<u>\$ 4,986,273</u>	<u>\$ 692,528</u>	14%

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental Activities**

	<u>Year Ended September 30,</u>			
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>Percent</u>
<b><u>Revenues</u></b>				
Tax increment revenues	\$ 12,879,390	\$ 11,090,096	\$ 1,789,294	16%
Tax increment revenues refunded to taxing authorities from the Agency	(4,862,310)	(4,311,655)	(550,655)	13%
Tax increment revenues, net	8,017,080	6,778,441	1,238,639	18%
Other revenues	292,202	216,783	75,419	35%
<b>Total revenues</b>	<u>8,309,282</u>	<u>6,995,224</u>	<u>1,314,058</u>	<u>19%</u>
<b><u>Expenses</u></b>				
General government	2,328,598	2,941,461	(612,863)	-21%
Community redevelopment projects	5,288,156	2,777,141	2,511,015	90%
<b>Total expenses</b>	<u>7,616,754</u>	<u>5,718,602</u>	<u>1,898,152</u>	<u>33%</u>
Increase/(decrease) in net position	692,528	1,276,622	(584,094)	-46%
Net position, beginning	4,986,273	3,709,651	1,276,622	34%
<b>Net position, ending</b>	<u><b>\$ 5,678,801</b></u>	<u><b>\$ 4,986,273</b></u>	<u><b>\$ 692,528</b></u>	<u><b>14%</b></u>

In 2022, the \$4,862,310 tax increment revenues refunded to taxing authorities comprised both County (\$3,939,962) and City (\$922,348). The Agency's net position increased by 14%. Key elements of the increase in 2022 were as follows:

- Total net tax increment revenues increased by \$1,789,294 or 16%, and the tax increment revenues refunded to taxing authorities from the Agency also increased by \$550,655.
- Other revenues increased by \$75,419 due primarily to recognizing refund due from the City related to the Agency's overpayment of TIF revenues in prior years.
- Total expenses for fiscal year 2022 were \$7,616,754, representing an increase of \$1,898,152 or 33% over fiscal year 2021. There was a decrease for general government of (\$612,863) or (21%) due primarily to the completion of many COVID-19 relief programs than in the prior year. Conversely, community redevelopment projects increased by \$2,511,015 or 90% due primarily to the reactivation of projects initiated in the past, but were delayed because of economic uncertainty surrounding the coronavirus pandemic. Nevertheless, the Agency provided \$5,288,156 for redevelopment activities, specifically, the funding of infrastructure projects and other business rehabilitation grants.

**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

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

government's net resources available for spending at the end of the fiscal year. At the end of fiscal year 2022, the Agency's governmental funds reported an ending fund balance of \$5,524,205. Current year activities resulted in an increase of \$695,607 in fund balance. The increase was attributable to the increase in the tax increment revenues for fiscal year 2022, and the accrual of refund due from the City.

**GENERAL BUDGETARY HIGHLIGHTS**

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

	Budgeted Amounts			Variance with final budget - positive (negative)
	Original	Final	Actual results - budgetary basis	
<b><u>Revenues:</u></b>				
Tax increment revenue	\$ 12,879,390	\$ 12,879,390	\$ 12,879,390	\$ -
Return of tax increment revenues refunded to taxing authorities	-	-	(4,862,310)	(4,862,310)
Tax increment revenues, net	12,879,390	12,879,390	8,017,080	(4,862,310)
Interest and other	30,500	30,500	292,202	261,702
Carry over surplus	4,358,477	5,072,398	-	(5,072,398)
Total revenues	17,268,367	17,982,288	8,309,282	(9,673,006)
<b><u>Expenditures:</u></b>				
General government	4,352,770	2,577,650	2,325,519	252,131
Return of tax increment revenues refunded to taxing authorities	4,862,310	4,862,310	-	4,862,310
Community redevelopment:				
Capital Projects Infrastructure	4,196,638	4,066,000	2,926,144	1,139,856
Capital Projects Grants	3,856,649	6,476,328	2,362,012	4,114,316
Total expenditures	17,268,367	17,982,288	7,613,675	10,368,613
Excess of revenues over expenditures	-	-	695,607	695,607
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>695,607</b>	
Fund balances - beginning			4,828,598	
<b>Fund balances - ending</b>			<b>\$ 5,524,205</b>	

**Revenues**

The budgeted "tax increment revenue" in the amount of \$12,879,390 was realized without variance.

The "return of tax increment revenue refunded to taxing authorities" shows a negative variance of (\$4,862,310) due primarily to the planned expenditure being reclassified and shown as a contra

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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 \$261,702 for interest and other revenue was due primarily to an increase in the interest rate on the balance in the trust fund account. as a result of the Federal Reserve rate increases for the past year and the accrual of \$252,236 for refund due from the City.

The negative variance for “carryover surplus” in the amount of (\$5,072,398) represents funding for multi-year projects with prior years reserves that was not used in the current year. Specifically, this roll-over is appropriated for budget purposes but is not recorded as new revenue in the actual financials.

### **Expenditures**

The net positive variance of \$252,131 for “general government” is due primarily to the net effect of following factors:

1. Positive variance of \$270,881 for other administration expenses due to a decrease in budget allocation for overhead shared services.
2. Negative variance of approximately (\$137,383) for increases in salaries. Three additional staff were employed and salary increases awarded to existing staff members.
3. Negative variance of (\$26,519) for office rental due to a negotiated lease agreement resulting in 3% rent increases until lease expiration date of February 28, 2028.
4. Net positive variance of \$72,464 related to a combination for marketing, publishing, advertising, due to expenses being withheld in the previous fiscal year related to the COVID-19 pandemic.
5. Negative variance of (\$13,828) for travel and conferences due mainly to costs associated to meetings for Capital Investment Projects and Public-Private Partnership (P3) efforts.
6. Positive variance of approximately \$88,335 for legal and other professional services due to stalled consultancy services post COVID-19 pandemic.
7. The remaining (\$1,819) was associated to public safety and equipment for the hurricane season.

The net positive variance of \$5,254,172 (or “Community Redevelopment” relates to multi-year infrastructure and grants projects ongoing within the CRA boundary. These projects were impacted in the previous year by the pandemic-related (COVID-19) and 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**

	Beginning Balance	Additions	Adjustments	Ending Balance
Land	\$ 133,748	\$ -	\$ -	\$ 133,748
Furniture and equipment	55,996	-	(2,730)	53,266
Less: accumulated depreciation	(32,069)	(7,975)	7,626	(32,418)
Total capital assets, net	<u>\$ 157,675</u>	<u>\$ (7,975)</u>	<u>\$ 4,896</u>	<u>\$ 154,596</u>

As of September 30, 2022, the Agency's net capital assets were \$154,596, a net decrease of (\$3,079) over the previous year. The net adjustment of \$4,896 was due to miscalculations for equipment in the prior year.

Additional information on the Agency's capital assets are disclosed in **NOTE 3** on pages 19 - 21 of this report.

**Long-term Debt**

The Agency had no debt for the fiscal year ended September 30, 2022.

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

The Agency Board approved the 2022-2023 budget in the amount of \$21,332,528 which included an increase of gross budgeted final year-end carryover of \$6,461,453. Tax increment revenue projections were based upon actual values from the County's Property Appraiser's Office and the City of North Miami. The Tax Increment Financing (TIF) increase was attributable to an increase in property valuations within the Agency's district. The Agency anticipates further TIF revenue growth in the coming years as perennial increases in property values continue and future redevelopment projects break ground.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Cornelius Shiver, Executive Director, 735 N.E. 125<sup>th</sup> Street Suite 100, 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, 2022**

<b>ASSETS</b>	<b>Governmental Activities</b>
Cash and cash equivalents	\$ 6,897,637
Due from other government	252,236
Other assets	33,787
Capital assets	<u>154,596</u>
<b>Total assets</b>	<u>7,338,256</u>
 <b>LIABILITIES</b>	
Accounts payable and accrued liabilities	1,659,455
Non-current liabilities:	
Due in more than one year:	<u>-</u>
	<u>-</u>
<b>Total liabilities</b>	<u>1,659,455</u>
 <b>NET POSITION</b>	
Net investments in capital assets	154,596
Restricted for:	
Capital projects	<u>5,524,205</u>
<b>Total net position</b>	<u>\$ 5,678,801</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, 2022**

		<u>Program Revenue</u>	<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Revenue and</u>
<b>Functions/Programs</b>			<b>Changes in Net</b>
			<b>Position</b>
Governmental Activities:			
General government	\$ 2,328,598	\$ -	\$ (2,328,598)
Community redevelopment	<u>5,288,156</u>	<u>-</u>	<u>(5,288,156)</u>
Total	<u>\$ 7,616,754</u>	<u>\$ -</u>	<u>\$ (7,616,754)</u>
General Revenue:			
Tax increment revenue			\$ 12,879,390
Tax increment revenues refunded to taxing authorities (Note 5)			<u>(4,862,310)</u>
Tax increment revenue, net			8,017,080
Interest and other income			<u>292,202</u>
Total general revenues			<u>8,309,282</u>
Change in net position			692,528
Net position - beginning			<u>4,986,273</u>
<b>Net position - ending</b>			<b><u>\$ 5,678,801</u></b>

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, 2022**

	<u>General</u>	<u>Special revenue</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 172,922	\$ 6,724,715	\$ 6,897,637
Due from other government	252,236	-	252,236
Other assets	<u>33,787</u>	<u>-</u>	<u>33,787</u>
<b>Total assets</b>	<u>458,945</u>	<u>6,724,715</u>	<u>7,183,660</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<u>LIABILITIES:</u>			
Accounts payable and accrued liabilities	<u>1,659,455</u>	<u>-</u>	<u>1,659,455</u>
Total liabilities	<u>1,659,455</u>	<u>-</u>	<u>1,659,455</u>
<u>FUND BALANCES:</u>			
Assigned:			
Capital projects	-	3,481,418	3,481,418
Unassigned	<u>(1,200,510)</u>	<u>3,243,297</u>	<u>2,042,787</u>
Total fund balances	<u>(1,200,510)</u>	<u>6,724,715</u>	<u>5,524,205</u>
<b>Total liabilities and fund balances</b>	<u>\$ 458,945</u>	<u>\$ 6,724,715</u>	<u>\$ 7,183,660</u>

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

Total fund balance - governmental fund (above)	\$ 5,524,205
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.	<u>154,596</u>
<b>Net position of governmental activities (page 11)</b>	<u><b>\$ 5,678,801</b></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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<b>General</b>	<b>Special Revenue</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Tax increment revenue	\$ 12,879,390	\$ -	\$ 12,879,390
Tax increment revenues refunded to taxing authorities (Note 5)	(4,862,310)	-	(4,862,310)
Tax increment revenues, net	8,017,080	-	8,017,080
Interest and other	292,202	-	292,202
Total revenues	<u>8,309,282</u>	<u>-</u>	<u>8,309,282</u>
<b>EXPENDITURES</b>			
General government	2,325,519	-	2,325,519
Community redevelopment	-	5,288,156	5,288,156
Total expenditures	<u>2,325,519</u>	<u>5,288,156</u>	<u>7,613,675</u>
Excess (deficiency) of revenues over expenditures	<u>5,983,763</u>	<u>(5,288,156)</u>	<u>695,607</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	7,017,862	7,017,862
Transfers out	(7,017,862)	-	(7,017,862)
Total other financing sources (uses)	<u>(7,017,862)</u>	<u>7,017,862</u>	<u>-</u>
Net change in fund balances	(1,034,099)	1,729,706	695,607
<b>Fund balances - beginning</b>	<u>(166,411)</u>	<u>4,995,009</u>	<u>4,828,598</u>
<b>Fund balances (deficits), ending</b>	<u>\$ (1,200,510)</u>	<u>\$ 6,724,715</u>	<u>\$ 5,524,205</u>

**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>	<b>\$ 695,607</b>
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Amounts reported for governmental activities in the statement of activities are different because:

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

Expenditures for capital assets	-	
Less current year depreciation	<u>(3,079)</u>	
		<u>(3,079)</u>

<b>Change in net position of governmental activities (page 12)</b>	<b>\$ 692,528</b>
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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, 2022**

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

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

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

**a. Financial Reporting Entity**

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

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

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

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

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

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

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

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

*Government-wide Financial Statements*

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

*Governmental Fund Financial Statements*

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as 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, 2022**

**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 of more than one year. Property and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Major outlays for capital assets and improvements are capitalized 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.

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

**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 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.

**i. Impact of Recently Issued Accounting Pronouncements**

*Issued and Adopted Accounting Pronouncements*

For the year ended September 30, 2022, the City adopted the following statements of financial accounting standards issued by the GASB:

Accounting Standards Adopted

GASB Statement No. 87, Leases, was issued June 2017. This Statement improves the accounting and financial reporting for leases by governments. The provisions of this Statement were effective for the Agency for the fiscal year ended September 30, 2022. The adoption of this Statement resulted in no financial reporting or additional disclosure for the Agency.

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**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, the 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, 2022, was as follows:

	Beginning Balance	Additions	Adjustments	Ending Balance
Land	\$ 133,748	\$ -	\$ -	\$ 133,748
Furniture and equipment	55,996	-	(2,730)	53,266
Less: accumulated depreciation	(32,069)	(7,975)	7,626	(32,418)
Total capital assets, net	<u>\$ 157,675</u>	<u>\$ (7,975)</u>	<u>\$ 4,896</u>	<u>\$ 154,596</u>

Depreciation expense was adjusted in the current year and the net amount charged to function/program as follows:

General government	<u>\$ 3,079</u>
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Capital assets of the Agency are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles and other outdoor equipment	3-10
Office equipment	5-10
Computer equipment	3- 4

**NOTE 4 – RELATED PARTY TRANSACTIONS**

As of September 30, 2022, the Agency had outstanding amounts due to the City of North Miami for reimbursement of expenditures totaling \$201,808, included in accounts payable and accrued liabilities.

**NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of North Miami, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**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 area 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 2022, the Agency refunded to the taxing authorities \$4,862,310 (\$3,939,962 to the County and \$922,348 to the City).

**NOTE 6 – INTERFUND TRANSFERS**

Interfund transfers during the fiscal year 2022 were comprised of General Fund transfers of \$7,017,862 to the Special Revenue Fund to cover costs of community redevelopment and other on-going capital projects.

**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 to participate in the City's health, dental, life and disability insurance plans. Under an agreement with the City, the Agency reimburses the City quarterly for the participating employees.

**NOTE 8 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 30, 2023, 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, 2022**

	<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	\$ 12,879,390	\$ 12,879,390	\$ 12,879,390	\$ -
Return of tax increment revenues refunded to taxing authorities	-	-	(4,862,310)	(4,862,310)
Tax increment revenues, net	12,879,390	12,879,390	8,017,080	(4,862,310)
Interest and other	30,500	30,500	292,202	261,702
Carry over surplus	4,358,477	5,072,398	-	(5,072,398)
Total revenues	17,268,367	17,982,288	8,309,282	(9,673,006)
<b><u>Expenditures:</u></b>				
General government	4,352,770	2,577,650	2,325,519	252,131
Return of tax increment revenues refunded to taxing authorities	4,862,310	4,862,310	-	4,862,310
Community redevelopment:				
Capital Projects Infrastructure	4,196,638	4,066,000	2,926,144	1,139,856
Capital Projects Grants	3,856,649	6,476,328	2,362,012	4,114,316
Total expenditures	17,268,367	17,982,288	7,613,675	10,368,613
Excess of revenues over expenditures	-	-	695,607	695,607
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>695,607</b>	
Fund balances - beginning			4,828,598	
<b>Fund balances - ending</b>			<b>\$ 5,524,205</b>	

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, 2022**

**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 10 days prior to the beginning of the fiscal year. Should changes in the millage rates require modification of the budget, the budget must be revised and made final, and submitted to the County on or before the 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, 2022, related to carryover and for COVID-19 relief grants.

**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 and each major 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, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated January 27, 2023.

**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.

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 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
January 30, 2023

**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, 2022, and have issued our report thereon dated January 27, 2023.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated January 27, 2023, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**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 pertinent details of the Agency are disclosed in the notes to the financial statements.

West Palm Beach  
Phone (561) 655-2664

Miami  
Phone (305) 331-8768

Hollywood  
Phone (954) 966-4435

## **Financial Condition**

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

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

## **Special District Component Units**

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

## **Additional Matters**

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

## **Purpose of this Letter**

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

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
January 30, 2023