

# CITY OF MIAMI



## OMNI

COMMUNITY REDEVELOPMENT AGENCY

### 2016 ANNUAL REPORT





# MIAMI OMNI CRA 2016 ANNUAL REPORT

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## What is Community Redevelopment Agency (CRA)

A community Redevelopment Agency (CRA) is an area targeted for redevelopment and/or revitalization. CRAs are authorized by Florida Statute (Chapter 163, Part III) but created at the local level by cities and counties for the purpose of carrying out redevelopment activities that include revitalizing dilapidated buildings and neighborhoods, improving public infrastructure and amenities, and enhancing the quality of life for residents within the CRA boundaries, and creation of jobs. The City of Miami is home to three CRA districts. They are Southeast Overtown/Park West (created in 1982), Omni (created in 1986), and Midtown (created in 2003). The intended result when designating CRAs is the creation of vibrant communities with the removal of Slum and Blight conditions.

## Message from the Director

This community redevelopment agency is located within the City of Miami, a City that is experiencing rapid growth socially and economically. The Omni Redevelopment District Community Redevelopment Agency is tasked with eliminating and preventing the growth of slum and blight. As the Executive Director my number one goal is the success of our Community. Our team, our community partners, our board and I are committed to our new initiatives and delivering results that will not only develop the area but will sustain.

This report highlights the work the Omni CRA is currently doing and also highlights the projects for the future. We aim to provide a better quality of life for our citizens and create opportunities to enhance development.

Thank you,

Jason Walker  
Executive Director  
Omni Community Redevelopment Agency





## MIAMI OMNI CRA 2016 ANNUAL REPORT

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### Our Mission & Vision



#### **Mission**

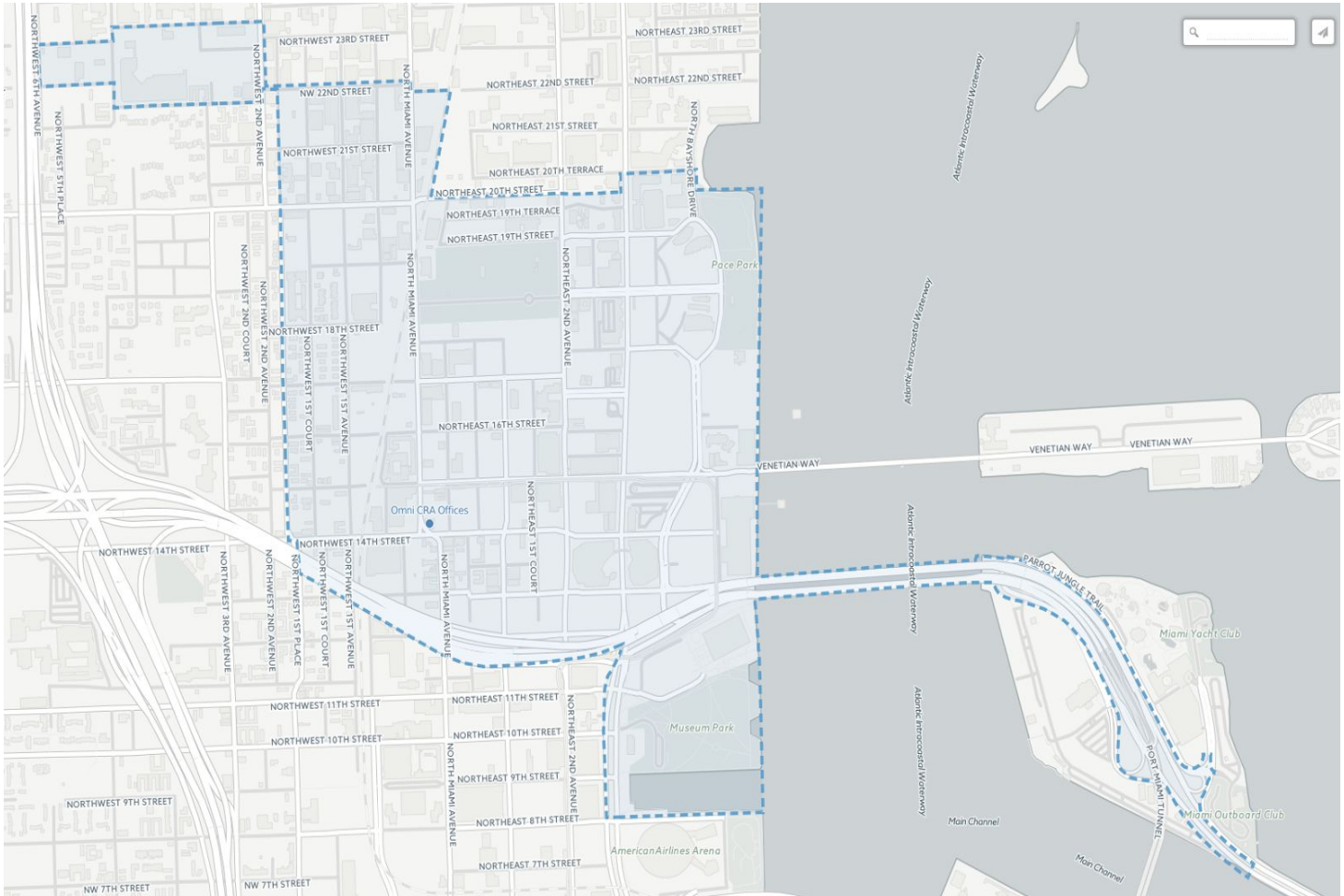
The Omni CRA's mandate is governed by Florida Statutes, Chapter 163, Part III. The Omni CRA's goal is to revitalize specifically designated areas within our city through good planning and the implementation of sound infrastructure improvements, thus enabling us to generate successful redevelopment projects, from both the private and public sector, thereby achieving the complete eradication of slum and blight from the targeted areas. We are totally committed to the preservation and enhancement of property values, stimulating the creation of new job opportunities for residents, and improving the quality of life of those who reside within the redevelopment neighborhoods.

#### **Vision**

The Omni CRA envisions a 24-hour walkable neighborhood with sidewalk merchants and pedestrian-friendly streets that function as a platform for creative productivity. We envision the Omni as a central connection between arts, culture, history, business, media and entertainment. We envision a connected and collaborative neighborhood where everyone can afford to live, work, and make an impact in improving the quality of their city.



## Omni CRA Boundaries



## Projects

### Affordable Housing

Omni CRA has pledged to refocus efforts on to bringing attainable affordable and workforce housing to the area. Working with a group of landowners, including the City of Miami and St. John CDC, the Omni CRA has begun the task of building attainable affordable housing on the vacant properties of Overtown to prevent displacement, and provide opportunities for residents wishing to remain in Overtown as the community changes.





## Omni Park



Omni Park is a 7-acre public urban park that is equipped with a skate park, café, & shipping container library by Taylor Moxey. It is also host to live performances, Saturday Boho Market, Yoga in the Green, and other programs. Funded by the Omni CRA and designed and constructed by Urban Implementation, LLC, the once blighted and unused land is now a green accessible playground with options for the whole family. Check the calendar at [OmniParkMiami.com](http://OmniParkMiami.com) to see what's happening there.





## Historic Preservation

### **Dorsey Library**

Built in 1941, Dorsey Memorial Library was the first City-built library in Miami, and one of the only libraries to allow black patrons to sit and read. Although it had various uses for many years, it has sat empty since the 1980s due to a funding shortfall. Although it has been declared an historic structure, it has not been preserved or protected, and it has not fulfilled its mission as a free and public library. In 2016 the Omni CRA pledged \$850k to leverage the City's commitment to rehabilitate this historic structure, and has met with the community to determine character of use, and the nature of what a 21st century library serving the neighborhood from an historic building would entail.

### **Citizen's Bank Building**



Omni CRA is under contract to purchase the historic Citizen's Bank building on 14th Street and Miami Avenue, to rehab and turn into an active and lively retail, dining or cultural venue.

With paired Corinthian columns and arched entrances, this Neoclassical building is sited on a major intersection in the Omni CRA. The prominent Citizens Bank represents a fashionable architectural trend in 1920s South Florida of classically-inspired building designs. Constructed during the Land Boom years, this building is a reminder of a time when local architects were seeking to create a visual identity for the young city.





## Economic Development

### The Miami Entertainment Complex ( MEC )



The recently completed Miami Entertainment Complex (MEC) features two fully operational sound stages of 15,000 square feet each with a 50-foot roof as well as about 15,000 square feet of offices, editing suites and even a school for when kids need to be on set. The MEC is now called VIACOM INTERNATIONAL STUDIOS, after its Operating Film and Television production firm. Viacom shoots much of its Latin American television at these studios and employs hundreds of workers when they are filming a show. They have also brought the community of local filmmakers and media creatives in for tours of the facility and technical workshops.

### Business Rehab/Buildout Program

- New York Roma Pizza – Omni is helping this neighborhood pizzeria expand into a new location with higher visibility in Melody Tower.
- 1306 Lounge – Omni CRA is helping this neighborhood bar and event space landscape their courtyard with greenery and install a kitchen so they can serve food.
- Little Executives Day Care – Omni CRA is helping the neighborhood day care improve their fencing and paint their walls with an attractive mural.
- Tomorrowland – Omni CRA is helping entrepreneurs turn Tomorrowland, a former gas station, into an attractive neighborhood gathering space with picnic tables and umbrellas.
- Creative Lofts – The Omni is helping pressure wash, paint, landscape, and install impact-resistant windows.
- Taula Mediterranean – Restaurant build out.



### Quality of Life Improvements

#### Omni Police

The Omni CRA has created a \$500k grant to the City of Miami Police Department to pay for a special detail of Omni CRA police. These officers conduct targeted operations, patrol within the Omni CRA boundaries and are on call to address any issues arising as soon as they are noticed.



#### Purple Shirts

The Omni CRA has allocated \$50,000 to train and pay the salary of six workers and a foreman from the Chapman Partnership Homeless Assistance Center, to assist in enhancing the quality of life in the Omni CRA by picking up litter, pressure washing graffiti and sidewalks, landscaping, and keeping up the public and green spaces in the Omni. This enhanced services team is modeled after—and trained by the same managers as—the Downtown Development Authority's Downtown Enhancement Team program.

#### Residential Rehab Program

The Omni CRA has allocated \$1 Million for residential rehab projects in the neighborhood. Improvements have included pressure cleaning, exterior painting, impact windows, new roofs, landscaping, lighting, fence repair, and more.





## Community Outreach

### Website & Social Media

The Omni CRA has a newly designed website with more up to date information and a modern look and feel. You can visit it at [www.OmniCRA.com](http://www.OmniCRA.com). The CRA has also revived its social media outreach, posting relevant information for residents and businesses (and our fans!) on [twitter.com/OmniCRA305](https://twitter.com/OmniCRA305), [facebook.com/OmniCRA](https://facebook.com/OmniCRA), and—coming soon—Instagram.

### Omni CARES Survey

An extensive hand-to-hand survey of the residents in the Overtown section of the Omni CRA has measured a variety of data, which—along with Community Connection events—will be used to target the creation of programs in the neighborhood.

### TechHires

TechHire is a multi-sector national initiative launched one year ago by President Barack Obama to create a pipeline of Americans with technology skills. The Omni CRA has partnered with CareerSource South Florida, Neighbors and Neighbors Association, and Florida Vocational Institute to form a specialized collaborative partnership to provide training opportunities for the residents of Overtown. This creates pathways to economic opportunity and upward mobility through job placement in technology.



## New Developments in Omni

The Omni CRA's ongoing investment in infrastructure, streetscapes, quality of life, and major catalytic projects in the area has opened the neighborhood for development. Many projects are currently proposed/approved/completed within the CRA boundaries. Some developments in construction or recently completed that will take advantage of the 14th Street Infrastructure & Streetscape Improvement Project, North Bayshore Drive Roadway Reconstruction, and the Margaret Pace Park Improvement Project are:

*Canvas* [pictured] – 517 residential units.

*Aria on the Bay* – 648 residential condominium units.

*Melody Tower* – 497 residential units.

*Square Station* – 710 residential units.

*Auberge Miami* – 380 residential and hotel units.



## **MIAMI OMNI CRA** **2016 ANNUAL REPORT**

### Basic Financial Statements & Auditor's Report

[See Attached]



**CITY OF MIAMI OMNI COMMUNITY  
REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Basic Financial Statements

September 30, 2016

(With Independent Auditor's Report Thereon)

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

September 30, 2016

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## **Independent Auditor's Report**

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## **Independent Auditor's Report**

The Board of Directors  
City of Miami Omni Community  
Redevelopment Agency:

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of the governmental activities and each major fund of the City of Miami Omni Community Redevelopment Agency (the Agency), a component unit of the City of Miami, Florida (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of September 30, 2016, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 20 through 22 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 December 5, 2016 on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

*Danson Kline Jacomine Landee S Hamarra, LLP*

Miami, Florida  
December 5, 2016



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## **Management's Discussion and Analysis**

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**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2016

This section of the City of Miami Omni Community Redevelopment Agency (the Agency) financial statement presents management's analysis of the financial performance during the fiscal year that ended September 30, 2016. This discussion addresses whether or not the Agency as a whole is better off or worse off as a result of this year's activities.

**Overview**

The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the Agency, pursuant to the redevelopment plans of the Agency for new residential and commercial activity in the Omni area.

The Agency's primary source of revenue is tax-increment funds. This revenue is computed by applying the operating tax rate for the City and the County, multiplied by the increased value of property located within the boundaries of the redevelopment areas of the Agency, 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.

On June 24, 1996, the City and County entered into an Interlocal Cooperation Agreement with the Agency, whereby the Agency will receive over a three year period, commencing on the date of the Agreement, a total of \$1.2 million of tax increment revenue contributed by the City and County. If within the three-year period the Agency receives more than \$1.2 million in tax increment revenue, the excess shall be remitted to the County for the Performing Arts Center Project. Thereafter, the Agency shall remit to the County tax increment funds received up to, but no more than \$1.43 million per year. The obligation to pay the \$1.43 million each year shall cease at such time that the County has no Performing Arts Center construction bonds outstanding.

On December 31, 2007, the City and County entered into an Interlocal Agreement with the Agency, whereby in addition to the \$1.43 million per year described above for the Performing Arts Center project, the Agency shall remit on March 31, 2010 and every March 31<sup>st</sup> thereafter ending on March 31, 2012 an amount equal to 35% of the amount by which the increment revenue exceeds \$1.43 million, and on March 31, 2013 and every March 31<sup>st</sup> thereafter until March 31, 2027, including any additional time extensions beyond March 31, 2027, an amount equal to the greater of \$1.43 million or 35% of the increment revenue, provided that the amounts remitted by the Agency do not exceed \$25 million in any fiscal year.

On August 6, 2007, the City, County and The Children's Trust (the Trust) entered into an Interlocal Agreement with the Agency, whereby the Agency would receive from the Trust, on an annual basis, tax increment revenues derived from the imposition of a half-mil tax levied by the Trust against real property located within the redevelopment district (referred to as Trust revenues). The agency agreed to use the Trust revenues for debt service on, and other obligations relating to, existing debts of the Agency only after all other available tax increment revenues have been exhausted for such purpose, and to remit to the Trust on the last day of the Agency's fiscal year, all of the Trust revenues that are not needed for debt service on, or other obligations relating to, existing debts of the Agency.

Further, the Agency's policy is set by a board of directors comprised of the five members of the City commission and are separate, distinct and independent from the governing body of the City; and its management plan is executed by a small professional staff led by its executive director.

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2016

**Financial Highlights**

The assets of the Agency exceeded its liabilities at the close of its most recent fiscal year by \$25,856,448. Of this amount, \$18,152,711 was invested in capital assets net of related debt, resulting in an excess of \$7,703,737 (unrestricted net position) available to meet the Agency's obligations to citizens in the Omni area.

At the close of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$7,779,059 an increase of \$1,332,173 in comparison with the prior year.

**Overview to the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Agency's basic 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 reports, as required supplementary information, a budget to actual comparison and notes to the required supplementary information.

**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 (i.e. economic resources and measurement focus).

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

**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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Both of the funds of the Agency are categorized as governmental funds.

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, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.



**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2016

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 this comparison between governmental funds and governmental activities.

The Agency maintains two individual governmental funds during fiscal year 2016. 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 and the Special Revenue Fund.

The basic governmental fund financial statements can be found on pages 10 and 11 of this report.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 12 to 19 of this report.

**Budgetary Highlights**

The Agency adopts an annual budget on an individual fund basis. Budgetary comparison schedules have been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budget on pages 20 and 21, respectively, of this report.

There were no significant variances between the original budget and the final budget for both the General Fund and Special Revenue Fund.

The significant variance between the final budget and actual amount reported for general government expenditures in the General Fund is a direct result of the amounts contributed to the General Fund by the Special Revenue Fund and the City of Miami Midtown Community Redevelopment Agency.

The significant variance between the final budget and actual amount reported for community redevelopment expenditures in the Special Revenue Fund is a result of redevelopment projects that either did not commence yet or were not yet completed as planned.

**Financial Analysis**

**Government-Wide Analysis**

Our analysis of the financial statements of the Agency begins below. The Statement of Net Position and the Statement of Activities report information about the Agency's activities that will help answer questions about the position of the Agency. A comparative analysis is provided below.

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2016

**Table A-1**  
***Summary of Net Position***

	Fiscal Year <u>2016</u>	Fiscal Year <u>2015</u>
Current assets	\$ 7,898,683	\$ 9,274,624
Capital assets, net	<u>18,152,711</u>	<u>18,204,901</u>
Total assets	<u>26,051,394</u>	<u>27,479,525</u>
 Total liabilities	 <u>119,624</u>	 <u>2,936,629</u>
 Net position:		
Net investment in capital assets	18,152,711	18,204,901
Unrestricted	<u>7,703,737</u>	<u>6,337,995</u>
Total net position	<u>\$ 25,856,448</u>	<u>\$ 24,542,896</u>

- Total assets decreased from the prior year as a result of the overall increase in community redevelopment activities.
- Total liabilities decreased from the prior year as a result of the general decrease in accounts payable related to ongoing projects.
- Total net position increased from the prior year as a result of the overall net increase in operations.

**Table A-2**  
***Summary of Changes in Net Position***

	Fiscal Year <u>2016</u>	Fiscal Year <u>2015</u>
Revenues:		
Intergovernmental:		
Operating	\$ 1,382,075	\$ 1,348,563
General revenues:		
Tax increment revenue	14,251,949	11,723,389
Interest revenue	60,142	35,340
Net unrealized gain/loss in fair value of investments	2,545	15,639
Gain on sale of capital assets	1,253,649	-
Other	<u>245,239</u>	<u>155,485</u>
Total revenues	<u>17,195,599</u>	<u>13,278,416</u>
 Expenses:		
General government	620,657	677,487
Community redevelopment	<u>15,261,390</u>	<u>10,706,504</u>
Total expenses	<u>15,882,047</u>	<u>11,383,991</u>
 Change in net position	 1,313,552	 1,894,425
Net position, beginning of year	<u>24,542,896</u>	<u>22,648,471</u>
Net position, end of year	<u>\$ 25,856,448</u>	<u>\$ 24,542,896</u>

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2016

- Tax increment revenue increased in the current year as a result of the increase in the payout by the City and the County.
- Gain sale of capital assets increased the current year as a result of a sale of land that occurred during the year.
- Community redevelopment expenditures increased in the current year as a result of the increase in project activity from the prior year.

**Individual Fund Analysis**

The fund balance for the General Fund decreased from \$344,967 at September 30, 2015 to \$0 at September 30, 2016. Fund balance for the Special Revenue Fund increased from \$6,101,919 at September 30, 2015 to \$7,779,059 at September 30, 2016.

Since the Agency only has governmental funds/activities, the changes in fund balance also explain the increases in net position. The following are key factors in the changes in fund balances for 2016:

- The decrease in fund balance in the General Fund was due to closing out of the fund, and transferring all remaining assets, liabilities and fund balances to the Special Revenue Fund.
- The increase in fund balance in the Special Revenue Fund was mainly due to the sale of land during the current fiscal year and the transfer of the residual balances from the General Fund.

**Capital Assets**

As of September 30, 2016, the Agency's investment in capital assets, net of accumulated depreciation, amounted to \$18,152,711, decreasing from \$18,204,901 as of September 30, 2015.

**Summary of Capital Assets**  
(Net of Accumulated Depreciation)

	Fiscal Year <u>2016</u>	Fiscal Year <u>2015</u>
Land	\$ 957,589	\$ 957,589
Infrastructure	17,191,050	17,240,079
Furniture and equipment	<u>4,072</u>	<u>7,233</u>
Total capital assets	\$ <u>18,152,711</u>	\$ <u>18,204,901</u>

Additional capital asset information can be found on page 17 of this report.

**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 the Executive Director, 1401 North Miami Avenue, Miami, Florida 33136.



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## **Basic Financial Statements**

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**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Statement of Net Position

September 30, 2016

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in pooled cash	\$ 7,886,431
Interest receivable	12,252
Capital assets (net of accumulated depreciation)	
Land	957,589
Infrastructure	17,191,050
Furniture and equipment	<u>4,072</u>
Total assets	<u>26,051,394</u>
<b>Liabilities</b>	
Accounts payable	119,624
Non-current liabilities:	
Due in more than one year:	
Compensated absences	<u>75,322</u>
Total liabilities	<u>194,946</u>
<b>Net Position</b>	
Net investment in capital assets	18,152,711
Unrestricted	<u>7,703,737</u>
Total net position	<u>\$ 25,856,448</u>

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

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**

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

Statement of Activities

Year ended September 30, 2016

	<u>Governmental Activities</u>
Expenses:	
General government	\$ 620,657
Community redevelopment	<u>15,261,390</u>
Total expenses	<u>15,882,047</u>
Program revenues:	
Intergovernmental revenue:	
Operating	<u>1,382,075</u>
Net expense	<u>(14,499,972)</u>
General revenues:	
Tax increment revenue	14,251,949
Interest revenue	60,142
Net unrealized loss on fair value of investments	2,545
Gain on sale of capital assets	1,253,649
Other income	<u>245,239</u>
Total general revenues	<u>15,813,524</u>
Change in net position	1,313,552
Net position - beginning of the year	<u>24,542,896</u>
Net position - end of the year	<u>\$ 25,856,448</u>

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



**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Balance Sheet  
Governmental Funds  
September 30, 2016

	<b>General</b>	<b>Special revenue</b>	<b>Total governmental funds</b>
<b>Assets</b>			
Equity in pooled cash	\$ -	7,886,431	7,886,431
Interest receivable	-	12,252	12,252
Total assets	<u>\$ -</u>	<u>7,898,683</u>	<u>7,898,683</u>
<b>Liabilities and Fund Balances</b>			
Accounts payable	\$ -	119,624	119,624
Total liabilities	<u>-</u>	<u>119,624</u>	<u>119,624</u>
Fund balances:			
Committed	-	7,293,281	7,293,281
Unassigned	-	485,778	485,778
Total fund balances	<u>-</u>	<u>7,779,059</u>	<u>7,779,059</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>7,898,683</u>	

Amounts reported for governmental activities in the statement of net position consist of:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	18,152,711
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(75,322)</u>
Net position of governmental activities	<u>\$ 25,856,448</u>

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

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year ended September 30, 2016

	<b>General</b>	<b>Special revenue</b>	<b>Total governmental funds</b>
Revenues:			
Tax increment revenue	\$ -	14,251,949	14,251,949
Interest revenue	-	60,142	60,142
Intergovernmental	740,582	641,493	1,382,075
Net unrealized gain in fair value of investments	-	2,545	2,545
Other income	64,827	180,412	245,239
Total revenues	<u>805,409</u>	<u>15,136,541</u>	<u>15,941,950</u>
Expenditures:			
Current:			
General government	654,226	-	654,226
Community redevelopment	<u>-</u>	<u>15,209,200</u>	<u>15,209,200</u>
Total expenditures	<u>654,226</u>	<u>15,209,200</u>	<u>15,863,426</u>
Excess of revenues over expenditures	151,183	(72,659)	78,524
Other financing sources (uses):			
Proceeds from sale of capital assets	-	1,253,649	1,253,649
Transfer in (out)	<u>(496,150)</u>	<u>496,150</u>	<u>-</u>
Total other financing sources (uses)	<u>(496,150)</u>	<u>1,749,799</u>	<u>1,253,649</u>
Net change in fund balance	(344,967)	1,677,140	1,332,173
Fund Balance - beginning of the year	<u>344,967</u>	<u>6,101,919</u>	<u>6,446,886</u>
Fund Balance - end of the year	<u><u>\$ -</u></u>	<u><u>7,779,059</u></u>	<u><u>7,779,059</u></u>
Net change in fund balance - total governmental funds			1,332,173
Amounts reported for governmental activities in the statement of activities are different because:			
Items reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds:			
Decrease in compensated absences			33,569
The cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense			<u>(52,190)</u>
Change in net position of governmental activities			<u><u>\$ 1,313,552</u></u>

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

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2016

**1. Summary of Significant Accounting Policies**

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

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

**A. Reporting Entity**

The Agency was established in 1986 by the City of Miami, Florida (the City) under the provisions of Section 163, Florida Statutes. The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the agency pursuant to the redevelopment plans of the Agency for new residential and commercial activity of the Omni area. The board of directors of the Agency are comprised of the five members of the City commission and are separate, distinct and independent from the governing body of the City.

The City entered into an Interlocal Cooperation Agreement on June 24, 1996 with Miami-Dade County, Florida (the County) whereby tax increment revenue collected by the parties would be paid to the Agency and used in accordance with the approved budgets of the redevelopment plans and terms and conditions of the Interlocal Agreement for the benefit of the Agency. In addition, on March 13, 2000, the Agency entered into an Interlocal Agreement with the City. As stated on the agreement, the City has agreed to provide financial support to the Agency for the planning, development, program management, technical assistance, coordination, monitoring and other services needed for the projects. In addition, the City has agreed to provide personnel and other resources including the use of the City attorney, which shall serve as counsel and the City Clerk, which will serve as the official custodian of records. For financial reporting purposes, the Agency is a component unit of the City and is thus included in the City's comprehensive annual financial report as a blended component unit.

**B. Reporting Model**

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. *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 Agency does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2016

**1. Summary of Significant Accounting Policies (continued)**

**B. Reporting Model (continued)**

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. 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 proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specified purposes. Specifically, this fund reports tax increment revenue collected from the City, County and The Children's Trust.

At September 30, 2016, the General Fund has been closed out, and all of the assets, liabilities and remaining fund balances have been transferred into the Special Revenue Fund.

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

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.

Governmental fund financial statements are reported using the *current financial resource measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *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 60 days of the end of the current fiscal period. 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.

Taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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.

**D. Equity in Pooled Cash**

The Agency's cash is pooled together with the City's cash. All such cash is reflected as equity in pooled cash on the Agency's governmental fund balance sheet and statement of net assets.

**E. Capital Assets**

Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation, unless donated by a related entity (e.g. the City). Capital assets donated by a related entity are recorded at the net book value of the related entity at the time of donation.

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2016

**1. Summary of Significant Accounting Policies (continued)**

**E. Capital Assets (continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5
Infrastructure	5-35

**F. Fund Balance / Net Position**

Fund balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications 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, as follows:

- Nonspendable fund balance - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either 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.
- 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.
- Assigned fund balance - amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned fund balance - amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purpose within the general fund.

When both restricted and unrestricted amounts are available for use, it is the Agency's practice to use restricted resources first. Additionally, the Agency would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance.

Net position

The government-wide financial statements utilize a net position presentation. Net position can be categorized as net investment in capital assets, restricted, or unrestricted. The first category consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.



**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2016

**1. Summary of Significant Accounting Policies (continued)**

**F. Fund Balance / Net Position (continued)**

Net position (continued)

Restricted net position results when constraints placed on the use of the net position are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the remaining net position that does not meet the previously listed criteria.

**G. Tax Increment Revenues**

The Agency's primary source of revenue is tax increment funds. This revenue is computed by applying the operating tax rate for the City and the County, multiplied by the increased value of property located within the boundaries of the redevelopment areas of the Agency, 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.

On June 24, 1996, the City and County entered into an Interlocal Cooperation Agreement with the Agency, whereby the Agency will receive over a three year period, commencing on the date of the Agreement, a total of \$1.2 million of tax increment revenue contributed by the City and County. If within the three-year period the Agency receives more than \$1.2 million in tax increment revenue, the excess shall be remitted to the County for the Performing Arts Center Project. Thereafter, the Agency shall remit to the County tax increment funds received up to, but no more than \$1.43 million per year. The obligation to pay the \$1.43 million each year shall cease at such time that the County has no Performing Arts Center construction bonds outstanding.

On December 31, 2007, the City and County entered into an Interlocal Agreement with the Agency (the "Global Agreement"), whereby in addition to the \$1.43 million per year described above for the Performing Arts Center project, the Agency shall remit on March 31, 2010 and every March 31<sup>st</sup> thereafter ending on March 31, 2012 an amount equal to 35% of the amount by which the increment revenue exceeds \$1.43 million, and on March 31, 2013 and every March 31<sup>st</sup> thereafter until March 31, 2027, including any additional time extensions beyond March 31, 2027, an amount equal to the greater of \$1.43 million or 35% of the increment revenue, provided that the amounts remitted by the Agency do not exceed \$25 million in any fiscal year. For the fiscal year ended September 30, 2016, the Agency remitted a total of \$5,232,140 to the County.

On August 6, 2007, the City, County and The Children's Trust (the Trust) entered into an Interlocal Agreement with the Agency, whereby the Agency would receive from the Trust, on an annual basis, tax increment revenues derived from the imposition of a half-mil tax levied by the Trust against real property located within the redevelopment district (referred to as Trust revenues). The Agency agreed to use the Trust revenues for debt service on, and other obligations relating to, existing debts of the Agency only after all other available tax increment revenues have been exhausted for such purpose, and to remit to the Trust on the last day of the Agency's fiscal year, all of the Trust revenues that are not needed for debt service on, or other obligations relating to, existing debts of the Agency. For the fiscal year September 30, 2016, the Agency remitted a total \$641,493 to the Trust.

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2016

**1. Summary of Significant Accounting Policies (continued)**

**H. 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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

**2. Cash Deposits**

The Agency's cash as of September 30, 2016, consisted of equity in pooled cash in the amount of \$7,886,431. The Agency's fund participates in the City's pool on a dollar equivalent and daily transaction basis. Interest income and unrealized gains and losses in fair value of investments are distributed monthly based on a monthly average balance.

Custodial Credit Risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. In addition to insurance provided by the Federal Deposit Insurance Corporation (FDIC), deposits are held in banking institutions approved by the State of Florida, State Treasurer 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. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

**3. Capital Assets**

Capital asset activity for the fiscal year ended September 30, 2016 was as follows:

	Balance September 30, 2015	Transfers / Additions	Transfers / Deletions	Balance September 30, 2016
Capital assets, not being depreciated:				
Land	\$ 957,589	-	-	957,589
Capital assets, being depreciated:				
Infrastructure	17,650,217	-	-	17,650,217
Furniture and equipment	15,636	-	-	15,636
Total capital assets, being depreciated	17,665,853	-	-	17,665,853
Less accumulated depreciation for:				
Infrastructure	410,139	49,028	-	459,167
Furniture and equipment	8,402	3,162	-	11,564
Total accumulated depreciation	418,541	52,190	-	470,731
Total capital assets, being depreciated, net	17,147,312	(52,190)	-	17,195,122
Total capital assets (net of accumulated depreciation)	\$ 18,204,901	(52,190)	-	18,152,711

During fiscal year 2016, depreciation expense in the amount of \$52,190 was charged to Community Redevelopment.

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2016

**4. Long-Term Obligations**

The changes in the long-term obligations for the year ended September 30, 2016 are summarized as follows:

	Balance September 30, 2015	Additions	Deletions	Balance September 30, 2016	Amount due within one year
Compensated absences	\$ <u>108,891</u>	<u>-</u>	<u>33,569</u>	<u>75,322</u>	<u>-</u>

**5. Fund Balances**

At September 30, 2016, the Agency reported the following governmental fund balances:

- Committed fund balance - these amounts can only be used for specific purposes pursuant to constraints imposed by the Board of the Agency. The items cannot be removed unless the Board removes it in the same manner it was implemented.
- Assigned fund balance - these amounts are approved and constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by the Agency's Executive Director based on the direction of the Board of the Agency.
- Unassigned fund balance - these amounts have not been assigned to other funds and have not been restricted, committed, or assigned to specific purpose within the general fund.

Below is a table of fund balance categories and classifications at September 30, 2016:

	General	Special Revenue
Committed	\$ -	7,293,281
Unassigned	-	485,778
Total	\$ <u>-</u>	<u>7,779,059</u>

**6. Interfund Transfers**

At September 30, 2016, a transfer of \$496,150 was made from the general fund to the special revenue fund to close out the use of the general fund going forward.

**7. 401(a) Deferred Compensation Plan**

All employees, including executives and general employees, of the Agency are eligible, after one year of service, to join the ICMA Retirement Trust 401(a) Deferred Compensation Plan (the Plan). The Plan agreement requires the Agency to contribute 8% of each executive employee's earnable compensation, and 5% of each general employee's earnable compensation. Contributions by executive and general employees are not required. Participants may withdraw funds at retirement or upon separation based on a variety of payout options. The following information relates to the Agency's participation in the 401(a) Deferred Compensation Plan:

Current year's payroll for executive employees	\$ 136,159
Current year's payroll for general employees	219,865
Current year's employer contributions for:	
Executive employees (8% rate)	8,714
General employees (5% rate)	10,322

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2016

**8. Risk Management**

The Agency is exposed to various risks of losses related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency purchases commercial insurance for the risks of loss to which it is exposed. Policy limits and deductibles are reviewed by management and established at amounts to provide reasonable protection from significant financial loss. There were no losses or claims incurred during the current fiscal year, and there were no settlements that exceeded insurance coverage during the past three fiscal years.

**9. Commitment and Contingencies**

In accordance with an Economic Incentive Agreement entered into between the Agency and MNR Max Miami, LLC (the "Developer"), upon completion of the development of the MAX Miami mixed-use project (the "Project"), the Agency agreed to reimburse the Developer for the actual tax increment generated by the Project, with a maximum payout of \$750,000 per year throughout the term of the agreement (set to expire at the sunset of the Agency). The Developer expects to substantially complete construction of the Project by January 1, 2017.

In accordance with the Global Agreement entered into between the Agency, the County, and the City, the Agency is committed to provide an annual contribution of \$2 million to Museum Park's capital expenditure fund, payable commencing on the date of substantial completion of the park component of the project through 2030. As of September 30, 2016, the park was substantially complete. As such the first contribution will take place in fiscal year 2017.

Also as part of the Global Agreement, the Agency agreed to fund the City's portion of the Port Tunnel project upon substantial completion. On October 25, 2012, the Agency's Board authorized the issuance of an annual grant to the City, in an amount equal to the total principal (up to \$50 million) and interest on the debt issued by the City to fund its portion of the Port Tunnel project, and further authorized the Executive Director to execute a Port Tunnel Interlocal and Grant Agreement with the City. Payments on the grant started in fiscal year 2013 and will continue through fiscal year 2030, and are pledged by tax increment funds. During the fiscal year ended September 30, 2016, payments made on the grant to the City totaled \$4,265,900.

**10. New Pronouncements Issued**

The following pronouncements have recently been issued by the GASB, but do not or will not have a material impact on the financial statements of the Trust upon implementation:

- GASB Statement No. 72, *Fair Value Measurement and Application*, which is effective for the fiscal year ending September 30, 2016.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, which is effective for the fiscal year ending September 30, 2017.
- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is effective for the fiscal year ending September 30, 2017.
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for the fiscal year ending September 30, 2018.
- GASB Statement No. 77, *Tax Abatement Disclosures*, which is effective for the fiscal year ending September 30, 2017.
- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which is effective for the fiscal year ending September 30, 2017.

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2016

**10. New Pronouncements Issued (continued)**

- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which is effective for the fiscal year ending September 30, 2017.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, which is effective for the fiscal year ending September 30, 2017.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, which is effective for the fiscal year ending September 30, 2018.
- GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, which certain requirements are effective for the fiscal year ending September 30, 2017, and certain other requirements effective for fiscal year ending September 30, 2018.

**11. Subsequent events**

The Agency evaluated subsequent events through December 5, 2016, the date the financial statements were available to be issued.



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## **Required Supplementary Information**

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**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**

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

Budgetary Comparison Schedule - General Fund

(Required Supplementary Information - Unaudited)

For the year ended September 30, 2016

	<b>Budgeted amounts</b>			<b>Variance - positive (negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Intergovernmental	\$ 740,583	415,033	740,582	325,549
Other income	20,000	20,000	64,827	44,827
Total revenues	<u>760,583</u>	<u>435,033</u>	<u>805,409</u>	<u>370,376</u>
Expenditures:				
Current:				
General government	<u>760,583</u>	<u>775,838</u>	<u>654,226</u>	<u>121,612</u>
Total expenditures	<u>760,583</u>	<u>775,838</u>	<u>654,226</u>	<u>121,612</u>
Excess of revenues over expenditures	<u>-</u>	<u>(340,805)</u>	<u>151,183</u>	<u>491,988</u>
Other financing sources (uses):				
Transfer out	-	-	(496,150)	(496,150)
Net carryover fund balance	<u>-</u>	<u>340,805</u>	<u>-</u>	<u>(340,805)</u>
Total other financing sources (uses)	<u>-</u>	<u>340,805</u>	<u>(496,150)</u>	<u>(836,955)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(344,967)</u>	<u>(344,967)</u>
Fund balance - beginning of the year			<u>344,967</u>	
Fund balance - end of the year			<u>\$ -</u>	

The note to the required supplementary information is an integral part of this schedule.

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**

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

**Budgetary Comparison Schedule - Special Revenue Fund**

(Required Supplementary Information - Unaudited)

For the year ended September 30, 2016

	<b>Budgeted amounts</b>			<b>Variance - positive (negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Tax increment revenue	\$ 15,491,844	\$ 14,948,972	14,251,949	(697,023)
Interest revenue	-	-	60,142	60,142
Intergovernmental revenue	-	-	641,493	641,493
Net unrealized gain in fair value of investments	-	-	2,545	2,545
Other income	-	1,320,316	180,412	(1,139,904)
Total revenues	<u>15,491,844</u>	<u>16,269,288</u>	<u>15,136,541</u>	<u>(1,132,747)</u>
Expenditures:				
Current:				
Community redevelopment	<u>27,440,636</u>	<u>18,141,454</u>	<u>15,209,200</u>	<u>2,932,254</u>
Total expenditures	<u>27,440,636</u>	<u>18,141,454</u>	<u>15,209,200</u>	<u>2,932,254</u>
Deficiency of revenues under expenditures	(11,948,792)	(1,872,166)	(72,659)	1,799,507
Other financing sources:				
Proceeds from sale of capital assets	-	-	1,253,649	1,253,649
Transfer in	-	-	496,150	496,150
Net carryover fund balance	<u>11,948,792</u>	<u>1,872,166</u>	-	(1,872,166)
Total other financing sources	<u>11,948,792</u>	<u>1,872,166</u>	<u>1,749,799</u>	<u>(122,367)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>1,677,140</u>	<u>1,677,140</u>
Fund balance - beginning of the year			<u>6,101,919</u>	
Fund balance - end of the year			<u>\$ 7,779,059</u>	

The note to the required supplementary information is an integral part of this schedule.

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Note to Required Supplementary Information

September 30, 2016

**1. Budgetary Policy**

The Agency adopts an annual budget for the operations of the General Fund and Special Revenue Fund. In accordance with generally accepted accounting principles, budgetary comparison information is disclosed for the General Fund and the Special Revenue Fund.

The budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Budgetary control is maintained at the fund level.

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## **Other Reports**

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**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters Based  
on an Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards***

The Board of Directors  
City of Miami Omni Community  
Redevelopment Agency:

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 the major fund of the City of Miami Omni Community Redevelopment Agency (the Agency) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 5, 2016.

**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 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 may exist that have not been identified. We did identify certain deficiencies in internal control, described in the schedule of findings and recommendations as item 2016-1 that we consider to be a significant deficiencies.



**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*.

**Agency's Response to Findings**

The Agency's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. The Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

A handwritten signature in blue ink that reads "Sanson Kline Jacomina Landee S. Hamarra, LLP". The signature is written in a cursive, flowing style.

Miami, Florida  
December 5, 2016

**CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Miami, Florida)

Schedule of Findings and Recommendations

September 30, 2016

**2016-1 – Internal Control over Financial Reporting**

**Criteria** – An effective internal control system and accurate financial reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information and compliance with laws and regulations.

**Condition** – During our testing of internal controls, we noted the following:

- Payroll journal entry forms were not signed by the Executive Director, which shows evidence of review.
- An employee personnel file that we requested to review could not be located.
- One employee personnel file did not contain a W-4 Form or Form I-9.
- Capital assets are not tracked and monitored throughout the year, but instead is addressed after year-end when the annual audit takes place.
- We noted two employees that took PTO time prior to the end of the 1 year waiting period for full-time employees, as stated in the Agency's policies.

**Cause** – The conditions noted above were mainly a result of the turnover of the Executive Director position and the termination of the Finance Officer.

**Effect** – Ineffective internal controls and inaccurate financial reporting could result in loss of assets and material misstatements of the Agency's financial balances. In addition, such conditions caused a delay in completing the audit of the Agency.

**Recommendation** – We recommend that the Agency implement appropriate procedures and internal controls to ensure that the conditions above do not persist.

**View of Responsible Officials and Planned Corrective Actions** – Going forward, the Agency will follow the recommendation above to ensure that internal controls are in place and working effectively, and that the conditions noted above do not persist in future.



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**Management Letter in Accordance with the  
Rules of the Auditor General of the State of Florida**

The Board of Directors  
City of Miami Omni Community  
Redevelopment Agency:

**Report on the Financial Statements**

We have audited the financial statements of the City of Miami Omni Community Redevelopment Agency (the Agency), a Component Unit of the City of Miami, Florida, as of and for the fiscal year ended September 30, 2016, and have issued our report dated December 5, 2016.

**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 Florida Auditor General.

**Other Report**

We have issued our Independent Auditors' Reports 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 that reports, which is dated December 5, 2016, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective action has been taken to address the finding and recommendation that was reported in the preceding annual 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. Such disclosures are made in note 1 to the Agency's financial statements.

**Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2016. 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.

#### **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Agency for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. The Agency does not file a separate report with the Florida Department of Financial Services. The financial operations of the Agency are included in the basic financial statements of the City of Miami, Florida for the fiscal year ended September 30, 2016.

#### **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Refer to our Independent Auditors' Reports 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* for recommendations made in connection with our audit.

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

#### **Purpose of this Letter**

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

*Dansen Kline Jacomino Landee & Gamarra, LLP*

Miami, Florida  
December 5, 2016