

North Beach Community Redevelopment Agency

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

Financial Report

For the Fiscal Year Ending September 30, 2023

North Beach Community Redevelopment Agency (A Blended Component Unit of the City of Miami Beach, Florida)

Financial Report
Fiscal Year Ended September 30, 2023

PREPARED BY

THE FINANCE DEPARTMENT

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North Beach Community Redevelopment Agency

(A Blended Component Unit of the City of Miami Beach, Florida)

Management's Discussion and Analysis in Accordance with Uniform Guidance and Chapter 10.557(3)(h), *Rules of the Florida Auditor General*

Fiscal Year Ended September 30, 2023

North Beach Community Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Management's Discussion and Analysis
September 30, 2023

The Management's Discussion and Analysis (the "MD&A") of the North Beach Redevelopment Agency (the "Agency") is intended to provide an overview of the Agency's position and results of operations for the fiscal year ended September 30, 2023. The MD&A is an element of the reporting model required by the Governmental Accounting Standards Board (the "GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments* issued in 1999. The MD&A should be read in conjunction with the Agency's financial statements, including the accompanying notes, to enhance the understanding of the Agency's financial performance. The financial highlights below are for the Agency's FY 2023, first fiscal year of operation. Therefore, information is limited to current fiscal year.

Financial Highlights

- The Agency's net assets increased by approximately $863,000. The increase is primarily attributed to an increase in current and other assets of $931,000 offset with an increase in liability of $69,000 during the first fiscal year of operation.

- Governmental activities revenues and expenses were primarily $1.0 million and $172,370 from tax increment revenue and managerial and administrative expenses in fiscal year 2023, respectively.

- Liabilities exceeded assets of the Agency at the close of fiscal year 2023 by $862,787 (net position).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements, which have the following components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other reports in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

The statement of net position presents information on all the Agency's assets and liabilities with the difference 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 each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statement listed below detail the function of the Agency that is supported by taxes and intergovernmental revenues. The governmental activities of the Agency include are comprise exclusively of general government activities given FY 2023 is the first fiscal year of operation for the Agency.

The government-wide financial statements can be found on pages 4 – 5 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. During fiscal 2023 the agency only accounted for one governmental fund, which is the general fund. Given that FY 2023 is the first fiscal year of operation for the Agency.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. 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 a fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Agency maintains only one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund. For the current fiscal year, the Agency does not have any non-major governmental funds.

The governmental funds financial statements can be found on pages 6 and 7 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. For note details, refer to the table of contents. The Agency is considered a component unit of the City of Miami Beach, Florida and as such, the financial information of the Agency is included in the City's Annual Comprehensive Financial Report for the current fiscal year.

Government-Wide Financial Analysis

The table below summarizes the statement of net position:

Summary of Net Position

	Governmental Activities	
	2023	
Current assets	$	931,313
Total assets		931,313
Current liabilities		68,526
Total liabilities		68,526
Net position:		
Restricted for economic development		862,787
Total net position	$	862,787

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 $862,787 at September 30, 2023.

The Agency's restricted net position represents resources that are subject to external restrictions on how they may be used.

There are also various normal impacts on revenues and expenditures that can affect the change in net position from year to year. The economic condition, which can reflect a declining, stable or growing economic environment, can have a substantial impact on tax revenue as well as the public's spending habits on fees and charges for services. An increase/decrease in property values can have a substantial impact on tax increment revenue if there is a current year increase/decrease in the appraised property values within the Agency's district.

The table below summarizes the change in net position:

Summary of Changes in Net Position

	Governmental Activities	
	2023	
Revenues:		
General revenues:		
Taxes:		
Tax increment	$	1,034,913
Interest		244
Total revenues		1,035,157
Expenses:		
Economic environment		172,370
Total expenses		172,370
Increase in net position		862,787
Net position, beginning		-
Net position ending	$	862,787

Governmental activities increased the Agency's net position by $862,787. Key elements of the net increase are as follows:

- Revenues from governmental activities in fiscal year 2023 totaled $1.0 million in the first fiscal year of operation for the Agency. This is mainly attributed to the receipt of tax increment revenue in the current fiscal year.

- Expenses in fiscal year 2023 totaled $172,370 and were primarily attributed to managerial and administrative services received from the city.

Governmental Funds

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

The Agency had only the general fund, which is the chief operating fund, operating in the current fiscal year. The fund balance of the Agency's general fund totaled $862,787 at September 30, 2023. Tax increment revenues were $1.0 million during the current fiscal year. Tax increments revenue is computed by applying the operating tax rate for the City and Miami-Dade County, Florida, (the County) multiplied by the increased value of property in the district over the base property value minus 5%. Fluctuations in tax increment revenue is based on real estate property values City wide.

The Agency's General Fund is required to adopt an annual budget prepared on a basis consistent with generally accepted accounting principles. The primary resources are obtained from the receipt of tax increment funds received from Miami-Dade County.

Financial Analysis of the Governmental Funds

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fiscal year 2023 was the first year of operation for the Agency; consequently, there is no beginning fund balance. The table below summarizes the changes in the fund balance of the Agency's general fund (in thousands):

	General Fund
Fund balance, September 30, 2022	$ -
Revenues	1,035,157
Expenditures	172,370
Fund balance, September 30, 2023	$ 862,787

Budgetary Highlights

The following information is presented to assist the reader in comparing the original/final budget (Adopted Budget) and the actual results for the Agency's General Fund. The variance of the actual versus budgeted expenditures within this function was due to the fact that it was the first year of operations for the Agency.

General Fund Revenues

The following table summarizes actual revenues by category for fiscal year 2023 and compares actual revenues with the Final Budget:

General Fund Revenues
Fiscal Year 2023

	Final Budgeted Amounts	Actual Amounts
Revenues:		
Tax increment (property taxes)	$ 1,035,000	$ 1,034,913
Interest income	-	244
Total revenues	$ 1,035,000	$ 1,035,157

General Fund Expenditures

The following table summarizes actual expenditures by function/program for fiscal year 2023 and compare the actual expenditures with the Final Budget:

General Fund Expenditures
Fiscal Year 2023

	Final Budgeted Amounts	Actual Amounts
Expenditures:		
Economic environment	$ 1,032,000	$ 172,370
Capital outlay	3,000	-
Total expenditures	$ 1,035,000	$ 172,370

During the year, the was a $862,630 or 83.3% positive variance between the final budget and actual expenditures. This large difference between budget to actual expenditures was primarily due to the Agency's first year of operation which was in the early stages of planning and implementing the different projects scheduled for future years.

Detailed budget information can be found in the RSI section of this document.

Economic Factors and Future Developments

The North Beach Community Redevelopment Agency will continue to focus its efforts on a number of initiatives aimed at upgrading the area's infrastructure, streets and parks, alleviating traffic and parking congestion and encouraging the continued increase in tourism.

Requests for Information

This financial report is designed to provide a general overview of the Miami Beach Community Redevelopment Agency's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the North Beach Community Redevelopment Agency, Finance Department, 1700 Convention Center Drive, Miami Beach, Florida 33139.

Independent Auditor's Report

Honorable Mayor and Members
of the City Commission
City of Miami Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the North Beach Community Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2023, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Agency, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent assurance, tax, and consulting firms.
Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

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

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

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

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule of the general fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 financial statements in an appropriate operational, economic, or historical context. Our opinions on the financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance.

RSM US LLP

Miami, Florida
June 28, 2024

North Beach Community Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Statement of Net Position
September 30, 2023

	Governmental Activities
Assets	
Cash and investments	$ 931,313
Total assets	$ 931,313
Liabilities and net position	
Liabilities:	
Due to primary government	68,526
Total liabilities	68,526
Net Position:	
Restricted for economic development	$ 862,787
Total net position	$ 862,787

See notes to financial statements.

North Beach Community Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Statement of Activities
Year Ended September 30, 2023

	Expenses	Net Revenue (Expense) and Changes in Net Position: Total Governmental Activities
Functions:		
Governmental Activities:		
Economic environment	$ 172,370	$ (172,370)
	$ 172,370	$ (172,370)
General revenues:		
Tax increment		$ 1,034,913
Interest		244
Total general revenues		1,035,157
Change in net position		862,787
Net position, beginning		-
Net position, ending		$ 862,787

See notes to financial statements.

North Beach Community Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Balance Sheet
Governmental Fund
September 30, 2023

	General Fund
Assets	
Cash and investments	$ 931,313
Total assets	$ 931,313
Liabilities and fund balances	
Liabilities:	
Due to primary government	$ 68,526
Total liabilities	68,526
Fund balances:	
Restricted for economic development	862,787
Total fund balances	862,787
Total liabilities and fund balances	$ 931,313
Reconciliation of governmental fund balance sheet to the statement of net position:	
Total fund balance - General Fund	$ 862,787
Amounts to be reported for govermental activities in the statement of net position are different because:	
Capital assets used in governmental actitivies are not financial resources and therefore are not reported in the general fund.	-
Net position of governmental acitivities	$ 862,787

See notes to financial statements.

North Beach Community Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
Year Ended September 30, 2023

	General Fund
Revenues:	
Tax increment	$ 1,034,913
Interest	244
Total revenues	1,035,157
Expenditures:	
Current:	
Economic development	172,370
Total Expenditures	172,370
Change in net position	862,787
Fund balances, beginning	-
Fund balances, ending	$ 862,787

Reconciliation of change in fund balance to change in net position of governmental activities:

Change in Fund balance - General Fund	$ 862,787
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital assets	-
Current year depreciation expense	-
Change in net position of governmental activities	$ 862,787

See notes to financial statements.

Note 1 - Summary of Significant Accounting Policies

A. Financial Reporting Entity

The North Beach Community Redevelopment Agency (CRA) was created under the Community Redevelopment Act of 1969, enacted by the Florida Legislature, approved by City of Miami Beach Resolution No. 2021-31596 on February 10, 2021 and Miami-Dade County Resolution No. R-696-21 on July 20, 2021. Registration with the Florida Department of Economic Opportunity's Special District Accountability Program was completed in August 2021 and in accordance with section 189.012(2)(a) and (d), Florida Statutes, the North Beach CRA was classified as a special district.

The City of Miami Beach approved the Interlocal Cooperation Agreement by and among the City of Miami Beach, Miami-Dade County, and the North Beach CRA via Resolution No. 2021-31817 as amended on July 28, 2021. The North Beach CRA approved the Interlocal Cooperation Agreement by and among Miami-Dade County, the City of Miami Beach and the North Beach CRA via Resolution No. 005-2021 on July 28, 2021.

The North Beach CRA is generally bounded on the north by 87th Terrace, on the south by 65th street, on the east by the Atlantic Ocean and on the west by Rue Notre Dame. The Board of Directors is the City Commission and the executive director is the City Manager. The primary revenue source is, tax increment financing (TIF), the incremental growth of ad valorem revenues beyond an established base year. TIF is to be collected annually from Miami-Dade County and the City of Miami Beach beginning in fiscal year 2023.

Requests for Information

This financial report is designed to provide a general overview of the Miami Beach Redevelopment Agency's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to The Miami Beach Redevelopment Agency, Finance Department, 1700 Convention Center Drive, Miami Beach, Florida 33139.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. The government-wide focus is more on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. The Agency's program revenue consists of charges to customers or applicants, who purchase use or directly benefit from goods, services or privileges provided by a given functional category. Taxes and other items not included among program revenues are reported instead as general revenues.

The Management Discussion & Analysis was not provided as this is the CRA's first year of operation.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and current liabilities are generally included on their balance sheet. The operating statements present sources (revenue and financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenues are recognized as soon as they are both

measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Tax increment when levied for and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenues are measurable upon receipt of cash and are recognized at that time.

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

The Agency reports the following major governmental funds:

- The general fund is the general operating fund of the Agency. All financial resources, except those required to be accounted for in another fund, are accounted for in the general fund.

D. Assets & Fund Balance

1. Cash and Investments

Cash is comprised of deposits with financial institutions. Investments are comprised of U.S. Treasury obligations, money market funds and external governmental investment pools.

Investments are recorded at fair value using quoted market price or the best available estimate thereof, except for those investments with remaining maturities of one year or less, when purchased, which are recorded at amortized cost, in accordance with GASB Statement No. 72 "*Fair Value Measurement and Application*" and/or No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools"* where applicable.

2. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classification and clarifies definitions for governmental fund types. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

a. Non-spendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Examples of non-spendable fund balance include leases, inventories and/or prepaid expenditures.

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

c. Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The commission adopts a City resolution, which includes the amount to be committed and the reason for the commitment. Only an adopted resolution by the Commission can establish, modify or rescind the commitment.

d. Assigned Fund Balance – amounts that are constrained by the City Commission's or an official delegated by the governing body's (City Manager) intent to be used for specific purposes but are neither

restricted nor committed. Fund balance is primarily assigned based on the City's budgeting policy. Some amounts are approved and assigned by the City commission subsequent to September 30, 2023.

e. Unassigned Fund Balance – Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted or committed for those specific purposes.

Net Position:

The government-wide financial statements utilize a net position presentation. Net Position is categorized as restricted. The restricted net position represents amounts that are restricted by requirement for future economic development.

3. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows and disclosure of contingent assets and liabilities, deferred outflow and inflows at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates.

4. Recent accounting pronouncements adopted/implemented

For the year beginning October 1, 2022, the City implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB No. 96, *Subscription-Based Information Technology Arrangements*; and GASB No. 99, *Omnibus 2022*,

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The Agency has determined that GASB Statement No. 94 has no impact on its financial statements as of September 30, 2023.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The Agency has determined that GASB Statement No. 96 has no impact on its financial statements as of September 30, 2023.

In January 2020, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of derivative instruments, leases, public-private and public-public partnerships and availability payment arrangements, subscription-based information technology arrangements, and London Interbank Offered Rate (LIBOR) (2) accounting and financial reporting for financial guarantees. As required, the City has implemented GASB Statement

No. 99 as of September 30, 2023. The impact of GASB Statement No. 99 has been appropriately updated throughout this report.

Note 2 - Deposits

Deposits

All deposits are held in banking institutions approved by the State Treasurer of the State of Florida, to hold public funds. Under the Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. governmental and agency securities, state or municipality government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280, Florida Statutes. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

The City's cash and cash equivalents at September 30, 2023 is $931,313.

Note 3 - Tax Increment Revenue

The Agency is primarily funded through tax-increment revenue. This revenue is computed by applying the operating tax for the City and Miami-Dade County, Florida, (the "County") multiplied by the increased value of property in the district over the base property value minus 5%. Both the City and the County are required to fund this amount annually without regard to tax collections or other obligations.

Note 4 - Related-Party Transactions

The Agency obtains certain managerial and administrative services and support services from the City. The Agency incurred $141,418 of expenditures for that support of which $68,526 is due to the City as of September 30, 2023.

Governmental fund:	
Due to the primary government from:	
General fund	68,526

Note 5 - Governmental Fund – Fund Balance

Below is a table of fund balance categories and classifications at September 30, 2023 for the Agency's governmental funds:

	General Fund
Restricted:	
Economic environment	$ 862,787
Total Fund Balance	$ 862,787

Note 6 - Contingencies

The Agency, in the normal course of operations, is a party to various other actions in which plaintiffs have alleged certain damages. In all cases, management does not believe the disposition of these matters will materially affect the financial position of the Agency. Subsequent events are considered up to the report's date of issuance.

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

Miami Beach Redevelopment North Beach Community Redevelopment Agency
(A Blended Component Unit of the City of Miami Beach, Florida)

Budgetary Comparison Schedule
General Fund

(Unaudited)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget – Positive (Negative)
Revenues:				
Tax Increment	$ 1,035,000	$ 1,035,000	$ 1,034,913	$ (87)
Interest	-	-	244	244
Total revenues	1,035,000	1,035,000	1,035,157	157
Expenditures:				
Economic environment	1,032,000	1,032,000	172,370	859,630
Capital outlay	3,000	3,000	-	3,000
Total expenditures	1,035,000	1,035,000	172,370	862,630
Excess of revenues over expenditures	-	-	862,787	862,787
Net change in fund balance	-	-	862,787	862,787
Fund balance, beginning	-	-	-	-
Fund balance, ending	$ -	$ -	$ 862,787	$ 862,787

The notes to this Budget to Actual statement is an integral part of this statement.

Note 1. Budgetary Policy

A. Budgetary Data

The Agency is required to prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The Agency uses appropriations in the capital budget to authorize the expenditures of funds for various capital projects. Capital appropriations, unless modified or rescinded, remain in effect until the completion of each project.

At least 65 days prior to the beginning of the fiscal year, the City Commission, which also serves as the Agency's Board of Directors, is presented with a proposed budget. The proposed budget includes anticipated expenditures and the means of financing them. After Commission review and public hearings, the budget is adopted prior to October 1st. The budget is approved by district and fund. Management may transfer amounts between line items within a fund as long as the transfer does not result in an increase in the fund's budget. Increases to fund budgets require Commission approval.

There was one (1) supplemental budgetary appropriation during fiscal year ended September 30, 2023. A budget appropriation was approved to reclassify funds to support beautification projects totaling $549,000. Funds were reclassified from budgeted project expenditure reserves ($391,000) and other budgeted project expenditures ($151,000) and CMB administration ($7,000).

Budgets are considered a management control and planning tool and as such are incorporated in the accounting system of the Agency. Budgets are adopted on the modified accrual basis of accounting with the inclusion of encumbrances as reductions in the budgetary amount available. All appropriations lapse at year-end.

OTHER REPORTS

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*

Independent Auditor's Report

Honorable Mayor and Members
of the City Commission
City of Miami Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the North Beach Community Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated June 28, 2024.

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

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

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

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance 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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Miami, Florida
June 28, 2024

RSM US LLP

Management Letter in Accordance With the Rules of the Auditor General of the State of Florida

Honorable Mayor and Members
of the City Commission
City of Miami Beach, Florida

Report on the Financial Statements
We have audited the financial statements of the North Beach Community Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2023, and have issued our report thereon dated June 28, 2024.

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

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 Financial Statements Performed in Accordance With *Government Auditing Standards*; and Independent Accountant's Reports on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 28, 2024, 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 recommendations made in the preceding financial audit report.

Official Title and Legal Authority
Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note 1 to the Agency's financial statements.

Financial Condition and Management
Sections 10.554(1)(i)5.a, and 10.556(7), *Rules of the Auditor General*, requires 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 identification of the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the 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.

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 Unit
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 that the special district component unit failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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

a. There were no Agency employees compensated in the last pay period of the Agency's fiscal year.

b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the Agency's fiscal year was 0.

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $0.

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $0.

e. There are no construction projects with a total cost of at least $65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported.

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes, is disclosed as required supplementary information in the Agency's September 30, 2023, financial statements.

Additional Matters
Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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, the Honorable Mayor and City Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
June 28, 2024

RSM US LLP

Independent Accountant's Report
on Compliance with Sections 163.387(6) & 163.387(7), *Florida Statutes*

Honorable Mayor, Members of the
City Commission and City Manager
City of Miami Beach, Florida

We have examined the North Beach Community Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida's (the City), compliance with Sections 163.387(6) and 163.387(7), *Florida Statutes* during the period from October 1, 2022 to September 30, 2023. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the period from October 1, 2022 to September 30, 2023.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the City Commission, the City Manager, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
June 28, 2024

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RSM US LLP

Independent Accountant's Report
on Compliance with Section 218.415, *Florida Statutes*

Honorable Mayor, Members of the
City Commission and City Manager
City of Miami Beach, Florida

We have examined the North Beach Community Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida's (the City), compliance with Section 218.415, *Florida Statutes* during the period from October 1, 2022 to September 30, 2023. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the period from October 1, 2022 to September 30, 2023.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the City Commission, the City Manager, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
June 28, 2024

North Beach Community Redevelopment Agency

Report for the fiscal year end

September 30, 2023

OTHER RDA REPORTS

UNAUDITED

LOCAL GOVERNMENT REPORTING

SECTION 163.371, FLORIDA STATUTES

A. Property values (Form DR-420 TIF)

FLORIDA DEPARTMENT OF REVENUE

Reset Form | Print Form

TAX INCREMENT ADJUSTMENT WORKSHEET

DR-420TIF
R. 6/10
Rule 12D-16.002
Florida Administrative Code
Effective 11/12

Year : 2022	County : MIAMI-DADE
Principal Authority : CITY OF MIAMI BEACH	Taxing Authority : CITY OF MIAMI BEACH
Community Redevelopment Area : NORTH BEACH CRA	Base Year : 2021

SECTION I : COMPLETED BY PROPERTY APPRAISER

1.	Current year taxable value in the tax increment area	$ 1,585,511,443	(1)
2.	Base year taxable value in the tax increment area	$ 1,420,227,377	(2)
3.	Current year tax increment value *(Line 1 minus Line 2)*	$ 165,284,066	(3)
4.	Prior year Final taxable value in the tax increment area	$ 1,420,227,377	(4)
5.	Prior year tax increment value *(Line 4 minus Line 2)*	$ 0	(5)

SIGN HERE

Property Appraiser Certification — I certify the taxable values above are correct to the best of my knowledge.

Signature of Property Appraiser : Electronically Certified by Property Appraiser

Date : 7/1/2022 11:40 AM

SECTION II: COMPLETED BY TAXING AUTHORITY **Complete EITHER line 6 or line 7 as applicable. Do NOT complete both.**

6. If the amount to be paid to the redevelopment trust fund IS BASED on a specific proportion of the tax increment value:

6a.	Enter the proportion on which the payment is based.	60.00 %	(6a)
6b.	Dedicated increment value *(Line 3 multiplied by the percentage on Line 6a)* ***If value is zero or less than zero, then enter zero on Line 6b***	$ 99,170,440	(6b)
6c.	Amount of payment to redevelopment trust fund in prior year	$ 0	(6c)

7. If the amount to be paid to the redevelopment trust fund IS NOT BASED on a specific proportion of the tax increment value:

7a.	Amount of payment to redevelopment trust fund in prior year	$ 0	(7a)
7b.	Prior year operating millage levy from Form DR-420, Line 10	0.0000 per $1,000	(7b)
7c.	Taxes levied on prior year tax increment value *(Line 5 multiplied by Line 7b, divided by 1,000)*	$ 0	(7c)
7d.	Prior year payment as proportion of taxes levied on increment value *(Line 7a divided by Line 7c, multiplied by 100)*	0.00 %	(7d)
7e.	Dedicated increment value *(Line 3 multiplied by the percentage on Line 7d)* ***If value is zero or less than zero, then enter zero on Line 7e***	$ 0	(7e)

SIGN HERE

Taxing Authority Certification — **I certify the calculations, millages and rates are correct to the best of my knowledge.**

Signature of Chief Administrative Officer : Electronically Certified By Taxing Authority

Date : 7/22/2022 11:19 AM

Title : CITY MANAGER	Contact Name and Contact Title : TAMEKA OTTO STEWART, BUDGET DIRECTOR
Mailing Address : 1700 CONVENTION CENTER DR	Physical Address : 1700 CONVENTION CENTER DRIVE
City, State, Zip : MIAMI BEACH, FL 33139	Phone Number : 305-673-7510 / Fax Number :

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