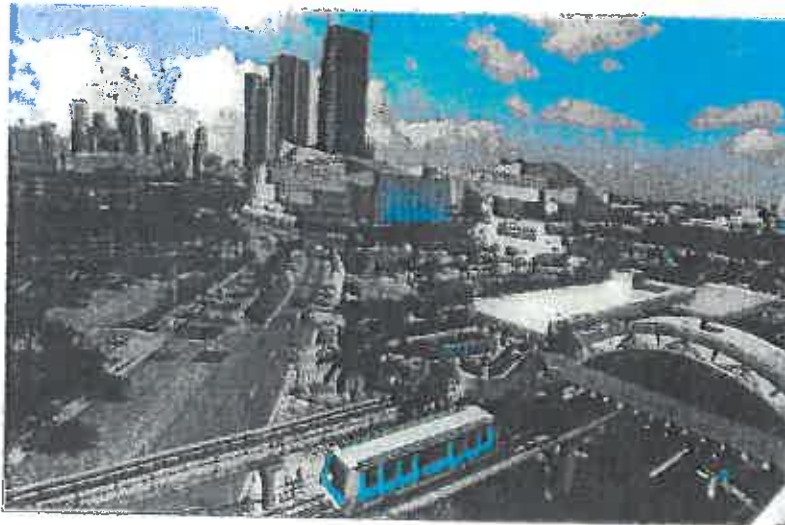


**CITY OF MIAMI
OMNI / MIDTOWN**



CRA 2015 ANNUAL REPORT



BUILDING

**A
Better
Community**

OMNI/Midtown CRA

Located in the newly restored Historic Firehouse #2

1401 North Miami Ave. 2nd floor,

Miami, FL 33136

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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 Omni (created in 1986), Midtown (created in 2003) and Southeast Overtown/Park West (created in 1982). The intended result when designating CRAs is the creation of vibrant communities with the removal of Slum and Blight conditions.

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Our Mission & Vision



Mission

The Omni CRA's mandate is governed by Florida Statutes, Chapter 163, Part III. The Omni/Midtown 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 slums and blight from the targeted areas. We are totally committed to the preservation and enhancement of property values simulating 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/Midtown CRA's longstanding vision is to improve the quality of life for residents and stakeholders of the Omni/Midtown community redevelopment areas. The Omni/Midtown CRA's vision is to generate successful projects, from both the private and public sector as mixed-use construction developments and infrastructure improvements. Ultimately, the Omni/Midtown CRA envisions a neighborhood that is filled with a small urban parks, residential complex, greenways, sidewalk merchants and pedestrian-friendly streets that promote walking with within the neighborhood. This vision can be realized through the elimination of unsanitary, economic, and physical conditions that contribute to slum and blight, and the creation of jobs.

Omni/Midtown CRA's TIF Revenues

Omni

2015/16 vs 2014/2015

City of Miami-Tax Increment Funds	\$9,285,641	\$7,300,751
Miami Dade County-Tax Increment Funds	\$5,663,331	\$4,886,593
Total	\$14,948,972	\$12,187,344

Midtown

2015/16 vs 2014/15

City of Miami-Tax Increment Funds	\$2,920,758	\$2,710,919
Miami Dade County-Tax Increment Funds	\$1,781,502	\$1,683,332
Total	\$4,702,260	\$4,394,251

Total TIF Revenue **\$19,651,232** **\$16,581,595**

Projects Updates and Accomplishments

The Omni Redevelopment Plan serves as a guide for redevelopment and reinvestment in the Omni Redevelopment Area and provides for the following CRA objectives:

- Encouraging private reinvestment within the community redevelopment areas;
- Encouraging private redevelopment of the redevelopment areas;
- Recommending financial support for the development of mixed-income residential housing;
- Supporting legislative changes that will prevent slum and blight conditions and encourage sound development projects through smart growth principles;
- Encouraging property owners to maintain their properties in accordance with local codes and regulations;
- Identifying properties suitable for historic designation and preservation;
- Upgrading substandard public infrastructure (i.e. 14th Street);
- Establishing programs that provide resources and financial assistance to new and existing businesses that create new job opportunities for residents.
- Streetscape improvements – 14th Street roadway and sidewalks
- Miami Entertainments Complex (MEC) / VIACOM STUDIOS construction completed.

Project Updates

SFRTA

Funding Amount, Reimbursement of Project Costs. The CRA agrees to provide SFRTA with funds in an amount not to exceed Three Million Seven Hundred Fifty Thousand and No Dollars (\$3,750,000.00) for eligible costs, as outlined herein, incurred for the design, construction, and financing of the Improvements (the “Funds”). The CRA shall disburse the Funds to SFRTA in the manner set forth in Section 5. The CRA shall incur no liability for any costs in excess of the Funds unless there has been a duly authorized increase approved by the Board of Commissioners of the CRA. In the event the actual costs of the Improvements are less than the Estimated Cost, all remaining funds shall remain with the CRA and the CRA shall have no further responsibility regarding any other reimbursement of project costs.

Historic Preservation

The Miami Woman's Club Baywalk (Grant-CRA)

The Omni CRA is providing grant funds in the approxinant amount of \$250K, which are matching grants by Florida Inland Navigation District (FIND) to help design and construct a Baywalk in the area behind the historic Miami Women's Club to allow the public access to the waterways.

Construction Stage: Ongoing

Trinity Cathedral 40-Year Recertification Grant

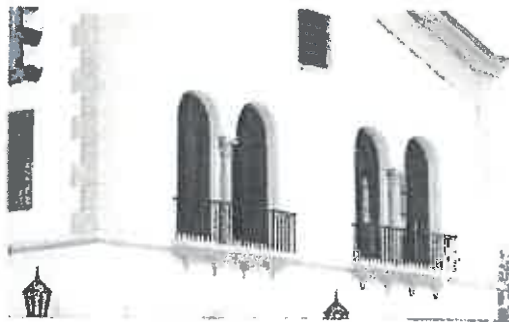
The CRA allocated \$1 million in grant funds towards the rehabilitation of the historic Trinity Cathedral. The restoration is specific to the 40-year recertification required by Miami-Dade County and included complete structural rehabilitation, roofing, life safety and electrical upgrades.

Construction Stage: Completed



National Historic Firehouse #2 Redevelopment

The redevelopment and restoration of the National Historic Firehouse #2 located at 1401 N Miami Avenue, is part of the redevelopment of the Omni CRA area in the Media and Entertainment Overlay District. The Omni CRA has providing funds in the amount of \$3.0 million to this national Historic structure which is developed into a mixed-use facility as part of the redevelopment vision. The ground floor will be occupied by a restaurant and the second floor is currently providing for the new location of the Omni/Midtown CRA offices, centrally located within the Omni CRA District. Construction Stage: Completed



National Historic Firehouse #2 Ribbon Cutting Ceremony -2013



Infrastructure

North Bayshore Drive Roadway Reconstruction Project

As part of the major private investments that had been undertaken along North Bayshore Drive in front of Margaret Pace Park with the numerous new condominium towers, the Omni CRA provided \$4.0 million in funds to provide infrastructure upgrades throughout the Omni District for the reconstruction of North Bayshore Drive. This reconstruction provided new sidewalks, landscaping, decorative streetlights, and streetscape beautification and pedestrian enhancements. The updated infrastructure improvements provide better connectivity from the condo towers to Margaret Pace Park and Biscayne Bay.

The upgrades also will provide the infrastructure necessary for future development opportunities helping stimulate additional private investment. This project includes the milling and resurfacing of all roads within the project area.

Construction Stage: Completed

NE 14th Street Infrastructure & Streetscape Improvement Project

As part of the redevelopment of the Media and Entertainment District, the CRA has committed \$6 million to the reconstruction of NE 14th Street from NE 2nd Avenue to NW 1st Avenue providing streetscape enhancements that connect the Performing Arts Center with the Media and Entertainment District. These improvements include new wider sidewalks, decorative pavement, new curb and gutter and a 12" water main upgrade to help promote and attract future development along the corridor.

Construction Stage: Completed

Economic Development

Adrienne Arsht Performing Arts Center Debt Service (PAC)

The Omni CRA reimburses Miami-Dade County for the debt payment service to the Performing Arts Center (PAC). As of fiscal year 2014-2015 the Omni CRA has contributed year-to-date \$ 45,904,221 to Miami Dade County.



Fiscal Year	Annual Amount	Year-to-Date
2009-2010	\$5,631,384	\$28,565,712
2010-2011	\$4,145,869	\$32,711,581
2011-2012	\$1,902,610	\$34,614,461
2012-2013	\$3,360,169	\$37,974,630
2013-2014	\$3,817,230	\$41,791,860
2014-2015	\$4,112,361	\$45,904,221

The Omni CRA Grant Agreements ask that all entities receiving a grant prominently display that they are sponsored by the CRA. All projects and programs display signage where they are conducting business describing their scope of work and the grant amount received by the CRA. The CRA also receives mention in any and all publications and promotional materials created by the grantee.



The Omni CRA Redevelopment Plan:

- Connectivity
- Sustainable Regional Destination
- Variety of Housing
- Improvements to the Public Realm
- Strategies for Public/Private Partnerships (PPP)

CRA's Specific Goals for the :

- Removal of Slum and Blight
- Creation of Jobs

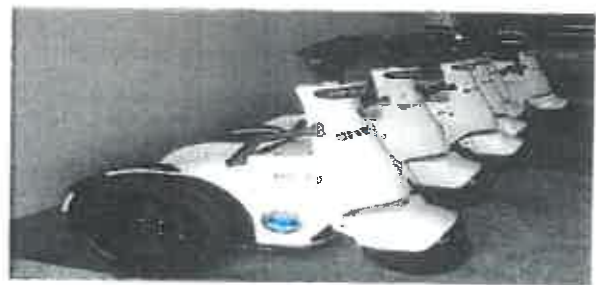
The Omni CRA has obtained the services of a local public relations firm to provide professional marketing services; including headline developments, design/production of projects and events that occur in the CRA'S districts.
Project Stage: On-Going.

Created by; Gonzalez, Humberto & Mustafa, Patricia

Community Police Enhancements

OMNI CRA Police Enhancement Team

This year, the OMNI CRA funded \$710,000 to establish the OMNI CRA Police Enhancement Team program; an additional six MPD officers patrolling and focusing in the OMNI CRA'S district. These officers enhance all the current normal patrols. They were supplied and fitted with cars, weapons and all necessary police paraphernalia. The OMNI enhancement program has in the first six months of operations performed above expectations. The program consists of enhanced police services, including patrols, special operations, traffic control details, clubs task force, criminal sweeps, prostitution details, and undercover narcotics details. Operations have reduced non-violent crimes and violent crimes by significant numbers. All officers are enlisted Miami Police Department employees.



Parks and Cultural Facilities

Margaret Pace Park (MPP) Shade Canopy Replacement & Exercise Equipment Installation

The Omni CRA provided increased funding in the amount of \$470,000 for the addition and improvements to MPP children's play area, installed new fencing and improved the adult vita-course exercise equipment area and enlarged the playground area with a new fence. The existing shade structure had deteriorated and was in need of replacement. A planned creation of a "Dog Run" area was designed & completed with an approximate cost of \$ 400,000.00.



MPP Park space before Improvements

The exercise equipment provides an adult vita-style course adjacent to the children's play area for the community to enjoy. This outdoor gym provides health and fitness and additional amenities to the Margaret Pace Park; has become incredibly popular with residents. This is consistent with the Omni CRA's mission of improving the public realm and making our area a more attractive place to live, work, and invest.

Project Stage: Completed



Shaded Canopy Children's Play Area



New Outdoor Exercise/Vita Course Gym Area

“Scoop the Poop”!!!!

The OMNI CRA has provided funding to provide for over 55,000 Dog “Scoop the Poop” Mitts, 10 Dog Mitts Stations and 15,000 special 3X5 informational cards for residents and MPP users on the City’s Dog Ordinance Laws. The OMNI CRA has worked very closely with local Community Associations and the Miami Police Department to provide Public information on MD County and City of Miami Ordinances.



Museum Park Project

Museum Park Project - Consists of Museum Components, which will house the Perez Art Miami Museum (PAMM) and the Frost Museum of Science (FMOS) on approximately 8 acres in Bicentennial Park (a/k/a Museum Park) and a Park Component, to be developed by the City of Miami on the rest of the site, consisting of approximately 21 acres. The Omni CRA has allocated and spent approximately \$14M in Phase I.

Environmental Remediation & Miscellaneous Building Demolition - The Omni CRA earmarked \$2 million in funding for the environmental remediation of soils located at the site of the new museum facilities as well as managed the demolition of two abandoned building structures within the Museum Park plan area. These projects, located within the Omni CRA boundary are the beginning efforts in providing the ground work for the new Museum Park Project.

Museum Park Baywalk (CRA-CIP) and Infrastructure - As part of the efforts to create Museum Park, the CRA in conjunction with the City of Miami has allocated \$46,500 in matching funds from Florida Inland Navigation District (FIND) for the development of the Baywalk. The Baywalk encompasses 4,000 feet of decorative walkways which includes landscaping, lighting, benches and trash receptacles along the eastern boundary of the park fronting Biscayne Bay. Construction Stage: On-Going

Special Funding Grant - The OMNI CRA has provided to the Perez Art Miami Museum (PAMM) a grant in the amount of \$ 1Million Dollars to enhance the PAMM's Community Programs for local Residents, Students and Visitors. The GRANT will help and assist to support the PAMM's educational and outreach programs.

Such as:

- PAMM in the Neighborhood
- PAMM after school studios
- Brick times Brick
- PAMM Teens
- Art 2 Go
- Performance, Film and Video Programs

Miami Entertainment Complex (MEC – EUE – VIACOM)

The Miami Entertainment Complex is a CRA owned facility within the Omni CRA boundaries just west of the Arsht Performing Arts Center. The MEC will serve major movies, television series and independent filmmakers offering sound stages and production spaces for media, film, TV, music, sound, animation and entertainment industries a suitable working environment within the Media and Entertainment District of Miami. The CRA purchased this facility from The School Board of Miami-Dade County for the purchase price of \$3.1million for the purpose of developing the Miami Entertainment Complex (MEC) .The complex will provide a year round facility for multiple filming venues and it is the intent of the CRA to outsource the day to day Operations of the facility to EUE Screen Gems. The location of this complex is the CRA’s acquired property previously known as the Miami Skills Center located at 50 NW 14 Street, just 5 blocks west of the Performing Arts Center. In addition, the CRA administration has reached out to local higher learning institutions for discussions about including an educational component. The CRA allocated \$200,000 for the design phase of this project.

Construction Stage: Completed



The Miami Entertainment Complex (MEC) located at 50 NW 14th St.

Presently Viacom Int'l Studios

Created by; Gonzalez, Humberto & Mustafa, Patricia

Quality of Life Initiatives

Miami Access Tunnel (MAT)

The Omni CRA has a commitment for funding the debt service of the \$50 million plus interest to approx. \$70 million as the City of Miami's contribution to the Miami Access Tunnel (MAT) project.

The MAT project is destined to provide increase accessibility to freight ingress and egress to the Port of Miami. The tunnel will allow 18 wheeler Tractor Trailers to have direct access to the port. This will minimize the amount of infrastructure damage that these trucks cause and will relieve traffic congestion in the area making it much safer for visitors and residents to get around. Construction Stage: Completed



Land Acquisitions

The OMNI CRA has purchased additional land for \$140,000 from FDOT for a portion of FDOT's Parcel #117 adjoining the south part of the MEC's facility southernmost wall to enhance operations of the MEC Movie Studios.

Annually On-going Programs

CRA Owned Streetlight Maintenance for the SUPERBLOCK



**Landscape Maintenance of CRA Owned Properties
Maintain and enhance the MEC's Movie Studios and Operations**

Other Accomplishments

The OMNI CRA Administration has committed to create a destination location for the local residents and visitors to enjoy fine foods, wine and entertainment. With this thought in mind, the National Historic Firehouse #2 (FH2) building offered a unique and exciting venue for such a place. A respected Hospitality Company is in the construction stages to fulfill the need for a Restaurant attraction. The experienced local Hospitality Group, will use the first floor of the FH2 which has approximately 5,400 square feet. The anticipation and completion of a totally new Restaurant venue within the FH2 building is expected to be completed by year's end. This further enhances our vision to heighten the area's visual attractiveness to businesses and residents by creating opportunities for new development through improvements to the public realm.

NRI Development - MAX MIAMI LLC / CANVAS

Canvas was approved in 2007 as a mixed use tower housing studio space, hotel and offices. NRI Investments bought the property in 2013 from Bankruptcy auction for \$3.7 million. It is designed as a 37-story 536 –unit residential apartment complex. This project is currently pre-selling its apartments and has begun preliminary ground construction in late 2015 with an anticipated completion is in the third quarter of 2017. The OMNI CRA negotiated an Annual Tax Incentives Agreement and the Developers will provide for up to \$2 million dollars in Community & Streetscape benefits within the OMNI CRA boundaries.

Filling Station Lofts

Filling Station Lofts were purchased in 2012 for \$ 9.2 million and revitalized by NR. The units offer loft spaces ranging from 878 to 2,000 square feet. The spaces have diamond-plate stairs, imported New York subway tile, large interior windows and upstairs mezzanines, as well as exposed concrete, limestone and corrugated steel materials. Owned by NRI, Filling Station Lofts is an 81-unit, all-loft residential rental building located at 1657 North Miami Avenue in the heart of Miami’s Arts and Entertainment District in the OMNI CRA. This project is completed and offers market rate apartments in the OMNI area.



Stakeholders & Agencies

In further assisting and supporting the local Stakeholders and other State and Local Government affiliated Community Agencies; the OMNI CRA's Administration has opened its doors and Conference Room to allow the use by these Agencies and Community Groups to enjoy the FH2 facilities.

Many local Community meetings have been held by our City Agencies, such as the Miami Police Department with their NRO officers having instructional and informative presentations on the enhancement of City of Miami Police programs.

The OMNI CRA continues to meet with all interested parties from all over the World; Individuals, Business People and Developers are constantly seeking the advice from the OMNI CRA's Administration. We provide information on our areas planned growth, Quality of Life, Schools and Media & Entertainment concerns.

Omni CRA Wayfinding & Signage

The OMNI CRA is participating in a joint sponsorship "Wayfinding and Signage" program with the DDA, MPA and FDOT to facilitate area designated marquee buildings and sites with directional instructions. The overall cost is approximately \$ 1.5 million dollars, the OMNI CRA's proportional contribution is approximately \$180,000 dollars.

What's new?

On March 5, 2014, the Omni CRA Board of Commissioners approved and adopted the Resolution to assign the winning bidder with the MOU and Lease Agreement to design, build, manage, and operate the Miami Entertainment Complex located at 50 NW 14th Street, Miami, Florida.



MIAMI - March 5, 2014 - The Miami Omni Community Redevelopment Agency's Board of Commissioners voted unanimously to approve a contract with EUE/Screen Gems Studios, for the development and operation of the Miami Entertainment Complex (MEC), a movie studio and related facilities. In November 2013, the Miami Omni CRA announced that EUE/Screen Gems Studios had been selected as the top ranked bidder to design, build, operate and manage this major film and television studio.

EUE Screen Gems is a well-known Operator of several Film Studios in the United States, having a professional reputation in the Film Production Industry has provided EUE the opportunity to seek other world renowned film companies to bring to Miami.

Their success in attracting Viacom International Studios to completely bring their Company's International operations to the MEC was an incredible undertaking with difficult negotiations. The venture to have Viacom for at least the next three years in the MEC facility is an immeasurable impact to the community in Jobs and Quality of Life benefits to the OMNI CRA.

"In addition to being a revenue generator for the OMNI CRA and the City of Miami, this facility will be a focal point for providing invaluable experience for our community's up and coming talent in the entertainment industry, as EUE/Screen Gems Studios has committed to partnering with local educational institutions to create a student intern program," added Bockweg. EUE/Screen Gems Studios owns and operates film and television production facilities in New York City, Atlanta, and Wilmington, N.C. The Wilmington studio is the largest production studio in the United States outside of California, with 10 sound stages that encompass more than 150, 000 sq. feet. Since 1985, more than 350 film, television and commercial projects have been shot at the Wilmington studio. Most recently it was the location for the filming of, "Iron Man 3," and "The Conjuring." The Atlanta Studios complex offers 10 stages with 138,000 square feet of production and flex space. It has hosted more than 20 scripted television shows and feature films since opening in 2010.

"The Cooney Family and EUE/Screen Gems Studios have a 50-year history of developing smart collaborations in evolving business climates," said Chris Cooney, COO and the co-owner of the EUE/Screen Gems Studios. "We are excited and are looking forward to starting construction on the studio."

With 60-foot ceiling heights, the MEC will provide production crews with approximately 70,000 SF of studio space including two fully operational film sound stages of 15,000 SF, and 20,000 SF of office, editing suites, and accessory rooms to accommodate a wide variety of productions.

"Miami offers a seasoned film community and experienced crew. The locations here are like no other in the country, and the Hollywood community is very aware of the assets Florida offers. We are grateful to the CRA Board of Directors for their vote of confidence," said Cooney. The South Florida based design/build team includes: the architectural team from AECOM's Coral Gables office, along with the

surveying team of J. Banfill & Associates, the Miami engineering firm of Kaderabek Company (KACO) and Fort Lauderdale based Facchina Construction of Florida.

As part of the overall redevelopment of the Media and Entertainment District, the Miami Omni CRA has completed the \$6 million dollars reconstruction of NE 14th Street from NE 2nd Avenue to NW 2nd Avenue, providing streetscape enhancements that connect the Performing Arts Center with the Media and Entertainment District. These improvements include new wider sidewalks, decorative pavement, new curb and gutter and a 12" water main upgrade to help promote and attract future development along the corridor.

About EUE/Screen Gems

EUE/Screen Gems supplies production space, production services, studios, technological infrastructure and support for television, film and commercial producers worldwide.

Headquartered in New York City and owned by the Cooney family, the company also produces original content across traditional and digital platforms. EUE/Screen Gems Studios offers television and film production complexes with lighting and grip services in Wilmington, NC and Atlanta.

www.euescreengems.com or www.euescreengemsstudios.com

Midtown Community Redevelopment

Midtown CRA is a single purpose district created to contribute financially to the cost of the infrastructure improvements undertaken at the Midtown Miami project. The Tax Increment generated is used to repay the debt service incurred by the Midtown Community Development District ("Midtown COD"). To date, the Midtown CRA has generated \$ 19,651,232.00 in tax increment revenue. Of this amount, ninety-nine percent (99%) of the total tax increment revenue has been transferred to the Midtown COD for debt service. The remaining one percent (1%) is retained by the Midtown CRA for administration.

The Midtown Redevelopment Plan ("Midtown Plan") serves as a guide to measure the success of the redevelopment activities envisioned for the Midtown Redevelopment Area. The primary objective of the Midtown Plan is to ensure compliance with the design standards established by Miami City Code, as SD 27 Midtown Miami Special District and restated as Appendix C: Midtown Overlay District in the City of Miami's new Zoning Code (Miami 21). The Midtown Overlay District objectives are:

1. Promote the efficient use of land resources through compact building forms, infill development, and moderation in street and parking standards in order to reduce automobile traffic and promote multimodal transportation;
2. Promote the creation of a Miami midtown environment through intensive urban mixed-use development with a twenty-four hour activity pattern;
3. Enhance the pedestrian environment and connectivity of the existing surrounding areas by extending the city street grid through the district; and
4. Provide intensive new housing opportunities needed to sustain future commercial growth and commuter transit facilities. To this end, the district promotes streetscapes and mixed-use buildings designed to provide pedestrians with lively, interesting, well-landscaped and highly usable public spaces with a maximum interrelationship with ground floor building uses.



What's new?

New Retail Developments - Restaurants and the increased ownership and rental components in the Residential Towers and a possible Walmart Super Store.

The newly revamped Design District is within walking distance and complements MIDTOWN.

**Omni Special Revenue & Midtown
Budget & Financial Statements (enclosed)**

THIS DOCUMENT IS A SUBSTITUTION TO ORIGINAL. BACKUP ORIGINAL CAN BE SEEN AT THE END OF THIS DOCUMENT.

OMNI SPECIAL REVENUE FUND

2015-2016 Budget

REVENUES:	Estimated 2015/16
CITY OF MIAMI Tax Increment Funds	9,828,513
MIAMI DADE COUNTY - Tax Increment Funds	5,663,331
FY 2015 FUND BALANCE (un-Audited)	12,016,791
TOTAL REVENUE	27,508,635

EXPENDITURE	
PROFESSIONAL SERVICES	222,858
OTHER CONTRACTUAL SERVICES	24,829
INTERFUND TRANSFER (Administration)	697,023
OTHER CURRENT CHARGES AND OBLIGATION	5,422,145
INTERFUND TRANSFER (Debt Service)	6,293,650
INTERFUND TRANSFER (Grant)	1,646,204
CONSTRUCTION IN PROGRESS	7,932,235
OTHER GRANTS AND AIDS	5,201,692
BUDGET RESERVE	68,000
TOTAL EXPENDITURES	27,508,636
REVENUES LESS EXPENDITURES	

MIDTOWN SPECIAL REVENUE FUND

2015-2016 Budget

	Estimated 2015/16
REVENUE	
CITY OF MIAMI - Tax Increment Funds	3,074,378
MIAMI DADE COUNTY - Tax Increment Revenue	1,781,502
TOTAL REVENUE	4,855,880
EXPENDITURE	
PROFESSIONAL SERVICES	5,000
INTERFUND TRANSFER (Administration)	43,559
INTERFUND TRANSFER (Grant)	-
OTHER CURRENT CHARGES AND OBLIGATION	4,807,321
OTHER GRANTS AND AIDS	-
TOTAL EXPENDITURES	<u>4,855,880</u>
REVENUES LESS EXPENDITURES	<u><u>(0)</u></u>

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

Basic Financial Statements

September 30, 2015

(With Independent Auditor's Report Thereon)

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

September 30, 2015

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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, 2015, 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, 2015, 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 18, 2015 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.

Sanson Kline Jasmine Landee S Hamarra, CPA

December 18, 2015

Management's Discussion and Analysis

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

Management's Discussion and Analysis - Unaudited

September 30, 2015

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, 2015. 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 31st 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 31st 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, 2015

Financial Highlights

The assets of the Agency exceeded its liabilities at the close of its most recent fiscal year by \$24,542,896. Of this amount, \$18,204,901 was invested in capital assets net of related debt, resulting in an excess of \$6,337,995 (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 \$6,446,886 a decrease of \$11,395,786 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, 2015

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 2015. 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, 2015

Table A-1
Summary of Net Position

	Fiscal Year <u>2015</u>	Fiscal Year <u>2014</u>
Current assets		
Capital assets, net	\$ 9,274,624	\$ 19,466,427
Total assets	<u>18,204,901</u>	<u>4,893,287</u>
	<u>27,479,525</u>	<u>24,359,714</u>
 Total liabilities	 <u>2,936,629</u>	 <u>1,623,755</u>
 Net position:		
Net investment in capital assets	18,204,901	4,893,287
Unrestricted	<u>6,337,995</u>	<u>17,755,184</u>
Total net position	<u>\$ 24,542,896</u>	<u>\$ 22,648,471</u>

- Total assets increased from the prior year as a result of the overall increase in capital assets, mostly related to the purchase property during the fiscal year.
- Total liabilities increased from the prior year as a result of the general increase 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>2015</u>	Fiscal Year <u>2014</u>
Revenues:		
Intergovernmental:		
Operating	\$ 1,348,563	\$ 983,189
General revenues:		
Tax increment revenue	11,723,389	11,376,858
Interest revenue	35,340	20,909
Net unrealized gain/loss in fair value of investments	15,639	55,629
Other	<u>155,485</u>	<u>22,816</u>
Total revenues	<u>13,278,416</u>	<u>12,459,401</u>
 Expenses:		
General government	677,487	682,384
Community redevelopment	<u>10,706,504</u>	<u>13,158,559</u>
Total expenses	<u>11,383,991</u>	<u>13,840,943</u>
 Change in net position	 1,894,425	 (1,381,542)
Net position, beginning of year	<u>22,648,471</u>	<u>24,030,013</u>
Net position, end of year	<u>\$ 24,542,896</u>	<u>\$ 22,648,471</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, 2015

- Intergovernmental revenue increased in the current year as a result of the increase in the amounts contributed from the special revenue funds of City of Miami Omni and Midtown Community Redevelopment Agencies to the general fund.
- Tax increment revenue increased in the current year as a result of the increase in the payout by the City and the County.
- 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 \$141,526 at September 30, 2014 to \$344,967 at September 30, 2015. Fund balance for the Special Revenue Fund decreased from \$17,701,146 at September 30, 2014 to \$6,101,919 at September 30, 2015.

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 2015:

- The increase in fund balance in the General Fund was due to having less general government expenditures than the amounts actually contributed by the City of Miami Omni and Midtown community redevelopment agencies' special revenue funds.
- The decrease in fund balance in the Special Revenue Fund was mainly due to the project costs exceeding the current year's revenues. However, amounts in fund balance have been accumulated over the years and will continue to be used as projects commence.

Capital Assets

As of September 30, 2015, the Agency's investment in capital assets, net of accumulated depreciation, amounted to \$18,204,901, increasing from \$4,893,287 as of September 30, 2014.

Summary of Capital Assets
(Net of Accumulated Depreciation)

	Fiscal Year <u>2015</u>	Fiscal Year <u>2014</u>
Land	\$ 957,589	\$ 823,039
Infrastructure	17,240,079	4,061,387
Furniture and equipment	<u>7,233</u>	<u>8,861</u>
Total capital assets	\$ <u>18,204,901</u>	\$ <u>4,893,287</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.

Basic Financial Statements

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

Statement of Net Position

September 30, 2015

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash	\$ 9,259,738
Interest receivable	8,312
Due from primary government	6,574
Capital assets (net of accumulated depreciation)	
Land	957,589
Infrastructure	17,240,079
Furniture and equipment	7,233
Total assets	<u>27,479,525</u>
Liabilities	
Accounts payable	2,827,738
Non-current liabilities:	
Due in more than one year:	
Compensated absences	108,891
Total liabilities	<u>2,936,629</u>
Net Position	
Net investment in capital assets	18,204,901
Unrestricted	6,337,995
Total net position	<u>\$ 24,542,896</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, 2015

	<u>Governmental Activities</u>
Expenses:	
General government	\$ 677,487
Community redevelopment	<u>10,706,504</u>
Total expenses	<u>11,383,991</u>
Program revenues:	
Intergovernmental revenue:	
Operating	<u>1,348,563</u>
Net expense	<u>(10,035,428)</u>
General revenues:	
Tax increment revenue	11,723,389
Interest revenue	35,340
Net unrealized loss on fair value of investments	15,639
Other income	<u>155,485</u>
Total general revenues	<u>11,929,853</u>
Change in net position	1,894,425
Net position - beginning of the year	<u>22,648,471</u>
Net position - end of the year	<u>\$ 24,542,896</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, 2015

	<u>General</u>	<u>Special revenue</u>	<u>Total governmental funds</u>
Assets			
Equity in pooled cash	\$ 382,650	8,877,088	9,259,738
Interest receivable	-	8,312	8,312
Due from primary government	<u>6,574</u>	<u>-</u>	<u>6,574</u>
Total assets	<u>\$ 389,224</u>	<u>8,885,400</u>	<u>9,274,624</u>
Liabilities and Fund Balances			
Accounts payable	\$ 44,257	2,783,481	2,827,738
Total liabilities	<u>44,257</u>	<u>2,783,481</u>	<u>2,827,738</u>
Fund balances:			
Committed	-	6,101,919	6,101,919
Unassigned	<u>344,967</u>	<u>-</u>	<u>344,967</u>
Total fund balances	<u>344,967</u>	<u>6,101,919</u>	<u>6,446,886</u>
Total liabilities and fund balances	<u>\$ 389,224</u>	<u>8,885,400</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.	18,204,901
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(108,891)</u>
Net position of governmental activities	<u>\$ 24,542,896</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, 2015

	<u>General</u>	<u>Special revenue</u>	<u>Total governmental funds</u>
Revenues:			
Tax increment revenue	\$ -	11,723,389	11,723,389
Interest revenue	-	35,340	35,340
Intergovernmental	829,040	519,523	1,348,563
Net unrealized gain in fair value of investments	-	15,639	15,639
Other income	30,485	125,000	155,485
Total revenues	<u>859,525</u>	<u>12,418,891</u>	<u>13,278,416</u>
Expenditures:			
Current:			
General government	656,084	-	656,084
Community redevelopment	-	24,018,118	24,018,118
Total expenditures	<u>656,084</u>	<u>24,018,118</u>	<u>24,674,202</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balance	203,441	(11,599,227)	(11,395,786)
Fund Balance - beginning of the year	<u>141,526</u>	<u>17,701,146</u>	<u>17,842,672</u>
Fund Balance - end of the year	<u>\$ 344,967</u>	<u>6,101,919</u>	<u>6,446,886</u>
Net change in fund balance - total governmental funds			(11,395,786)

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:

 Increase in compensated absences (21,403)

The governmental fund reported 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 13,458,752
 Depreciation expense (147,138)

Change in net position of governmental activities \$ 1,894,425

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, 2015

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. 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, 2015

1. Summary of Significant Accounting Policies (continued)

B. Government-wide Financial Statements (continued)

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

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.

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;

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, 2015

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 Equity / Net Assets

Fund equity

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, 2015

1. Summary of Significant Accounting Policies (continued)

F. Fund Equity / Net Assets (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 31st 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 31st 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 mounts remitted by the Agency do not exceed \$25 million in any fiscal year. For the fiscal year ended September 30, 2015, the Agency remitted a total of \$4,112,361 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, 2015, the Agency remitted a total \$519,523 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, 2015

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, 2015, consisted of equity in pooled cash in the amount of \$9,259,738. 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, 2015 was as follows:

	Balance September 30, 2014	Transfers / Additions	Transfers / Deletions	Balance September 30, 2015
Capital assets, not being depreciated:				
Land	\$ 823,039	134,550	-	957,589
Capital assets, being depreciated:				
Infrastructure	4,327,283	13,322,934	-	17,650,217
Furniture and equipment	14,368	1,268	-	15,636
Total capital assets, being depreciated	<u>4,341,651</u>	<u>13,324,202</u>	-	<u>17,665,853</u>
Less accumulated depreciation for:				
Infrastructure	265,896	144,243	-	410,139
Furniture and equipment	5,507	2,895	-	8,402
Total accumulated depreciation	<u>271,403</u>	<u>147,138</u>	-	<u>418,541</u>
Total capital assets, being depreciated, net	<u>4,070,248</u>	<u>13,177,064</u>	-	<u>17,147,312</u>
Total capital assets (net of accumulated depreciation)	<u>\$ 4,893,287</u>	<u>13,311,614</u>	-	<u>18,204,901</u>

During fiscal year 2015, depreciation expense in the amount of \$147,138 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, 2015

4. Long-Term Obligations

The changes in the long-term obligations for the year ended September 30, 2015 are summarized as follows:

	Balance September 30, 2014	Additions	Deletions	Balance September 30, 2015	Amount due within one year
Compensated absences	\$ 87,488	21,403	-	108,891	-

5. Fund Balances

At September 30, 2015, 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.
- 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, 2015:

	General	Special Revenue
Committed	\$ -	6,101,919
Unassigned	344,967	-
Total	\$ 344,967	6,101,919

6. 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	\$ 150,000
Current year's payroll for general employees	175,000
Current year's employer contributions for:	
Executive employees (8% rate)	12,923
General employees (5% rate)	9,190

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

Notes to Basic Financial Statements

September 30, 2015

7. 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.

8. Commitment and Contingencies

The Agency is contractually obligated for approximately \$13.3 million at September 30, 2015, for construction projects.

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, 2015, the park was not substantially complete.

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, 2015, payments made on the grant to the City totaled \$2,148,200.

9. New Pronouncements Issued

The Agency implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, in the current year. The objective of this statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles.

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 Agency upon implementation:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27*, which is effective for the fiscal year ending September 30, 2015.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which is effective for the fiscal year ending September 30, 2015.
- 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.

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

Notes to Basic Financial Statements

September 30, 2015

9. New Pronouncements Issued (continued)

- 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.

10. Subsequent events

The Agency evaluated subsequent events through December 18, 2015, the date the financial statements were available to be issued.

Required Supplementary Information

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, 2015

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 729,413	980,840	829,040	(151,800)
Other income	-	-	30,485	30,485
Total revenues	<u>729,413</u>	<u>980,840</u>	<u>859,525</u>	<u>(121,315)</u>
Expenditures:				
Current:				
General government	729,413	980,840	656,084	324,756
Total expenditures	<u>729,413</u>	<u>980,840</u>	<u>656,084</u>	<u>324,756</u>
Excess of revenues over expenditures	-	-	203,441	203,441
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>203,441</u>	<u>203,441</u>
Fund balance - beginning of the year			141,526	
Fund balance - end of the year			<u>\$ 344,967</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, 2015

	Budgeted amounts		Actual	Variance - positive (negative)
	Original	Final		
Revenues:				
Tax increment revenue	\$ 12,431,032	\$ 12,187,344	11,723,389	(463,955)
Interest revenue	-	-	35,340	35,340
Intergovernmental revenue	-	-	519,523	519,523
Net unrealized gain in fair value of investments	-	-	15,639	15,639
Other income	-	-	125,000	125,000
Total revenues	12,431,032	12,187,344	12,418,891	231,547
Expenditures:				
Current:				
Community redevelopment	31,300,403	29,888,490	24,018,118	5,870,372
Total expenditures	31,300,403	29,888,490	24,018,118	5,870,372
Deficiency of revenues under expenditures	(18,869,371)	(17,701,146)	(11,599,227)	6,101,919
Other financing sources:				
Net carryover fund balance	18,869,371	17,701,146	-	17,701,146
Total other financing sources	18,869,371	17,701,146	-	17,701,146
Net change in fund balance	\$ -	-	(11,599,227)	(11,599,227)
Fund balance - beginning of the year			17,701,146	
Fund balance - end of the year			\$ 6,101,919	

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, 2015

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.

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, 2015, 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 18, 2015.

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.

Compliance and Other Matters

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

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

Purpose of this Report

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

Danson Kline Jasmino Landee & Hamarra, LLP

December 18, 2015



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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, 2015, and have issued our report dated December 18, 2015.

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 18, 2015, 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, 2015. 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, 2015, 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, 2015. 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, 2015.

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. In connection with our audit, we did not have any such recommendations.

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.

Sanson Kline Jacomino Landee & Hamarra, LLP

December 18, 2015

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

Basic Financial Statements

September 30, 2015

(With Independent Auditor's Report Thereon)

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

September 30, 2015

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Independent Auditor's Report



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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and the major fund of the City of Miami Midtown 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, 2015, 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 the major fund of the Agency as of September 30, 2015, 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 5 and 12 through 13 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 18, 2015 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 Joannina Landee S Hamarra, RPA

December 18, 2015

Management's Discussion and Analysis

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

Management's Discussion and Analysis - Unaudited

September 30, 2015

This section of the City of Miami Midtown Community Redevelopment Agency (the Agency) financial statement presents management's analysis of the financial performance during the fiscal year that ended September 30, 2015. 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 Agency was established in 2005 by the City of Miami, Florida (the City) under the provisions of Section 163.330, 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 Midtown 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 30, 2005, the Agency entered into an Interlocal Cooperation Agreement, as amended, with the City, Miami-Dade County (the County), and the Midtown Community Development District (the "District"), whereby tax increment revenues collected by the City and County would be paid to Midtown and used in accordance with the approved budget and redevelopment plan and terms and conditions of the Interlocal Agreement. In accordance with the redevelopment plan, the Agency has pledged the tax increments revenues received from the City and County to the ~~repayment of the debt service of bonds issued by the~~ District, which bonds were issued on July 28, 2004. Any shortfalls in the debt service are to be paid by the District, not 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.

Financial Highlights

At the close of the current fiscal year, the Agency has a fund balance/net position balance of \$(678), which is a decrease of \$689 from the prior year.

The Agency did not incur any debt during the current fiscal 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.

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

Management's Discussion and Analysis - Unaudited

September 30, 2015

Overview to the Financial Statements (continued)

The Agency is considered a special purpose government engaged in a single governmental activity, thus the related government-wide and fund financial statements are included as a combined presentation in the Governmental Fund Balance Sheet/Statement of Net Position and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities. Accordingly, there are no reconciling items between these two statements, which may be found on pages 6 and 7 of this report.

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 net 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. The Agency only has one governmental fund; the special revenue fund.

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.

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 8 to 11 of this report.

Budgetary Highlights

A budgetary comparison schedule has been provided for the special revenue fund to demonstrate compliance with this budget. The budgetary comparison schedule can be found on page 12 of this report.

The significant change between the original budget and final budget was to decrease the amount budgeted for the tax increment revenues and the corresponding remittance of the tax increment revenues to the Midtown Community Development District.

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

Management's Discussion and Analysis - Unaudited

September 30, 2015

Financial Analysis

Government-Wide/Individual Fund 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.

Summary of Net Position

	<u>9/30/15</u>	<u>9/30/14</u>
Total assets	\$ (178)	\$ 11
Total liabilities	500	-
Total net position	(678)	11

Summary of Changes in Net Position

	<u>9/30/15</u>	<u>9/30/14</u>
Expenditures:		
General government	\$ 44,340	\$ 29,158
Community redevelopment	4,321,546	3,336,659
Revenues:		
Tax increment	<u>4,365,197</u>	<u>3,365,828</u>
Change in net position	(689)	11
Net position, beg. of year	<u>11</u>	<u>-</u>
Net position, end of year	\$ <u>(678)</u>	\$ <u>11</u>

- Community redevelopment expenditures increased in the current year as a result of the increase in the amount of the remittance of tax increment revenues paid to the Midtown Community Development District in accordance with the applicable interlocal agreement.
- Tax increment revenues increased from the prior year due to the increase in the annual pay out from the City and the County.

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.

Basic Financial Statements

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

Governmental Fund Balance Sheet/Statement of Net Position

September 30, 2015

	<u>Special revenue fund</u>	<u>Adjustments</u>	<u>Statement of net position</u>
Assets			
Equity in pooled cash	\$ (178)	-	(178)
Liabilities			
Accounts payable	500	-	500
Unassigned fund balance/unrestricted net position	\$ (678)	-	(678)

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

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

**Statement of Governmental Fund Revenues, Expenditures,
and Changes in Fund Balance/Statement of Activities**

Year ended September 30, 2015

	<u>Special revenue fund</u>	<u>Adjustments</u>	<u>Statement of activities</u>
Expenditures/expenses:			
General government	\$ 44,340	-	44,340
Community redevelopment	4,321,546	-	4,321,546
Total expenditures/expenses	<u>4,365,886</u>	<u>-</u>	<u>4,365,886</u>
General revenues:			
Tax increment revenue	4,365,197	-	4,365,197
Total general revenues	<u>4,365,197</u>	<u>-</u>	<u>4,365,197</u>
Excess of revenues over expenditures/change in net position	(689)	-	(689)
Fund balance/net position - beginning of the year	11	-	11
Fund balance/net position - end of the year	<u>\$ (678)</u>	<u>-</u>	<u>(678)</u>

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

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

Notes to Basic Financial Statements

September 30, 2015

1. Summary of Significant Accounting Policies

This summary of the City of Miami Midtown 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 2005 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 Midtown 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.

On June 30, 2005, the Agency entered into an Interlocal Cooperation Agreement, as amended, with the City, Miami-Dade County (the County), and the Midtown Community Development District (the "District"), whereby tax increment revenues collected by the City and County would be paid to Midtown and used in accordance with the approved budget and redevelopment plan and terms and conditions of the Interlocal Agreement. In accordance with the redevelopment plan, the Agency has pledged the tax increments revenues received from the City and County to the repayment of the debt service of bonds issued by the District, which bonds were issued on July 28, 2004. Any shortfalls in the debt service are to be paid by the District, not the Agency. 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. 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 of the financial activities of the Agency. *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* and has only one governmental activity. The accounts of the Agency are reported as a special revenue fund. The special revenue fund is the Agency's only fund and thus the Agency's only major fund.

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*, if any, 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 MIDTOWN COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2015

1. Summary of Significant Accounting Policies (continued)

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 resources measurement focus* and the *modified accrual basis of accounting*. 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 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.

Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all tax increment revenues, net of distribution remittances to the District.

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 / statement of net position.

E. Fund Equity / Net Position

Fund equity

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.

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

Notes to Basic Financial Statements

September 30, 2015

1. Summary of Significant Accounting Policies (continued)

E. Fund Equity / Net Position (continued)

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. 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.

F. Tax Incremental 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. As noted in note 1(A) above, in accordance with the redevelopment plan of the Agency, the Agency has pledged the tax increments revenues received from the City and County to the repayment of the debt service of bonds issued by the District, which bonds were issued on July 28, 2004. Any shortfalls in the debt service are to be paid by the District, not the Agency. For the fiscal year ended September 30, 2015, the Agency remitted a total of \$3,336,659 to the District.

G. 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 and Cash Equivalents

As of September 30, 2015 the Agency has \$(178) in equity in pooled cash. The Agency's fund participates in the City's pool on a dollar equivalent and daily transaction basis. Interest income (which includes unrealized gains and losses) is 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.

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

Notes to Basic Financial Statements

September 30, 2015

3. 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.

4. New Pronouncements Issued

The Agency implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, in the current year. The objective of this statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles.

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 Agency upon implementation:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27*, which is effective for the fiscal year ending September 30, 2015.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which is effective for the fiscal year ending September 30, 2015.
- 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.

5. Subsequent events

The Agency evaluated subsequent events through December 18, 2015, the date the financial statements were available to be issued.

Required Supplementary Information

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

Budgetary Comparison Schedule
(Required Supplementary Information - Unaudited)

For the year ended September 30, 2015

	Budgeted amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Tax increment revenue	\$ 4,403,977	4,394,251	4,365,197	(29,054)
Total revenues	<u>4,403,977</u>	<u>4,394,251</u>	<u>4,365,197</u>	<u>(29,054)</u>
Expenditures:				
Current:				
General government	44,040	34,314	44,340	(10,026)
Community redevelopment	4,359,937	4,359,937	4,321,546	38,391
Total expenditures	<u>4,403,977</u>	<u>4,394,251</u>	<u>4,365,886</u>	<u>28,365</u>
Excess of revenues over expenditures	-	-	(689)	(689)
Other financing uses:				
Net (budget reserve) carryover fund balance	-	-	-	-
Total other financing uses	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(689)</u>	<u>(689)</u>
Fund balance - beginning of the year			11	
Fund balance - end of the year			<u>\$ (678)</u>	

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

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

Notes to Required Supplementary Information

September 30, 2015

1. Budgetary Policy

As set forth in the Interlocal Cooperation Agreement between the Agency and the City, the Agency adopts an annual budget for the Special Revenue Fund. The budget is adopted on a basis consistent with U.S. generally accepted accounting principles. Budgetary control is maintained at the fund level.

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 Midtown 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 Midtown Community Redevelopment Agency (the Agency) as of and for the year ended September 30, 2015, 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 18, 2015.

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.

Compliance and Other Matters

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

Purpose of this Report

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

Danson Aline Jacmine Landa & Hamarra, LLP

December 18, 2015



Sanson, Kline, Jacomino, Tandoc & Gamarra, LLP
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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 Midtown Community
Redevelopment Agency:

Report on the Financial Statements

We have audited the financial statements of the City of Miami Midtown Community Redevelopment Agency (the Agency), a Component Unit of the City of Miami, Florida, as of and for the fiscal year ended September 30, 2015, and have issued our report dated December 18, 2015.

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 18, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made 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, 2015. 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, 2015, 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, 2015. 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, 2015.

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. In connection with our audit, we did not have any such recommendations.

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.

Sansen Kline Jacomina Landes & Hamarra, LLP

December 18, 2015