



2010 ANNUAL REPORT

Southeast Overtown/Park West Community Redevelopment Area



Omni Community Redevelopment Area



Midtown Community Redevelopment Area



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I. Introduction:

Section 163.356(3)(c), Florida Statutes, mandates that each community redevelopment agency file with its governing body an annual report of its activities for the preceding fiscal year. This report satisfies the filing requirements for the Southeast Overtown/Park West, Omni Redevelopment District, and Midtown Community Redevelopment Agencies.

II. CRA's Purpose and Mission:

The Southeast Overtown/Park West ("SEOPW CRA"), Omni Redevelopment District ("Omni CRA") and Midtown ("Midtown CRA") Community Redevelopment Agencies (collectively referred to as the "Miami CRA" or "CRA") were created to preserve and enhance the tax base of Miami's deteriorating urban neighborhoods targeted for redevelopment. The CRA continue to fulfill its redevelopment goal by undertaking initiatives and sponsoring projects that remove longstanding slum and blight conditions, improve the public infrastructure system, support new and existing businesses, provide job training and new job opportunities, and improve the quality and quantity of safe, sanitary housing units for residents and stakeholders of Miami's Community Redevelopment Areas.

III. CRA's Boards of Commissioners:

Each CRA Board of Commissioners is comprised of the five Commissioners of the Miami City Commission. Each CRA constitutes a separate, distinct and independent legal entity.

Southeast Overtown/Park West CRA Board of Commissioners:

Chairperson	Commissioner Richard P. Dunn, III
Vice-Chairperson	Commissioner Francis Suarez
Board Member	Commissioner Frank Carollo
Board Member	Commissioner Wifredo "Willy" Gort
Board Member	Commissioner Marc D. Sarnoff

Omni CRA Board of Commissioners:

Chairperson	Commissioner Marc D. Sarnoff
Vice-Chairperson	Commissioner Francis Suarez
Board Member	Commissioner Frank Carollo
Board Member	Commissioner Richard P. Dunn, III
Board Member	Commissioner Wifredo "Willy" Gort

Midtown CRA Board of Commissioners:

Chairperson	Commissioner Francis Suarez
Vice-Chairperson	Commissioner Wifredo "Willy" Gort
Board Member	Commissioner Frank Carollo
Board Member	Commissioner Richard P. Dunn, III
Board Member	Commissioner Marc D. Sarnoff



IV. CRA Redevelopment Initiatives

Community Outreach

In an effort to communicate effectively the status of the Redevelopment Area activities to residents and stakeholders, the CRA hired a full-time staff member to serve as the Director of Media Relations and Communications. Significant changes were adopted to provide for a timely dissemination of information to the public. The CRA's website was revamped and the website address shortened to www.miamicra.com making access and navigation easier for web users. The CRA established an electronic newsletter that is distributed monthly by email to over a thousand subscribers registered through its online subscription service accessible through the CRA's website. The newsletter provides updates on CRA initiatives, solicitations, sponsored projects, community issues, featured businesses, and events taking place within the community. In addition to the monthly newsletter, the agendas and minutes of each CRA Board of Commissioner's Meetings as well as important announcements are also regularly distributed throughout the community. Hardcopies of the newsletter and related publications have also been distributed to frequently visited sites in the community including the Downtown and Overtown Neighborhood Enhancement Team (NET) offices, the public library, community centers, and certain business locations. The newsletter has proven to be a cost efficient and effective method of communicating directly to stakeholders. The CRA also maintains a strong presence on the internet utilizing social networking sites such as Facebook, Twitter and YouTube, all of which are accessible through the CRA's new website.



As it relates to the performance of sponsored projects, the CRA established a Grant Performance Monitoring Form and initiated a quarterly system of monitoring grant recipients to ensure compliance with the CRA goals and objectives and to track the direct and indirect benefits of all funded projects. In addition, the CRA mandates that adequate signage be placed at each project site documenting the CRA's sponsorship. This in turn provides the public with a visual representation of the establishments within the respective Redevelopment Areas that have received CRA tax increment funding.



The CRA Board of Commissioners meets monthly at various locations in the community to discuss Redevelopment Area activities and progress. Residents, stakeholders and the general public are welcomed to attend meetings and to actively participate in the revitalization of Miami's Community Redevelopment Areas.



SOUTHEAST OVERTOWN/PARK WEST COMMUNITY REDEVELOPMENT AREA



A. Southeast Overtown/Park West Community Redevelopment Area Projects

The Southeast Overtown/Park West Community Redevelopment Plan (“SEOPW Plan”) serves as a guide for redevelopment and reinvestment in the Southeast Overtown/Park West Community Redevelopment Area (“SEOPW Redevelopment Area”) and provides for the following CRA objectives:

1. Preserving historic buildings and community heritage;
2. Expanding the tax base through the use of Smart Growth planning principles;
3. Creating infill housing, diversity in housing types, and retaining affordable housing;
4. Creating jobs within the community;
5. Promotion and marketing of the community; and
6. Improving the quality of life for residents of the Redevelopment Area.

1. Affordable Housing

The SEOPW CRA, through its budgetary process, prioritized affordable housing¹ with the goal of restoring and expanding the quantity of safe, sanitary low income and workforce housing, both rental and for sale within the Redevelopment Area. A funding priority was set to immediately renovate existing low income apartment rental units. All SEOPW CRA grant agreements for apartment renovations include a rent regulatory clause to ensure property owners comply with the CRA’s affordability requirements. Funding under this affordable housing initiative allows property owners to reduce operating costs and implement more efficient building maintenance practices, while reducing the financial impact on residents who are primarily low-to-moderate-income tenants. To date, the SEOPW CRA has granted over \$15.6 million towards affordable housing projects.

St. John Apartments: \$520,000² awarded to St. John’s Community Development Corporation, Inc. for re-roofing, roof repairs and interior renovations to the 33-unit apartment complex at 220-250 NW 13th Street and 1300 NW 2nd Avenue. Property damage sustained during the 2005 Hurricane Season and the owner’s deferred maintenance rendered the apartments largely inhabitable, with occupancy of less than 20%. The interior rehabilitation included a complete remodeling of the units with new flooring, kitchen cabinetry and appliances, bathrooms, fixtures, doors and re-painting of all of the units. St John Apartments was constructed with federal block grant funds which places income and rent level restriction on the apartment units. Construction work is fifty percent (50%) complete; the complex is scheduled to reopen in 2011.



¹ SEOPW Resolution No. CRA-R-06-0045.

² SEOPW Resolution Nos. CRA-R-08-0048 and CRA-R-08-0063.



1232 N.W. 1st Place: The CRA issued a grant of \$620,000³ to JINT Holdings, LLC, for the interior renovation of a 33 unit apartment complex at 1232 Northwest 1st Place. The interior rehabilitation includes a complete remodeling of all units with new flooring, kitchens cabinetry and energy efficient appliances, bathrooms, fixtures, doors and a fresh coat of paint. The CRA executed a rent regulatory agreement with the property owner requiring the rents to remain affordable for a minimum seven (7) year period. The construction work is ninety percent (90%) complete; final inspections is underway and a certificate of occupancy is expected by the 2nd quarter of 2011.



2. Infrastructure

Overtown Area Streetscape Improvements: In conjunction with the NW 3rd Avenue Streetscape Improvement Project, the CRA allocated \$1.8 million⁴ to install new sidewalks and pavement along the streets running parallel to NW 3rd Avenue ("D.A. Dorsey Way Business Corridor"). The project area included the streets between NW 3rd and NW 1st Avenues and NW 10th and NW 14th Streets.

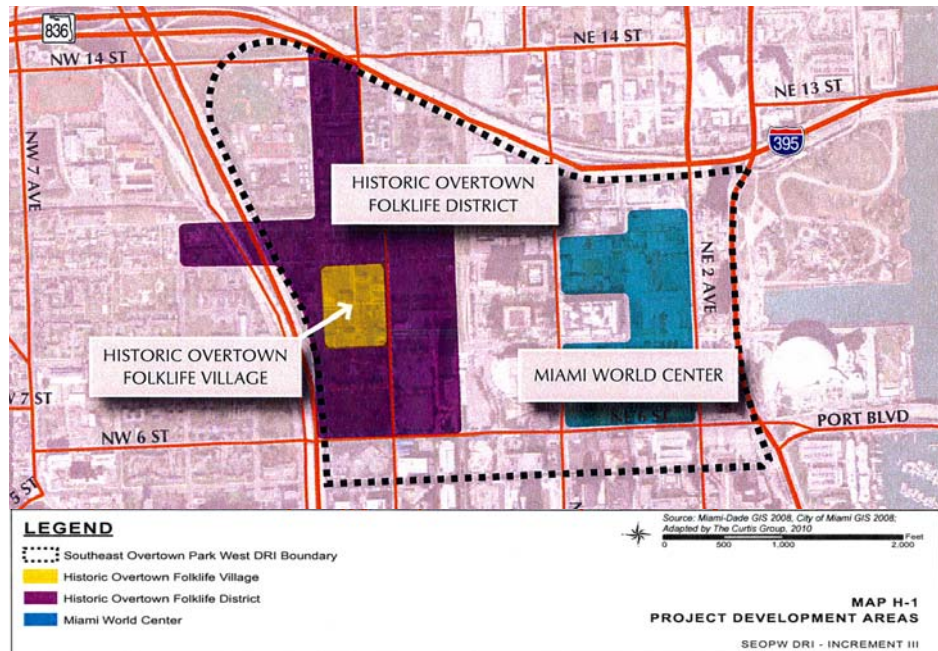


³ SEOPW Resolution No. CRA-R-09-0009.

⁴ SEOPW Resolution No. CRA-R-09-0034.



Development of Regional Impact (DRI), Increment III: \$743,500⁵ to the Curtis Group, Inc. for professional services associated with the preparation and implementation of Increment III of the Master Development Order for the Southeast Overtown/Park West Development of Regional Impact ("SEOPW DRI"). The SEOPW DRI is used as a planning tool to determine the infrastructure improvements needed to accommodate future planned developments, and to develop a mitigation program to alleviate the negative impacts arising from those developments. The resulting SEOPW DRI development program will serve to establish the total amount of development that can be located anywhere within the DRI boundaries, subject to local land development regulations. The SEOPW DRI analysis is helpful to new businesses looking to locate within the Redevelopment Area as the information on the existing area-wide conditions and projected improvements and timeline is readily available at no cost to developers and investors and provides a conceptual view of the projected build-out of the area. The SEOPW CRA Board of Commissioners later exercised an option on the SEOPW DRI contract to increase the professional fees in an amount not to exceed \$500,000⁶ to include an in-depth analysis of the Miami Worldcenter project, a dense mix-used development comprising approximately 25 acres and contemplated on 9 city blocks within the Park West area, which was approved by the City of Miami pursuant to a Development Agreement executed by and between the parties. The Increment III development program is fifty percent (50%) complete; the Application for Development Approval has been submitted to the South Florida Regional Planning Council and is pending review. The proposed development program is detailed below:



Use	Quantity	Increment III Proposed Development Program
Office	Square Feet	2,300,000
Retail	Square Feet	1,250,000
Residential	Dwelling Units	4,000
Hotel	Dwelling Units	2,100
Recreation	Square Feet	8,000
Convention	Seats	200,000



⁵ SEOPW Resolution No. CRA-R-08-0043.

⁶ SEOPW Resolution No. CRA-R-09-0010.



Park West Beautification Program: \$75,000⁷ awarded to the Downtown Development Authority (“DDA”) for the purchase and installation of seventy-five (75) planters along Northeast 7th and 8th Streets, east of Northeast 1st Avenue. In addition, the SEOPW CRA expended \$1,176 to have Florida Power & Light Company upgrade the wattage of the streetlights bulbs located along Northeast 6th to Northeast 11 Streets from Miami Avenue and Biscayne Boulevard. The wattage, which was increased from 200 watts to 400 watts, impacted sixty-five streetlights, and provides enhance security lighting for pedestrians traversing the east-west pedestrian corridors from parking facilities to venues within the Redevelopment Area.



Repairs to Vandalized Public Property: Acts of vandalism continue to plague the Redevelopment Area. The theft of copper wire for sale on the black market forms the largest portion of vandalism occurring within the area. The resulting darkness from the theft of copper wires from street lights requires increased police resources to secure the area. The SEOPW CRA expended \$24,250 in emergency repairs services as a result of copper wire theft.



⁷ SEOPW Resolution Nos. CRA-R-10-0087 and CRA-R-10-0100



3. Economic Development

Small Business Economic Stimulus and Job Creation Grant Program: In 2009, the CRA Board established a program to assist small businesses and local entrepreneurs to survive the economic downturn affecting the nation. The Grant Program was tailored to encourage proprietors to retain existing jobs, and where possible, to promote job creation. Eligible program expenses included the purchase and installation of equipment, fixtures, security systems as well as the purchase of commercial property insurance (prospectively), marketing and utility expenses. The Grant Program provides that no single grant awarded exceeds \$5,000. The CRA awarded grants⁸ to Milano's Pizza and Pasta (doing business as Jerry & Joe's Pizza) and King of Poultry Inc. (doing business as House of Wings); both businesses are located on the Historic D.A. Dorsey Way Business Corridor, and are expected to open in 2011.



Wrap-Around Building Rehabilitation Program: \$325,000⁹ awarded to Downtown Miami Partnership, Inc. for its Wrap-Around Building Rehabilitation Program. Funding represents the 4th year the CRA has supported this business incentive program which provides a match of funds up to 75% of the actual project budget but not exceeding \$65,000, for improvements to commercial structures. The Program provides both financial and technical assistance to qualified business or property owners to enhance their commercial structures, including assistance in resolving site conditions that do not meet Miami City Code, in support of the opening of new businesses. Generally acceptable improvements under the Rehabilitation Program include: paint and pressure clean, signage, tile, masonry and stucco, outdoor hardscape improvements, outdoor landscape, outdoor lighting, windows/doors, ADA compliance (restrooms/entrances), interior renovations or build out, plumbing upgrades, mechanical upgrades, electrical upgrades and life/safety (fire) system upgrades.

The following businesses were funded by the SEOPW CRA in 2010:

1. La Epoca Warehouse – (147 NE 7TH Street) Roofing and Interior improvements \$34,462.50



⁸ SEOPW Resolution No. CRA-R-09-0004.

⁹ SEOPW Resolution No. CRA R-10-0027.



2. Leila's Grocery (1109 NW 2nd Ave) Installation of impact doors and awnings and exterior painting -\$5,190



3. Bradley's Grocery – (1139 NW 2nd Ave) Exterior painting - \$1,450



4. Jaruquito Market –(1366 NE 1st Ave) Awning installation-\$2,200



5. Horace Morgan Apartment Buildings – (1155 NW 2nd Ave) - Exterior painting-\$12,400.00



6. GC Lounge, Inc. –(10 NE 7th Street) Interior Build Out - \$67,400.00



7. Jahjan Zammer Property- (1117 NW 3rd Ave)-Signage - \$5,322.54



8. Two Guy's Restaurant –(1205 NW 3rd Ave) – Installation of air condition system - \$2,200.00



9. Liberty Cleaners -(1035 NW 3rd Ave)- Signage \$4,200



10. Moselle's Boutique (1033 NW 3rd Ave) - Signage \$4,200



11. Remix Apparel – (1037 NW 3rd Ave) Signage \$4,200





12. St. John Baptist Church –(1328 NW 3rd Ave) Electrical repair to exterior sign - \$2,300.00

Relocation of Two Guy's Restaurant: \$260,000¹⁰ allocated for the design, renovation and interior build-out of the commercial space at 236 Northwest 14th Street for use as the permanent location for Two Guy's Restaurant, which currently operates from the commercial building at 1201 Northwest 3rd Avenue (the "Cortada" property owned by the CRA) which is planned for redevelopment. The relocation of this commercial tenant enables the SEOPW CRA to proceed with the development of the Cortada project site. On December 6, 2010, after concluding a solicitation for design-build services, the SEOPW CRA awarded a contract to Design Build InterAmerican, Inc. for the development of the restaurant project site at a guaranteed maximum price¹¹. Construction is expected to be completed in 2011.



American Black Film Festival Community Showcase: \$25,000¹² sponsorship to Film Life, Inc. to produce a series of events ("Community Showcase") that would promote the businesses, cultural facilities and restaurants within the Redevelopment Area, specifically including Overtown's Jazz and Blues Entertainment District and along the Historic DA Dorsey Business Corridor. The Community Showcase provided opportunities for residents from the Redevelopment Area to attend for free the film workshops on South Beach and the opportunity to network with acclaimed actors, filmmakers, and producers. A complimentary world premier screening of the film, *Stomp the Yard: Homecoming*, was held at Booker T. Washington Senior High School in Overtown. Trolley buses, featuring the CRA's "Shop, Dine, Explore" marketing campaign, provided free transportation between Miami Beach and the Redevelopment Area.



¹⁰ SEOPW Resolution No. CRA R-07-0034.

¹¹ SEOPW Resolution No. CRA-R-10-0101.

¹² SEOPW Resolution No. CRA-R-10-0023.



Art Exhibition Grant Program: The SEOPW CRA issued \$50,000¹³ to underwrite a portion of the costs associated with venues operating within the Redevelopment Area that were featuring visual and performing art exhibitions during the Art Basel period of December 2-5, 2010. In total, the SEOPW CRA received applications seeking over \$300,000 in grant funds. The Art Exhibition Grant Program furthers the SEOPW CRA's mission of promoting local and cultural events within the Redevelopment Area and advances the SEOPW CRA's redevelopment goals of promoting local businesses. The event also marked the inaugural opening of the historic Ward Rooming House, recently rehabilitated by the CRA, with an exhibition by the famed Highway Men. Funding was allocated for the following venues¹⁴:



- Eyes of the Soul (\$10,000) produced by Art Forever Miami, Inc.
- African Roots/American Fruits (\$15,000) produced by African Caribbean American Performing Artists, Inc.
- Construction of Reconstruction (\$10,000) produced by Art Studio Miami, Inc.
- The Colored Town Gallery (\$10,000) produced by artist Marvin Weeks

Folklife Fridays: \$50,000¹⁵ to New Washington Heights Community Development Conference, Inc. for the continuation of "Folklife Fridays," a monthly open-air market that is held the first Friday of each month on the Ninth (9th) Street Pedestrian Mall in Overtown. Approximately thirty local vendors showcase a variety of wares, such as arts and crafts, books, jewelry, clothing, and food, with musical entertainment acts performed by local artists at the free community event that attracts patrons and employees from the Downtown area and draws residents to the 9th Street Pedestrian Mall during the lunch hours of 11 A.M. to 3 P.M.



¹³ SEOPW Resolution No. CRA-R-10-0066.

¹⁴ SEOPW Resolution No. CRA-R-10-0093.

¹⁵ SEOPW Resolution No. CRA-R-10-0017.



4. Training Opportunities

NANA Technical Assistance and Business Development Training: \$30,000 to Neighbors and Neighbors Association, Inc. for the continuation of its Business Development Training program to assist small businesses within the Redevelopment Area.¹⁶ Business owners were trained in the areas of business structuring and planning, customer service, marketing and public relations, and accounting, and were introduced to other financial and educational resources to improve their business operations. A total of 35 participants registered and participated in the five-week training program. Classes were held at the historic Black Police Precinct and Courthouse Museum.



Summer Youth Environmental Employment Program: \$240,000¹⁷ awarded to Keep Miami Beautiful, Inc. to implement a summer youth employment program targeting youths and young adults between the ages of 14-24. A total of eighty (80) positions were made available. In addition to the traditional job interviewing, resume preparation skills, on the job etiquette, and career counseling, participants were taught individual responsibility to improve the environment by means of litter prevention, waste minimization and recycling initiatives. The program operated five days a week with specific daily goals and objectives.



¹⁶ SEOPW CRA-R-10-0021.

¹⁷ SEOPW Resolution Nos. CRA-R-10-0038 and CRA-R-10-0050.



Cine Lab Youth Filmmaker Program: \$50,000¹⁸ awarded to Pepper Shaker Company, Inc. to operate Cine Lab Young Filmmaker's Workshop during the summer. The Workshop provided for 25 youths between the ages of 15 and 21 to develop filmmaking, computer, media, and technology skills. At the completion of the Workshop, participants produced four (4) short films which were presented to the community.



Hospitality Institute Job Training and Job Placement Program: \$165,000¹⁹ to Miami-Dade College in support of is Hospitality Institute, Job Training and Job Placement program. The Hospitality Institute successfully trained unemployed residents in various hospitality trades and provided program graduates with assistance in obtaining employment with major hoteliers in the surrounding area. During the program cycle, the Hospitality Institute registered 560 participants with 372 trainees having attended and graduated the program. One hundred and three (103) graduates of the Program obtained permanent employment through the Program's referral service.



¹⁸ SEOPW Resolution No. CRA-R-10-0041.

¹⁹ SEOPW Resolution Nos. CRA-R-10-0025 and CRA-R-10-0059.



Landscape Institute: \$110,000²⁰ to Roots in the City, Inc. to provide horticultural training to residents of the Redevelopment Area. Participants are required to complete a three (3) month long program consisting of 172 training hours; 90 hours of supervised field training and 82 hours of classroom training. Participants receive a stipend for field training hours. Field training takes place on properties majority owned by the CRA along the D.A. Dorsey Business Corridor and various privately owned locations throughout the Redevelopment Area, and includes maintenance of the community vegetable garden. Funding was also used to purchase refrigeration equipment for the preservation of the produce. As a result of the Landscape Institute, the physical environ of the Redevelopment Area has been significantly enhanced and residents benefitted from the fresh, organic products that were distributed to the community for free. The Institute has generated significant interest and public awareness to the historic Overtown neighborhood generating an influx of students, civic organizers, and the general public to stop by and partake in volunteer activities at the project site and to listen in on the training sessions in progress.



Suited for Success, Inc.: \$50,000²¹ to Suited for Success, Inc. in support of its job suiting and employability programs for youths and adults. Graduates of the CRA funded job training and placement institutes also benefit from the Program by honing their interviewing and employability skills and in obtaining professional attire for interviews with prospective employers.



²⁰ SEOPW Resolution Nos. CRA-R-09-0046 and CRA-R-10-0028.

²¹ SEOPW Resolution No. CRA-R-10-0064.



5. Historic Preservation

Ward Rooming House: Ward Rooming House is located within Overtown's Folklife Village; a four-block area planned as a live/work/teaching village with a focus on the cultural arts and crafts and designated to retain the character and ambience of historic Overtown. The property is of historic significance having served as a robust bed and breakfast facility in the 1950s. Consistent with the Folklife Village Plan, the Ward Rooming House is slated to be placed into adaptive reuse as an art gallery. The CRA recently installed a security system at the property to prevent acts of vandalism, and has issued a solicitation notice seeking qualified art gallery operators to manage the facility.



6. Community Policing Initiatives

Police Visibility Pilot Program: \$500,000 to underwrite the cost of the Police Visibility Program operated by the City of Miami Police Department.²² The Program encompasses a policing strategy aimed at eliminating conditions that contribute to blight. CRA funding accounted for enhanced police services including increased patrols, identifying criminal patterns and conducting criminal sweeps, special operations, traffic details, club checks, and prostitution details. Of major concern is the sale of narcotics within the Redevelopment Area. To this end, a number of narcotic surveillance and operations were implemented to reduce the sale and usage in the area. The SEOPW Redevelopment Plan emphasizes the importance of crime prevention and maintaining security in the area as a method for improving the quality of life of resident stakeholders.

²² SEOPW Resolution No. CRA-R-10-0047.



7. Parks and Cultural Facilities

Gibson Park: \$1 million has been allocated towards the renovation of Gibson Park at 401 NW 12 Street, Miami, Florida²³ located along the newly revitalized D.A. Dorsey Way Business Corridor. The renovated 12 acre park will incorporate a new football/baseball field, new recreation building incorporating a fitness center, basketball court with locker room facilities, a new Olympic swimming pool, kids play area, walking paths, and an open air plaza for the Overtown community to enjoy. Construction is currently underway at the project site.



Construction is underway at the Gibson Park site at 401 NW 12th Street, in Overtown.

²³ SEOPW CRA Resolution No. CRA-R-09-0198.



9th Street Pedestrian Mall Revitalization: The SEOPW CRA revitalized the 9th Street Pedestrian Mall, which is the open air plaza/pedestrian corridor that runs along NW 9th Street between NW 2nd Avenue and the Metrorail right-of-way that was constructed in 1994. The renovation costs totaled \$40,000²⁴. It is frequently booked for community events such as the CRA funded Folklife Friday's series. CRA staff managed and oversaw the installation of new landscaping, new wrought iron entry gates, the pressure washing of the decorative pavers, the refurbishing and repainting of the benches and the repainting of the Metrorail columns to match as they were painted in 1994.



Overtown Community Center: \$311,366 was allocated for the purchase of the historic structure at 300 Northwest 11th Street, which fronts the historic D.A. Dorsey Way Business corridor²⁵. Additional funding in the amount of \$1.5 million²⁶ was allocated for the interior demolition and build-out of the structure to house a community center with a banquet facility and tutoring center. The scope of work includes new electrical rewiring, hvac, plumbing, a fire suppression system and structural improvements necessary to obtain a 40-year building recertification. The project is expected to be completed in 2011.



²⁴ SEOPW Resolution No. CRA-R-10-0067.

²⁵ SEOPW Resolution No. CRA-R-10-0026.

²⁶ SEOPW Resolution No. CRA-R-10-0102.



Lyric Theater: The CRA executed a 99 year lease agreement with the Black Archives History and Research Foundation of South Florida, Inc. for the use of the CRA lots located at 801 and 815 Northwest 2nd Avenue as a staging area during construction of the Lyric Theater expansion project, and to be used as a permanent off street parking lot in support of the Historic Theatre once construction is completed. The Lyric Theater expansion project is expected to be completed in 2011.



Ongoing construction at the historic Lyric Theater at 819 NW 2nd Avenue

8. Quality of Life Initiatives

Camillus House Relocation: \$2,000,000²⁷, to Camillus House, Inc., towards the construction of its new complex at 1603 NW 7th Avenue. The current shelter and feeding facility at 726 Northeast 1st Avenue, Miami Florida is inadequate to meet the needs of the homeless population in the City of Miami that live in the vicinity of the Redevelopment Area. The new complex is scheduled to be completed in 2012. The scale and design of the new facility is intended to dramatically reduce the number of persons living on the streets, utilizing public sidewalks, open spaces and private property as shelter. In addition, construction at the new complex is estimated to create 350 temporary construction related job opportunities and ten (10) permanent positions.



²⁷ SEOPW Resolution No. CRA-R-10-0040.



Streetlight Maintenance Program: The SEOPW CRA currently maintains 170 streetlights throughout the Redevelopment Area. Services include the maintenance, repair and replacement, as needed to keep the street light system in pristine condition. These streetlights were installed as part of CRA funded projects on either CRA owned properties or along public right-of-ways as a safety feature in lighting otherwise dark areas of the community. The SEOPW CRA maintains the street lights along the 9th Street Pedestrian Mall, Sawyers Walk, the Grande Promenade, and several parking lots it owns.



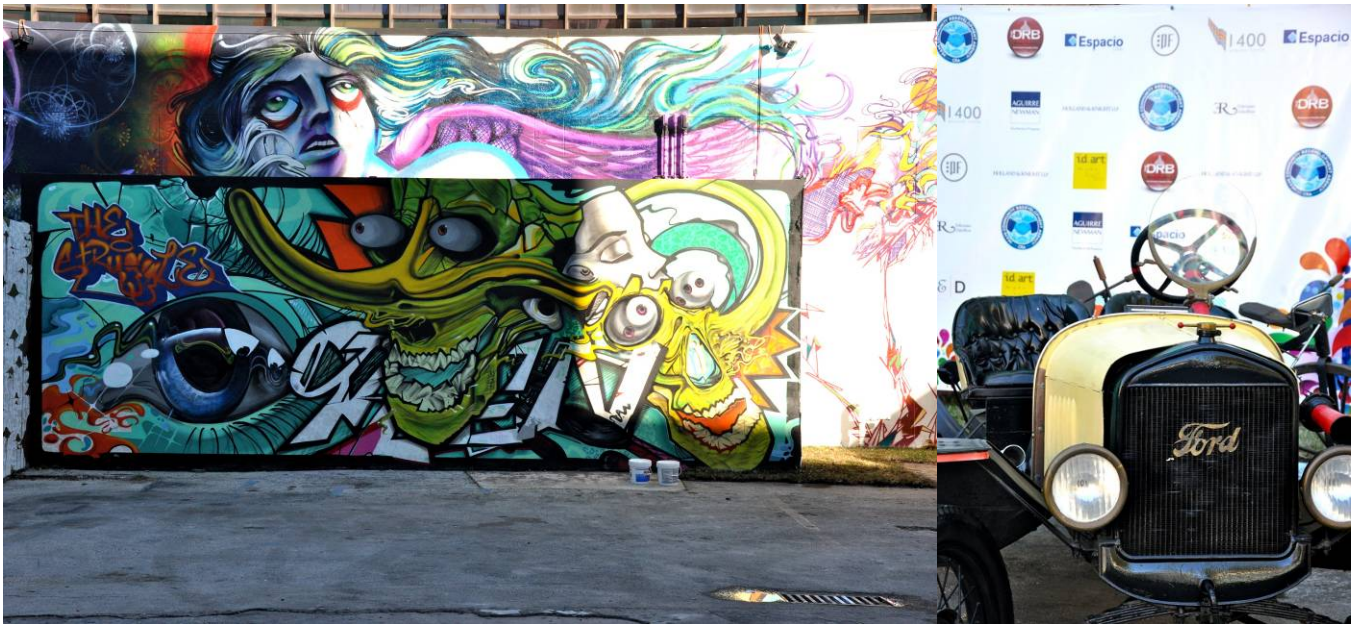
Poinciana Village: The SEOPW CRA awarded a grant in the amount of \$15,000²⁸ to the Poinciana Village Condominium Association for the installation and repair of the security fencing around the community pool under its Quality of Life initiatives. This fence will provide the safety and security necessary for the community and will enhance the visual character surrounding the community common areas and elements.



²⁸ SEOPW Resolution No. CRA R-10-0024.



OMNI COMMUNITY REDEVELOPMENT DISTRICT COMMUNITY REDEVELOPMENT AGENCY



B. Omni Community Redevelopment Area Projects

The Omni Area Redevelopment Plan (“Omni Plan”) serves as a guide for redevelopment and reinvestment in the Omni Redevelopment Area and lists the following CRA objectives:

- Provide for greater connectivity by diminishing the impact of existing urban barriers to redevelopment and promoting regional transportation.
- Create a sustainable regional destination and identity by capitalizing on the development of the Performing Arts Center and the Media/Entertainment District.
- Provide incentives for the development of a variety of housing choices, including affordable, special needs and workforce housing.
- Create opportunities for new development through improvements to the public realm
- Provide incentives and strategies for public/private development.

1. Infrastructure

Upgrades to Water and Sewer Facilities: \$5 million²⁹ for the design and installation of upgrades to the water and sewer facilities in the Omni Redevelopment Area. The waterline upgrades will provide the infrastructure necessary to accommodate future developments and to help spur additional private investment in the area. In addition to the waterline upgrades, this project includes the milling and resurfacing of all roads within the project area.

Northeast 14th Streetscape Improvements: In support of the Performing Arts and the Media/Entertainment Districts, the Omni CRA allocated \$6 million³⁰ for the reconstruction of Northeast 14th Street, east of the Florida East Coast Railway tracks. The scope of work consists of roadway and sidewalk reconstruction, the installation of decorative pavement, new curb and gutter and a twelve inch water main upgrade to help promote and attract future development along the entertainment corridor. Landscaping and hardscape consisted with the aesthetics of the CRA funded improvements surrounding the Adrienne Arsht Center for the Performing Arts, (commonly referred to as the PAC Super Block) will be included. The design and bidding process has been completed. Construction will commence April 2011 with a projected completion date of April 2012.



²⁹ Omni Resolution Nos. CRA-R-08-0049 and CRA-R-10-0076.

³⁰ Omni Resolution Nos. CRA-R-05-0052 and. CRA-R-08-0047.



Performance Arts Center “PAC” Superblock: The Omni CRA currently maintains ninety-nine (99) streetlights along the right-of-ways surrounding the Adrienne Arsht Center for the Performing Arts complex. The streetlights were installed for safety measures after constituents from the area complained of the unlit areas at night and citing concerns walking to and from venues.



Repairs to Vandalized Public Property: Acts of vandalism continue to plague the Redevelopment Area. The theft of copper wire for sale on the black market forms the largest portion of vandalism within the area. The resulting darkness from the theft of copper wires from street lights requires increased police resources to secure the area. The Omni CRA expended \$14,915 in emergency repair services to the PAC Superblock streetlights as a result of copper wire theft.



Miami Skills Center: The CRA purchased the property at 29 Northwest 12th Street for \$3.15 million³¹, inclusive of settlement costs. The property is located within the Fire Station No. 2 Motion Picture District and will be redeveloped for adaptive reuse in support of attracting business operators and investors of the media entertainment industry.

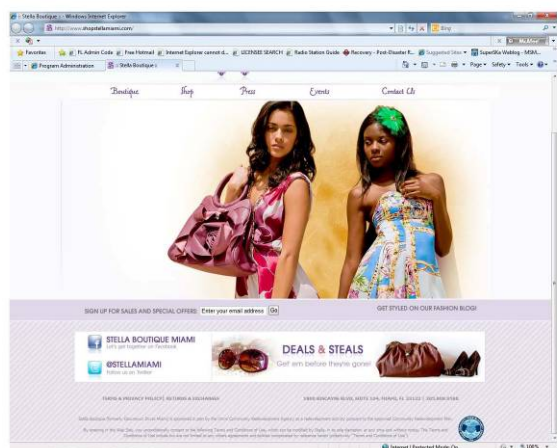


³¹ Omni Resolution No.CRA- R-10-0045.



2. Economic Development

Small Business Economic Stimulus and Job Creation Grant Program: In 2009, the CRA Board established a program to assist small businesses and local entrepreneurs to survive the economic downturn affecting the nation, specifically as it related to job retention and where possible, and support job creation. Eligible program expense included the purchase and installation of equipment, fixtures, security systems as well as the purchase of commercial property insurance (prospectively), marketing and utility expenses. No single grant awarded exceeded \$5,000. The CRAs awarded grants³² to 3 Island Girls, Inc.(doing business as Downtown Divas, recently renamed Stella's Boutique) and Lettuce and Associates, Inc. (doing business as Salad Creations); both businesses are located on the Biscayne Boulevard in proximity to the Performing Arts Center and Media/ Entertainment Districts.



Wrap-Around Building Rehabilitation Program: \$325,000³³ to Downtown Miami Partnership, Inc. is continued support of the Wrap-Around Building Rehabilitation Program. Funding represents the 4th year the CRA has supported this business incentive program which provides a match of funds up to 75% of the actual project budget but not exceeding \$65,000, for improvements to commercial structures. The Program provides both financial and technical assistance to qualified business or property owners to enhance their commercial structures, including assistance in resolving site conditions that do not meet Miami City Code, in support of the opening of new businesses. Generally acceptable improvements under the Rehabilitation Program include: paint and pressure clean, signage, tile, masonry and stucco, outdoor hardscape improvements, outdoor landscape, outdoor lighting, windows/doors, ADA compliance (restrooms/entrances), interior renovations or build out, plumbing upgrades, mechanical upgrades, electrical upgrades and life/safety (fire) system upgrades.

The following businesses were funded by the Omni CRA in 2010:

1. Espacio Miami Partners (1400 Biscayne Blvd) Façade improvements - \$65,000

³² Omni Resolution No. CRA R-10-0022.

³³ Omni Resolution No. CRA R-10-0012.



2. Project Miami LLC (221-235 NE 17th Street) Replacement of exterior windows, doors and painting \$59,802



3. DRB Miami, Inc. (253 NE 14th Street) Exterior painting and signage - \$14,000



Downtown Enhancement Team: \$55,000³⁴ grant to the Downtown Development Authority for continued support of the Downtown Enhancement Team ("DET") expansion area program. The boundary of the DET cleanup program was expanded to include the public right of way surrounding the Adrienne Arsht Center for the Performing Arts ("Expansion Area"). DET provides services including litter cleanup, trash and graffiti removal, and landscape installation and maintenance within the Expansion Area particularly before and after events at the Center for Performing Arts. The DET expansion area program provides employment of four Omni area residents who were previously homeless.



³⁴ Omni Resolution No. CRA-R-10-0011.



American Black Film Festival Community Showcase: \$25,000³⁵ sponsorship to Film Life Inc. to produce a series of events (“Community Showcase”) within the Omni Redevelopment Area that would promote the businesses, cultural facilities and restaurants to the guests attending the renowned Black Film Festival taking place in Miami Beach. The Community Showcase provided opportunities for residents from the Redevelopment Area to attend for free the film workshops in Miami Beach, and the opportunity to network with acclaimed actors, filmmakers, and producers. A roundtable discussion was held at Big Time Productions located within the Fire Station No. 2 Motion Picture District, to discuss incentives needed to attract investors, filmmakers and support industries to the District. Trolley buses provided free transportation between Miami Beach and the Omni Redevelopment Area, all featuring the CRA’s “Shop, Dine, Explore” marketing campaign.



Art Exhibition Grant Program: The CRA issued \$50,000³⁶ to underwrite a portion of the costs associated with venues within the CRA boundaries featuring visual and performing art exhibitions during the Art Basel period of December 2-5, 2010. The Omni CRA received a number of applications requesting over \$300,000 in grant funds. The Art Exhibition Grant Program furthers the CRA mission of promoting local and cultural events within the redevelopment areas and advances the CRA redevelopment goals of promoting local business and the marketing of the redevelopment areas. Funding was allocated for the following venues³⁷:



- Lil Haiti the Untold Story (\$7,000) produced by Brainspeed Productions, Inc.
- 1400 artifacts (\$9,000) produced by Espacio Miami Properties, LLC.
- Primary Flight at Cafeina (\$9,000) produced by Metro 1 Properties, Inc.
- Miami-Miami Beach Biennale (\$25,000) produced by Miami-Miami Beach Biennale, Inc.

³⁵ Omni Resolution No. CRA-R-10-0035.

³⁶ Omni Resolution No. CRA-R-10-0066.

³⁷ Omni Resolution No. CRA-R-10-0073.



3. Training Opportunities

NANA Technical Assistance and Business Development Training: \$30,000 to Neighbors and Neighbors Association, Inc. for the continuation of its Business Development Training program to assist small businesses within the Redevelopment Area.³⁸ Business owners were trained in the areas of business structuring and planning, customer service, marketing and public relations, and accounting, and were introduced to other financial and educational resources to improve their business operations. A total of 32 participants registered and participated in the five-week training program. Classes were held at the Double Tree Grand Hotel.



Summer Youth Environmental Employment Program: \$240,000³⁹ awarded to Keep Miami Beautiful, Inc. to implement a summer youth employment program targeting youths and young adults between the ages of 14-24. A total of eighty (80) positions were made available. In addition to the traditional job interviewing, resume preparation skills, on the job etiquette, and career counseling, participants were taught individual responsibility to improve the environment by means of litter prevention, waste minimization and recycling initiatives. The program operated five days a week with specific daily goals and objectives.

4. Historic Preservation

Fire Station No. 2: \$4 million⁴⁰ has been allocated for the restoration and preservation of the historic structure at 1401 North Miami Avenue. The adjacent vacant lot at 1441 North Miami Avenue will be developed into a parking lot. The ground floor of the rebuilt building will provide for retail/or restaurant opportunities in support of the Performing Arts Center and Media/Entertainment Districts; the second floor will serve as the new permanent home for the offices of the Community Redevelopment Agency. The project is expected to be completed in 2012.



³⁸ Omni Resolution No. CRA-R-10-0031.

³⁹ Omni Resolution Nos. CRA-R-10-0044 and CRA-R-10-0055.

⁴⁰ Omni Resolution Nos. CRA-R-06-0009 and CRA-R-08-0065.



Miami Woman's Club: The Omni CRA allocated funding in the amount of \$4 million⁴¹ to underwrite the costs associated with the structural rehabilitation, life safety and electrical upgrades necessary for the 40-year recertification of the nationally recognized historic structure at 1737 North Bayshore Drive.



Trinity Episcopal Cathedral: The Omni CRA allocated \$1 million⁴² for the 40 year recertification of the nationally recognized historic structure at 464 NE 16th Street. Design work is completed and permit applications have been submitted. Construction is expected to commence in the summer of 2011.



5. Community Policing Initiatives

Police Visibility Pilot Program: \$500,000⁴³ awarded to the City of Miami for its Police Visibility Program conducted by the City of Miami Police Department. The Program encompasses a policing strategy aimed at eliminating conditions that contribute to blight within the Redevelopment Area. CRA funding accounted for enhanced police services including increased patrols, identifying criminal patterns and conducting criminal sweeps, special operations, traffic details, club checks, prostitution details, and narcotic details. Of major concern to businesses within the Redevelopment Area was the theft of copper wire that left many sections of the area completely dark, particularly around the Adrienne Arsht Center for the Performing Arts. As a result of the Police Visibility Program, an arrest was made in March 2010 of a person suspected of this specific crime. .

⁴¹ Omni Resolution Nos. CRA-R-05-0035, CRA-R-06-0046, CRA-R-08-0009 and CRA R-09-0020.

⁴² Omni Resolution No. CRA-R-09-0013.

⁴³ Omni Resolution No. CRA-R-10-0052.



6. Parks and Cultural Facilities

Adrienne Arsht Center for the Performing Arts: Pursuant to a 1986 Interlocal Agreement between the Omni CRA, the City of Miami and Miami-Dade County, the Omni CRA annually remits payment of \$1.43 million to Miami-Dade County to cover the debt service on the bonds used to build the center. As of December 31, 2010, the Omni CRA has contributed \$28.5 million to Miami-Dade County towards the retirement of the bond. In 2007, pursuant to the December 31, 2007 “Global” Interlocal Agreement, the Omni CRA remits payment to Miami-Dade County in the amount of \$1.43 million and 35% of the remaining Omni Tax Increment. The Omni CRA’s contribution in Fiscal Year 2010 was \$5,631,384.



Bicentennial Park: In anticipation of the Museum Park project, the City moved to demolish the unsafe café building and fountain structure that was located at the easternmost corner of Bicentennial Park. The project scope included the demolition and removal of the building and structure, regarding of the site and tree removal. The Omni CRA allocated funding in the amount of \$69,957⁴⁴ for the demolition work; the project was completed October, 2010.



Museum Park: The Omni CRA issued a grant of \$2 million⁴⁵ to the City of Miami to fund the cost of the environmental remediation of the future site of the Museum Park project, at Bicentennial Park to provide a clean site necessary for the Miami Art Museum and the Museum of Science to construct their facilities. The scope of work also included the installation of drainage facilities and staircases to offset water settlement resulting from changes to the elevation of the Museum Park site.



⁴⁴ Omni Resolution No. CRA R-10-0043.

⁴⁵ Omni CRA Resolutions CRA-R-10-0046 and CRA-R-10-0107.



Margaret Pace Park: The Omni CRA provided funding in the amount of \$126,000⁴⁶ for the purchase and installation of rubber surfacing, the replacement of the children's play area shade structure, and the purchase and installation of outdoor vita-course equipment. The existing playground shade structures sustained extensive wind damage in the fall of 2005 as a result of Hurricane Wilma. The newly installed shade structures are hurricane-resistant. The exercise equipment will provide an adult vita-style course adjacent to the children's play area for the community to enjoy.



⁴⁶ Omni CRA Resolutions CRA-R-10-0030, CRA-R-10-0056 and CRA-R-10-0105.



MIDTOWN COMMUNITY REDEVELOPMENT AGENCY



C. Midtown Community Redevelopment Area Projects

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 CDD”). To date, the Midtown CRA has generated \$10,032,145 in tax increment revenue. Of this amount, ninety-nine percent (99%) of the total tax increment revenue has been transferred to the Midtown CDD 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 multi-modal 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.



V. PRESERVATION AND ENHANCEMENT OF TAX BASE:

The SEOPW Redevelopment Area experienced a forty seven percent (47%) increase in assessed value, with the 2008 Tax Roll reflecting \$706,138,646, in assessed value, and the 2009 Tax Roll reflecting \$1,041,106,026. This assessed value is derived from the parcels located within the SEOPW Redevelopment Area boundaries prior to the 2009 boundary expansion (see map on following page).

FY 2009-10 SEOPW CRA Current Year Actual Tax Increment Revenue

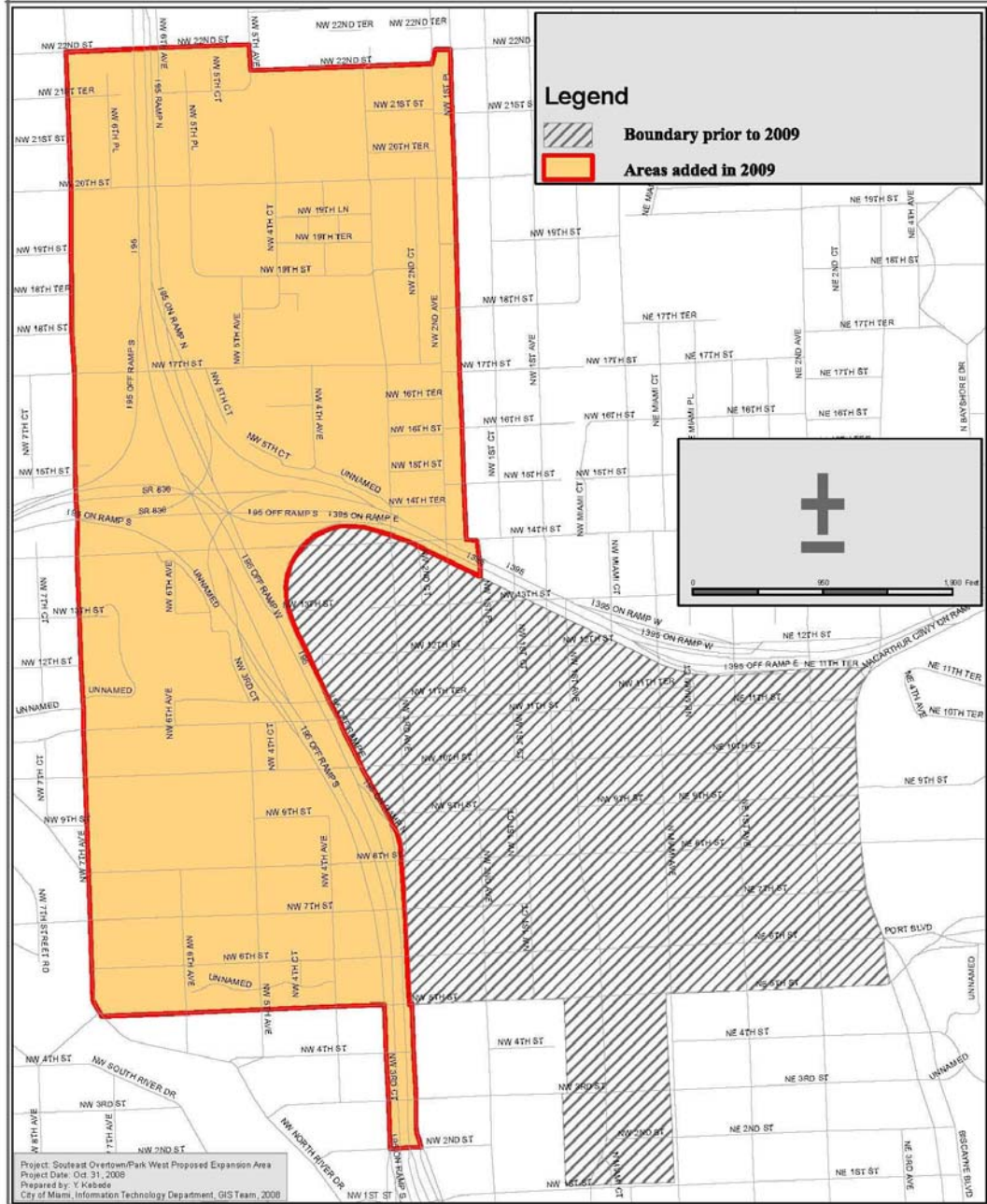
Preliminary 2009 assessed value of Tax Increment District	\$1,041,106,026
Taxable value in Base Year – 1983	(\$78,305,502)
Value of Increment	\$962,800,524
Revenue	\$4,425,036
Increase (reduced) for 2007 adjustment (detailed below)*	(\$469,504)
Revenue payable to CRA -- Miami Dade County - Tax Millage Rate 4.8379	\$3,955,532
Revenue payable to CRA – City of Miami – Tax Millage Rate 7.6740	\$6,270,444

***2007 Adjustment Detail**

Final 2007 Tax Roll	\$510,386,749
Preliminary 2007 Tax Roll	\$618,303,309
Revision per Value Adjustment Board	(\$107,916,563)
Actual 2007 Millage	4.5796
Adjustment	(\$469,504)



SOUTHEAST OVERTOWN/PARK WEST BOUNDARY MAP



The Omni Redevelopment Area experienced a eight percent (-8%) decrease in assessed value, with the 2008 Tax Roll reflecting \$1,572,558,946, in assessed value, and the 2009 Tax Roll reflecting \$1,448,324,121. This assessed value is derived from the parcels located within the Omni Redevelopment Area boundaries prior to the 2010 boundary expansion (see map on following page).

FY 2009-10 Omni CRA Current Year Actual Tax Increment Revenue

Preliminary 2009 assessed value of Tax Increment District	\$1,448,324,121
Taxable value in Base Year – 1986	(\$246,898,822)
Value of Increment	\$1,201,425,299
Revenue	\$5,521,757
Increase (reduced) for 2007 adjustment (detailed below)*	(\$326,350)
Revenue payable to CRA Miami Dade County - Tax Millage Rate 4.8379	\$5,195,407
Revenue payable to CRA – City of Miami – Tax Millage Rate 7.6740	\$8,238,547

***2007 Adjustment Detail**

Final 2007 Tax Roll	\$1,288,958,926
Preliminary 2007 Tax Roll	\$1,363,971,278
Revision per Value Adjustment Board	(\$75,012,352)
Actual 2007 Millage	4.5796
Adjustment	(\$326,350)



The Midtown Redevelopment Area experienced a thirteen (13%) increase in assessed value, with the 2008 Tax Roll reflection \$317,114,379, in the assessed value, and the 2009 Tax Roll reflecting \$359,031,070.

FY 2009-10 Midtown CRA Current Year Actual Tax Increment Revenue

Preliminary 2009 assessed value of Tax Increment District	\$359,031,070
Taxable value in Base Year – 2005	(\$29,281,592)
Value of Increment	\$329,749,478
Revenue	\$1,515,530
Increase (reduced) for 2007 adjustment (detailed below)*	(\$6,961)
Revenue payable to CRA Miami Dade County - Tax Millage Rate 4.8379	\$1,508,569
Revenue payable to CRA – City of Miami – Tax Millage Rate 7.6740	\$2,392,877

***2007 Adjustment Detail**

Final 2007 Tax Roll	\$96,660,638
Preliminary 2007 Tax Roll	\$98,260,638
Revision per Value Adjustment Board	(\$1,600,000)
Actual 2007 Millage	4.5796
Adjustment	(\$6,961)



VI. FINANCIAL STATEMENTS:



**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Basic Financial Statements

September 30, 2010

(With Independent Auditor's Report Thereon)

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

September 30, 2010

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Independent Auditor's Report



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Independent Auditor's Report

The Board of Directors
City of Miami Southeast Overtown
Park West Redevelopment Agency:

We have audited the accompanying basic financial statements of the governmental activities and each major fund of the City of Miami Southeast Overtown Park West Redevelopment Agency (the Agency), a component unit of the City of Miami, Florida (the City), as of and for the year ended September 30, 2010, which collectively comprise the Agency's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Agency's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have issued our report dated March 1, 2011 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2 through 6 and the budgetary comparison information on pages 19 through 21 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Sanson, Kline, Jacomino & Company LLP

March 1, 2011

Management's Discussion and Analysis

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2010

This section of the City of Miami Southeast Overtown Park West Redevelopment Agency (the Agency) financial statements presents management's analysis of the financial performance for the fiscal year ended September 30, 2010. 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 Southeast Overtown 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 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.

Financial Highlights

The assets of the Agency exceeded its liabilities at the close of its most recent fiscal year by \$24,538,940. Of this amount, \$5,209,083 was invested in capital assets net of related debt, \$782,270 was restricted for debt service, and \$17,865,766 was restricted by enabling legislation. This resulted in an excess of \$681,821 (unrestricted net assets) available to meet the Agency's obligations to citizens in the Southeast Overtown area.

At the close of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$19,454,465, a decrease of \$1,396,684 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

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2010

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 net assets presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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.

The government-wide financial statements may be found on pages 8 and 9 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All 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. 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 four individual governmental funds. 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, Special Revenue Fund, Debt Service Fund and Capital Projects Fund.

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

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2010

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.

The following is a brief review of the significant variances between the original budget and final budget for the General Fund (please see budget to actual comparison on page 20):

- The change in the original budget to the final budget for general government expenditures was a result of the repayment due to the City for administrative operating subsidies given to the Agency during the period beginning fiscal year 2000 and ending fiscal year 2005.
- The change in the original budget to the final budget for transfers in was a result of the transfers of funds from the Special Revenue Fund to repay the City for administrative operating subsidies given to the Agency during the period beginning fiscal year 2000 and ending fiscal year 2005.

There were no significant variances between the final budget and actual amounts reported for the General fund.

The following is a brief review of the significant variances between the original budget and the final budget for the Special Revenue Fund (please see budget to actual comparison on page 21):

- The change in the original budget to the final budget for tax increment revenues was a result of the higher than originally anticipated payout from the City and County.
- The change in the original budget to the final budget for transfers out was a result of the transfers of funds to the General Fund to repay the City for administrative operating subsidies given to the Agency during the period beginning fiscal year 2000 and ending fiscal year 2005.

The significant variance between the final budget and actual amounts 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 Assets 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 shown below.

A summary of the Agency's net assets is presented in Table A-1 and a summary of changes in net assets is presented in Table A-2.

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2010

Table A-1
Summary of Net Assets

	Fiscal Year <u>2010</u>	Fiscal Year <u>2009</u>
Current assets	\$ 25,637,977	\$ 21,547,504
Capital assets, net	<u>8,542,947</u>	<u>8,624,492</u>
Total assets	<u>34,180,924</u>	<u>30,171,996</u>
Current liabilities	6,183,512	696,355
Non-current liabilities	<u>3,458,472</u>	<u>3,660,812</u>
Total liabilities	<u>9,641,984</u>	<u>4,357,167</u>
Investment in capital assets, net of related debt	5,209,083	5,090,628
Restricted	18,648,036	20,406,071
Unrestricted	<u>681,821</u>	<u>318,130</u>
Total net assets	<u>\$ 24,538,940</u>	<u>\$ 25,814,829</u>

- Current assets increased in the current year mainly as a result of the increase in tax increment revenue paid by the City and County.
- Current liabilities increased in the current year as a result of the accrual for repayment to the City for administrative operating subsidies given to the Agency during the period beginning fiscal year 2000 and ending fiscal year 2005.
- A portion of the Agency's net assets (\$5,209,083) reflects its investment in capital assets (e.g. furniture and equipment, infrastructure and land), less any related outstanding debt used to acquire those assets. These assets are not available for future spending.
- Another portion of the Agency's net assets (\$18,648,036) represents resources that are subject to external restrictions on how they may be used.
- The remaining portion of the Agency's net assets (\$681,821) represents resources that are unrestricted and available for any lawful use by the Agency.

Table A-2
Summary of Changes in Net Assets

	Fiscal Year <u>2010</u>	Fiscal Year <u>2009</u>
Revenues:		
Intergovernmental:		
Operating	\$ 998,703	\$ 717,723
Charges for services:		
Parking fees	149,696	257,095
General revenues:		
Tax increment revenue	10,680,683	7,848,613
Sale of property	608,248	739,468
Interest revenue	53,678	261,395

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2010

Table A-2 (continued)
Summary of Changes in Net Assets

	Fiscal Year <u>2010</u>	Fiscal Year <u>2009</u>
Revenues (continued):		
General revenues (continued):		
Other	<u>391,155</u>	<u>20,513</u>
Total revenues	<u>12,882,163</u>	<u>9,844,807</u>
Expenses:		
General government	6,578,409	1,325,921
Community redevelopment	4,292,394	5,230,177
Interest on long-term debt	146,625	162,988
Transfer to primary government	<u>3,140,624</u>	-
Total expenses and transfers	<u>14,158,052</u>	<u>6,719,086</u>
Change in net assets	(1,275,889)	3,125,721
Net assets, beginning of year	<u>25,814,829</u>	<u>22,689,108</u>
Net assets, end of year	<u>\$ 24,538,940</u>	<u>\$ 25,814,829</u>

- Tax increment revenue increased in the current year as a result of the increase in the payout by the City and the County.
- General government expenditures increased in the current year as a result of the accrual for the repayment to the City for administrative operating subsidies given to the Agency during the period beginning fiscal year 2000 and ending fiscal year 2005.
- Transfer to primary government increased in the current year as a result of the repayment of the bond proceeds back to the City that was originally provided to the Agency for the purchase of an office building.

Individual Fund Analysis

Fund balance for the General Fund increased from \$445,078 at September 30, 2009 to \$806,429 at September 30, 2010. The fund balance for the Special Revenue Fund increased from \$16,483,835 at September 30, 2009 to \$17,865,766 at September 30, 2010. Fund balance for the Debt Service Fund remained the same from September 30, 2009 to September 30, 2010. Fund balance for the Capital Projects Fund decreased from \$3,139,966 at September 30, 2009 to \$0 at September 30, 2010. Since the Agency only has governmental funds/activities, the changes in fund balance also explain the increases in net assets. The following are key factors in the changes in fund balances for 2010:

- The increase in fund balance in the General Fund was mainly due to the increase in funding for general operations received from both the City of Miami Omni and Midtown Community Redevelopment Agencies.
- The increase in fund balance in the Special Revenue Fund was mainly due to the increase in tax increment revenues and decrease in community redevelopment expenditures.

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis - Unaudited

September 30, 2010

- The decrease in fund balance in the Capital Projects Fund was a result of the repayment of the bond proceeds back to the City that was originally provided to the Agency for the purchase of an office building.

Capital Assets

As of September 30, 2010, the Agency's investment in capital assets, net of accumulated depreciation, amounted to \$8,542,947, decreasing from \$8,624,492 as of September 30, 2009.

Summary of Capital Assets
(Net of Depreciation)

	Fiscal Year <u>2010</u>	Fiscal Year <u>2009</u>
Land	\$ 4,019,507	\$ 3,944,507
Furniture and equipment	45,922	15,687
Infrastructure	<u>4,477,518</u>	<u>4,664,298</u>
Total capital assets	\$ <u>8,542,947</u>	\$ <u>8,624,492</u>

Additional capital asset information can be found on page 15 of this report.

Debt Management

As of September 30, 2010, the Agency had \$3,333,864 of special obligation bonds and loans outstanding compared to \$3,533,864 as of September 30, 2009. The bonds and loans are secured by a pledge of guaranteed entitlement revenue received from the State of Florida and the tax increment revenue amounts received from the City and County. No additional debt was issued during fiscal year 2010.

Additional long-term debt information can be found on pages 16 and 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, 49 N.W. 5th Street, Suite 100, Miami, Florida 33128.

Basic Financial Statements

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Statement of Net Assets

September 30, 2010

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash	\$ 24,844,302
Restricted cash	782,270
Due from other government	3,287
Interest receivable	8,118
Capital assets (net of accumulated depreciation):	
Land	4,019,507
Furniture and equipment	45,922
Infrastructure	<u>4,477,518</u>
Total assets	<u>34,180,924</u>
Liabilities	
Accounts payable and accrued liabilities	457,488
Due to other governments	5,726,024
Non-current liabilities:	
Due within one year:	
Bonds payable	220,000
Due in more than one year:	
Bonds payable	1,405,000
Notes payable	1,708,864
Compensated absences	<u>124,608</u>
Total liabilities	<u>9,641,984</u>
Net Assets	
Invested in capital assets, net of related debt	5,209,083
Restricted	18,648,036
Unrestricted	<u>681,821</u>
Total net assets	<u>\$ 24,538,940</u>

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

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Statement of Activities

Year ended September 30, 2010

	<u>Governmental Activities</u>
Expenses:	
General government	\$ 6,578,409
Community redevelopment	4,292,394
Interest on long-term debt	146,625
Transfer to primary government	<u>3,140,624</u>
Total expenses and transfers	<u>14,158,052</u>
Program revenues:	
Intergovernmental revenue:	
Operating	998,703
Charges for services:	
Parking fees	<u>149,696</u>
Net expense	<u>(13,009,653)</u>
General revenues:	
Tax increment revenue	10,680,683
Sale of property	608,248
Other	391,155
Interest revenue	<u>53,678</u>
Total general revenues	<u>11,733,764</u>
Change in net assets	(1,275,889)
Net assets - beginning of the year	<u>25,814,829</u>
Net assets - end of the year	<u><u>\$ 24,538,940</u></u>

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

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Balance Sheet

Governmental Funds

September 30, 2010

	<u>General</u>	<u>Special revenue</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Total governmental funds</u>
Assets					
Equity in pooled cash	\$ 6,140,114	18,704,188	-	-	24,844,302
Restricted cash	-	-	782,270	-	782,270
Due from other government	3,287	-	-	-	3,287
Interest receivable	-	8,118	-	-	8,118
Total assets	<u>6,143,401</u>	<u>18,712,306</u>	<u>782,270</u>	<u>-</u>	<u>25,637,977</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 65,655	391,833	-	-	457,488
Due to other governments	<u>5,271,317</u>	<u>454,707</u>	<u>-</u>	<u>-</u>	<u>5,726,024</u>
Total liabilities	<u>5,336,972</u>	<u>846,540</u>	<u>-</u>	<u>-</u>	<u>6,183,512</u>
Fund Balances:					
Reserved for encumbrances	-	12,084,571	-	-	12,084,571
Reserved for debt service	-	-	782,270	-	782,270
Reserved for capital projects	-	-	-	-	-
Unreserved:					
Designated for redevelopment projects	-	5,829,529	-	-	5,829,529
Undesignated	<u>806,429</u>	<u>(48,334)</u>	<u>-</u>	<u>-</u>	<u>758,095</u>
Total fund balances	<u>806,429</u>	<u>17,865,766</u>	<u>782,270</u>	<u>-</u>	<u>19,454,465</u>
Total liabilities and fund balances	<u>\$ 6,143,401</u>	<u>18,712,306</u>	<u>782,270</u>	<u>-</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

8,542,947

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Bonds payable	(1,625,000)	
Notes payable	(1,708,864)	
Compensated absences	(124,608)	(3,458,472)
Net assets of governmental activities		<u>\$ 24,538,940</u>

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

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST 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, 2010

	General	Special revenue	Debt service	Capital projects	Total governmental funds
Revenues:					
Tax increment revenues	\$ 822,384	9,858,299	-	-	10,680,683
Intergovernmental	698,703	-	300,000	-	998,703
Parking fees	149,696	-	-	-	149,696
Other	-	391,155	-	-	391,155
Interest	-	53,020	-	658	53,678
Total revenues	<u>1,670,783</u>	<u>10,302,474</u>	<u>300,000</u>	<u>658</u>	<u>12,273,915</u>
Expenditures:					
Current:					
General government	6,580,749	-	-	-	6,580,749
Community redevelopment	-	4,210,849	-	-	4,210,849
Debt service:					
Principal	-	-	200,000	-	200,000
Interest	-	-	146,625	-	146,625
Total expenditures	<u>6,580,749</u>	<u>4,210,849</u>	<u>346,625</u>	<u>-</u>	<u>11,138,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,909,966)</u>	<u>6,091,625</u>	<u>(46,625)</u>	<u>658</u>	<u>1,135,692</u>
Other financing sources (uses):					
Transfers in	5,271,317	-	46,625	-	5,317,942
Transfers out	-	(5,317,942)	-	-	(5,317,942)
Transfer to primary government	-	-	-	(3,140,624)	(3,140,624)
Sale of property	-	608,248	-	-	608,248
Total other financing sources (uses)	<u>5,271,317</u>	<u>(4,709,694)</u>	<u>46,625</u>	<u>(3,140,624)</u>	<u>(2,532,376)</u>
Net change in fund balances	361,351	1,381,931	-	(3,139,966)	(1,396,684)
Fund balances - beginning	<u>445,078</u>	<u>16,483,835</u>	<u>782,270</u>	<u>3,139,966</u>	<u>20,851,149</u>
Fund balances - ending	<u>\$ 806,429</u>	<u>17,865,766</u>	<u>782,270</u>	<u>-</u>	<u>19,454,465</u>
Net change in fund balances - total governmental funds					(1,396,684)

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt provides current financial resources to governmental funds, while repayments on long-term debt consumes the current financial resources of governmental funds:

Payment of principal on long-term debt 200,000

Items reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds:

Decrease in compensated absences 2,340

The governmental funds 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 761,519
Less: depreciation expense (693,264) 68,255

Loss on the disposal of capital assets is reported in the Statement of Activities, but is not reported in the fund financial statements.

(149,800)

Change in net assets of governmental activities \$ (1,275,889)

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

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2010

1. Summary of Significant Accounting Policies

This summary of the City of Miami Southeast Overtown Park West 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 1983, 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 in the Southeast Overtown area. The board of directors of the Agency is 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 Interlocal Cooperation Agreements, dated March 31, 1982, with Miami-Dade County, Florida (the County) and related ordinances of the City and 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 Agreements for the benefit of 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 and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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*.

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

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2010

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;
- The **Special Revenue Fund** accounts for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specified purposes;
- The **Debt Service Fund** accounts for the accumulation of resources for, and the payment of, bond principal and interest; and
- The **Capital Projects Fund** accounts for the acquisition and/or construction of major capital facilities.

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, other than described below, is pooled together with the City's cash. All such cash is reflected as equity in pooled cash on the Agency's statement of net assets and governmental funds balance sheet.

E. Restricted Net Assets

The government-wide statement of net assets reports \$18,648,036 of restricted net assets, of which \$782,270 is restricted for debt service payments because their use is limited by applicable bond covenants and restrictions and \$17,865,766 is restricted by enabling legislation (i.e. the use of tax increment funding for specific activities).

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2010

F. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental type activities column in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$1,000 and an estimated useful life 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.

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

G. Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

H. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The description of each reserve indicates the purpose for which each was intended. Unreserved fund balance is the portion of fund equity available for any lawful use.

I. 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

At September 30, 2010, the Agency's cash consisted of equity in pooled cash of \$24,844,302 and restricted cash of \$782,270. The Agency's funds participate 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.

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2010

2. Cash Deposits (continued)

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. Sale of Property

On April 13, 2005, the Agency sold certain property to Bayview Towers Associates, LLC (Bayview) for a total purchase price of \$2,600,000, of which \$500,000 was paid upon closing. The remaining amount of \$2,100,000 was due within two years from the date of closing, and was paid by Bayview upon the closing of each condominium unit sold by Bayview, whereby 7% of the gross purchase price of each condominium unit sold was paid to the Agency, up to the \$2,100,000. Bayview is required to continue to pay the Agency 7% of the gross purchase price of each condominium unit sold thereafter. The total amount paid by Bayview during the fiscal year ended September 30, 2010 is \$608,248.

4. Capital Assets

Capital asset activity for the fiscal year ended September 30, 2010 was as follows:

	Balance September 30, 2009	Transfers/ Additions	Transfers/ Deletions	Balance September 30, 2010
Capital assets, not being depreciated:				
Land	\$ 3,944,507	75,000	-	4,019,507
Total capital assets, not being depreciated	<u>3,944,507</u>	<u>75,000</u>	<u>-</u>	<u>4,019,507</u>
Capital assets, being depreciated:				
Furniture and equipment	87,657	65,750	-	153,407
Infrastructure	<u>9,052,600</u>	<u>664,543</u>	<u>(295,774)</u>	<u>9,421,369</u>
Total capital assets, being depreciated	<u>9,140,257</u>	<u>730,293</u>	<u>(295,774)</u>	<u>9,574,776</u>
Less accumulated depreciation for:				
Furniture and equipment	71,970	35,515	-	107,485
Infrastructure	<u>4,388,302</u>	<u>664,002</u>	<u>(108,453)</u>	<u>4,943,851</u>
Total accumulated depreciation	<u>4,460,272</u>	<u>699,517</u>	<u>(108,453)</u>	<u>5,051,336</u>
Total capital assets, being depreciated, net	<u>4,679,985</u>	<u>30,776</u>	<u>(187,321)</u>	<u>4,523,440</u>
Total capital assets (net of accumulated depreciation)	<u>\$ 8,624,492</u>	<u>105,776</u>	<u>(187,321)</u>	<u>8,542,947</u>

During fiscal year 2010, depreciation expense in the amount of \$693,264 was charged to Community Development.

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2010

5. Long-Term Obligations

The changes in the long-term obligations for the year ended September 30, 2010 are summarized as follows:

	Balance September 30, 2009	Additions	Deletions	Balance September 30, 2010	Amount due within one year
Community Redevelopment Revenue	\$ 1,825,000	-	(200,000)	1,625,000	220,000
Bonds, Series 1990					
Gran Central Loan	1,708,864	-	-	1,708,864	-
Compensated absences	126,948	-	(2,340)	124,608	-
Total long-term obligations	<u>\$ 3,660,812</u>	<u>-</u>	<u>(202,340)</u>	<u>3,458,472</u>	<u>220,000</u>

A description of each obligation is as follows:

- (a) On November 8, 1990, the City issued \$11,500,000 aggregate principal amount of Community Redevelopment Revenue Bonds, Series 1990, maturing through 2015, with interest rates ranging from 7.15% to 8.5%. These bonds are secured by a pledge of guaranteed entitlement revenue received from the State of Florida and the tax increment revenue amounts received from the City and County on the Southeast Overtown/Park West Redevelopment area. The proceeds of the bonds were used mainly to refinance a \$5,958,000 Section 108 HUD promissory note, to reimburse the City for moneys advanced to the Agency by the City in an amount not to exceed \$750,000, and to finance the acquisition and clearing of certain real property and the construction of certain infrastructure improvements within the Southeast Overtown/Park West Redevelopment Area defined in the Phase I Development Programs of the Agency's Interlocal Agreement and related resolutions of the City and County.

The bonds are secured by a pledge of \$300,000 per year by the City from the proceeds of its Guaranteed Entitlement Revenue, in addition to the tax increment revenue received by the City and County. As a result, the City deposits \$300,000 per year with the trustees of the bond indenture, which represents its portion of the state of Florida's shared revenue for the payment of principal and interest on the bonds.

The principal and interest requirements on the special obligation bonds and loans are as follows:

	Principal	Interest	Total
2011	\$ 220,000	128,775	348,775
2012	235,000	109,438	344,438
2013	255,000	88,613	343,613
2014	280,000	65,875	345,875
2015	305,000	41,012	346,012
2016	330,000	14,025	344,025
Total	<u>\$ 1,625,000</u>	<u>447,738</u>	<u>2,072,737</u>

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2010

5. Long-Term Obligations (continued)

- (b) On January 20, 1988, the City entered into a loan agreement with the Gran Central Corporation (GCC) to finance 50% of the cost to acquire a parcel of property within the SEOPW CRA Area and relocate and widen Northwest First Avenue between Northwest First Street and Northwest Eighth Street. The loan, in the amount of \$1,708,864, does not bear interest and is payable from tax increment funds received from the City and County within a designated area defined in the loan documents on a junior and subordinate basis to the lien granted to holders of the \$11,500,000 Community Redevelopment Revenue Bonds, Series 1990. GCC is to be fully repaid by the year 2008 with annual payments to be made to the extent funds are generated by tax increment revenue within the designated area, as defined in the loan document, is available after required payments for the Series 1990 Bonds debt service and any requirement of the reserve fund or reserve product, as defined in the Series 1990 Bond indenture. GCC has subsequently been acquired by another company (referred to as the "predecessor company"), which has taken over the loan.

The loan became due during fiscal year 2008. However, management believes that since no tax increment funds have been generated within the designated area, as defined in the loan documents, no payment on the loan is required, and will only become due when any such tax increment funds have been generated within the designated area. Management of the Agency is still in the process of clarifying these terms with the predecessor company, but has been unsuccessful.

6. Tax Increment Revenue

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 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. As of September 30, 2010, the Agency recorded an amount due to the Trust totaling \$454,707.

7. Parking Lease Revenue

On February 23, 1988, the City and the Department of Off-Street Parking (DOSP), a discretely presented component unit of the City, entered into an agreement whereby DOSP leased certain lots surrounding the Miami Arena. The term of the lease agreement was for a period of five years, which commenced on June 1, 1988 and expired on June 1, 1993. DOSP paid the City \$500,000 upon signing the lease agreement and agreed to pay annually as rent eighty-five percent (85%) of gross revenue earned net of operating expenses incurred on the operations of the leased lots for each respective lease year.

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2010

7. Parking Lease Revenue (continued)

On October 20, 1993, the City and DOSP entered into an agreement to extend the lease term of the original agreement, which expired on June 1, 2000. Currently, the City and DOSP have extended the lease agreement to an undetermined amount of time. All of the lots leased to DOSP are within the limits of the Southeast Overtown district, and therefore, the City allocates all moneys received from DOSP to the Southeast Overtown district.

8. Interfund Transfers

During 2010, there was a transfer of \$46,625 from the special revenue fund to the debt service fund to cover debt service expenditures, and a transfer of \$5,271,317 from the special revenue fund to the general fund for the eventual repayment to the City for administrative operating subsidies given to the Agency during the period beginning fiscal year 2000 and ending fiscal year 2005.

9. Special Benefit Plans

(a) 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	\$ 95,000
Current year's payroll for general employees	564,942
Current year's employer contributions for:	
Executive employees (8% rate)	7,378
General employees (5% rate)	19,452

(b) 457(b) Deferred Compensation Plan

All employees, including executives and general employees, of the Agency are eligible to join the United States Conference of Mayors 457(b) Deferred Compensation Plan (the Plan). The Plan agreement requires the Agency to contribute 5% of each executive employee's earnable compensation, and is not required to contribute to general employee participants. 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 457(b) Deferred Compensation Plan:

Current year's payroll for executive employees	\$ 95,000
Current year's employer contributions for:	
Executive employees (5% rate)	4,611

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Notes to Basic Financial Statements

September 30, 2010

10. Commitment and Contingencies

- (a) The Agency is contractually obligated for approximately \$8.1 million at September 30, 2010, for construction projects.
- (b) During 2010, the Agency committed to provide a grant to Camillus House for the construction of a new facility at an amount not to exceed \$10,000,000. The grant, which will be funded by tax increment revenues, will be payable at \$2,000,000 per year over a five year period from fiscal year 2011 through fiscal year 2016.
- (c) The Agency is a defendant in several legal actions. The outcome of these actions cannot be determined at this time. Management believes that any liability from these actions will not have a material effect on the Agency's financial condition.

11. Subsequent events

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or are available to be issued. Subsequent events should be disclosed in the financial statements if exclusion of such disclosure would cause the financial statements to be misleading. The Agency evaluated subsequent events through March 1, 2011, the date the financial statements were available to be issued, and does not believe that there are any such events or transactions that require disclosure.

Required Supplementary Information

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Budgetary Comparison Schedule - General Fund
(Required Supplementary Information - Unaudited)

Year ended September 30, 2010

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Tax increment revenues	\$ 822,384	822,384	822,384	-
Intergovernmental	716,400	716,400	698,703	(17,697)
Parking fees	-	-	149,696	149,696
Total revenues	<u>1,538,784</u>	<u>1,538,784</u>	<u>1,670,783</u>	<u>131,999</u>
Expenditures:				
Current:				
General government	<u>1,643,891</u>	<u>6,915,208</u>	<u>6,580,749</u>	<u>334,459</u>
Total expenditures	<u>1,643,891</u>	<u>6,915,208</u>	<u>6,580,749</u>	<u>334,459</u>
Excess (deficiency) of revenues over (under) expenditures	(105,107)	(5,376,424)	(4,909,966)	466,458
Other financing sources (uses):				
Transfers in	-	5,271,317	5,271,317	-
Net (budget reserve) carryover fund balance	<u>105,107</u>	<u>105,107</u>	<u>-</u>	<u>(105,107)</u>
Total other financing sources (uses)	<u>105,107</u>	<u>5,376,424</u>	<u>5,271,317</u>	<u>(105,107)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>361,351</u>	<u>361,351</u>
Fund balances - beginning			445,078	
Fund balances - ending			<u>\$ 806,429</u>	

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

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Budgetary Comparison Schedule - Special Revenue Fund

(Required Supplementary Information - Unaudited)

Year ended September 30, 2010

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Tax increment revenues	\$ 7,014,897	10,226,246	9,858,299	(367,947)
Intergovernmental	-	-	-	-
Other	-	-	391,155	391,155
Interest	-	-	53,020	53,020
Total revenues	<u>7,014,897</u>	<u>10,226,246</u>	<u>10,302,474</u>	<u>76,228</u>
Expenditures:				
Current:				
Community redevelopment	<u>24,378,737</u>	<u>21,600,610</u>	<u>4,210,849</u>	<u>17,389,761</u>
Total expenditures	<u>24,378,737</u>	<u>21,600,610</u>	<u>4,210,849</u>	<u>17,389,761</u>
Excess (deficiency) of revenues over (under) expenditures	(17,363,840)	(11,374,364)	6,091,625	17,465,989
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(50,000)	(5,621,317)	(5,317,942)	303,375
Proceeds from sale of land	-	611,846	608,248	(3,598)
Net carryover fund balance	<u>17,413,840</u>	<u>16,383,835</u>	-	<u>(16,383,835)</u>
Total other financing sources (uses)	<u>17,363,840</u>	<u>11,374,364</u>	<u>(4,709,694)</u>	<u>(16,084,058)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>1,381,931</u>	<u>1,381,931</u>
Fund balances - beginning			<u>16,483,835</u>	
Fund balances - ending			<u>\$ 17,865,766</u>	

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

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

Note to Required Supplementary Information

September 30, 2010

1. Budgetary Policy

The Agency adopts an annual budget for the operations of the General Fund, Special Revenue Fund and Debt Service Fund. Capital Project funds are budgeted on a total project basis for which annual budgets are not available. In accordance with generally accepted accounting principles, budgetary comparison information is disclosed only 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 Southeast Overtown
Park West Redevelopment Agency:

We have audited the basic financial statements of the City of Miami Southeast Overtown Park West Redevelopment Agency (the Agency) as of and for the year ended September 30, 2010, and have issued our report thereon dated March 1, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free of 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*.

In addition, we issued a management letter to management of the Agency dated March 1, 2011, as required by the *Rules of the Auditor General* of the State of Florida.



This report is intended solely for the information and use of the board of directors, management of the Agency, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Samson, Kline, Taconetti & Company LLP

March 1, 2011



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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 Southeast Overtown
Park West Redevelopment Agency:

We have audited the financial statements of the City of Miami Southeast Overtown Park West Redevelopment Agency (the Agency), a Component Unit of the City of Miami, Florida, as of and for the fiscal year ended September 30, 2010 and have issued our report thereon dated March 1, 2011.

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. We have issued our Independent Auditors' Reports on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in those reports, which are dated March 1, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

- 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 not otherwise addressed in the auditor's report pursuant to Section 10.557(3)(b)2., Rules of the Auditor General. See Appendix A to this report for a status of the prior year's recommendation.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our current year audit, we determined that the Agency complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our current year audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statement that is less than material but more than inconsequential. In connection with our current year audit, we noted no such violations.



- Section 10.554(1)(i)5., Rules of the Auditor General, requires, based on professional judgment, the reporting of the following matters that have an inconsequential to the determination effect on the financial statement, considering both quantitative and qualitative factors: (a) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (b) deficiencies in internal control that are not significant deficiencies. In connection with our current year audit, we did not have any such findings.
- Section 10.554(1)(i)6., 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.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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 current year audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial reports for the Agency for the fiscal year ended September 30, 2010, 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, 2010. The Agency does not file a separate report with the State of 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 year ended September 30, 2010.
- Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our current year audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity'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.

This management letter is intended solely for the information and use of the board of directors, management of the Agency, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Sanson, Kline, Tacomini & Company LLP

March 1, 2011

**CITY OF MIAMI SOUTHEAST OVERTOWN
PARK WEST REDEVELOPMENT AGENCY**
(A Component Unit of the City of Miami, Florida)

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

Year ended September 30, 2010

Status of Prior Year's Recommendation

2010-1 GASB Statement No. 54

Prior Year's Recommendation

We recommend that management become familiar with GASB Statement No. 54, and be prepared to implement this pronouncement for the fiscal year ending September 30, 2011. However, if the City decides to implement GASB Statement No. 54 earlier than fiscal year ending September 30, 2011, the Authority will be required to early implement as well.

Prior Year's Management's Response

Management acknowledges the recommendation made. We will discuss this with the City and be prepared to implement GASB Statement No. 54 when the City does.

Current Year's Status

The City did not early implement GASB Statement No. 54 for the year ended September 30, 2010, but instead will implement it, as required, for the year ending September 30, 2011.

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

Basic Financial Statements

September 30, 2010

(With Independent Auditor's Report Thereon)

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

September 30, 2010

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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:

We have audited the accompanying basic financial statements of the governmental activities and the 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, 2010, which collectively comprise the Agency's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Agency's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have issued our report dated January 19, 2011 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2 through 5 and the budgetary comparison information on pages 12 and 13 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Sanson, Kline, Jacomino & Company LLP

January 19, 2011

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, 2010

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, 2010. 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, 2010

Financial Highlights

At the close of the current fiscal year, the Agency had a fund balance of \$29,768,796, a decrease of \$713,221 in comparison with the prior year. The difference between fund balance and net assets is capital assets of \$856. The restricted net asset of \$29,768,796 is subject to external restrictions on how it may be used.

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.

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 Assets and the Statement of Governmental Fund Revenues, Expenditures, and Changes in fund Balance/Statement of Activities. Accordingly, the only reconciling item between these two statements is the addition of land that was donated by the City, 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 assets presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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.

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

Management's Discussion and Analysis - Unaudited

September 30, 2010

Fund Financial Statements (continued)

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.

There were no significant changes between the original budget and final budget. The change in final budget to actual community redevelopment expenditures was primarily attributed to projects that were planned for in the fiscal year 2010, but not yet started as planned.

Financial Analysis

Government-Wide/Individual Fund Analysis

Our analysis of the financial statements of the Agency begins below. The Government-Wide financial statements and the Fund financial statements, in this case, is substantially the same, with the exception of the capital assets of \$856. The Statement of Net Assets 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 Assets

	<u>9/30/10</u>	<u>9/30/09</u>
Total assets	\$ 35,084,341	\$ 32,549,013
Total liabilities	5,314,689	2,066,140
Total net assets	29,769,796	30,482,873

- Total assets increased from the prior year as a result of the overall increase in equity in pooled cash. The increase in equity in pooled cash resulted from the overall decrease in cash disbursements for community redevelopment related activities, including a decrease in the tax increment revenue required to be remitted to Miami-Dade County.
- Total liabilities increased from the prior year as a result of the amounts due to the City of Miami for the reimbursement of expenses incurred for the design of the Museum Park project.

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

Management's Discussion and Analysis - Unaudited

September 30, 2010

- Total restricted net assets increased from the prior year as a result of the overall net decrease in operations.

Summary of Changes in Net Assets

	<u>9/30/10</u>	<u>9/30/09</u>
Expenditures:		
General government	\$ 664,719	\$ 388,185
Community redevelopment	14,230,426	10,381,853
Revenues:		
Tax increment	14,000,982	15,053,838
Interest	78,442	417,398
Other	<u>102,400</u>	<u>-</u>
(Decrease) increase in net assets	(713,221)	4,701,198
Net assets, beginning of year	<u>30,482,873</u>	<u>25,781,675</u>
Net assets, end of year	<u>\$ 29,769,652</u>	<u>\$ 30,482,873</u>

- General government expenditures increased from the prior year as a result of the increase in the amounts contributed to the City of Miami Southeast Overtown Park West Redevelopment Agency's General Fund, which administers the general operating function for all three community redevelopment agencies.
- Community redevelopment expenditures increased from the prior year as a result of the amounts due to the City of Miami for the reimbursement of expenses incurred for the design of the Museum Park project.
- Tax increment revenue decreased from the prior year as a result of a decrease in the annual pay out from the City and the County.
- Interest revenue decreased from the prior year mainly as a result of the poor interest rates earned on investments.

Capital Assets

As of September 30, 2010, the Agency's investment in capital assets amounted to \$856.

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, 49 N.W. 5th Street, Suite 100, Miami, Florida 33128.

Basic Financial Statements

CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY

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

Governmental Fund Balance Sheet/Statement of Net Assets

September 30, 2010

	<u>Special revenue fund</u>	<u>Adjustments</u>	<u>Statement of net assets</u>
Assets			
Equity in pooled cash	\$ 34,759,767	-	34,759,767
Interest receivable	13,718	-	13,718
Deposit	310,000	-	310,000
Capital assets:			
Land	-	856	856
Total assets	<u>35,083,485</u>	<u>856</u>	<u>35,084,341</u>
Liabilities			
Accounts payable	\$ 352,329	-	352,329
Due to primary government	4,395,332	-	4,395,332
Due to other government	<u>567,028</u>	<u>-</u>	<u>567,028</u>
Total liabilities	<u>5,314,689</u>	<u>-</u>	<u>5,314,689</u>
Fund Balance/Net Assets			
Fund balance reserved for encumbrances	27,040,098	(27,040,098)	-
Unreserved fund balance:			
Designated for redevelopment projects	2,728,698	(2,728,698)	-
Undesignated	-	-	-
Invested in capital assets	-	856	856
Restricted net assets	<u>-</u>	<u>29,768,796</u>	<u>29,768,796</u>
Total fund balance/net assets	<u>\$ 29,768,796</u>	<u>856</u>	<u>29,769,652</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 Governmental Fund Revenues, Expenditures,
and Changes in Fund Balance/Statement of Activities

Year ended September 30, 2010

	<u>Special revenue fund</u>	<u>Adjustments</u>	<u>Statement of activities</u>
Expenditures/expenses:			
General government	\$ 664,719	-	664,719
Community redevelopment	14,230,426	-	14,230,426
Total expenditures/expenses	<u>14,895,145</u>	<u>-</u>	<u>14,895,145</u>
General revenues:			
Tax increment revenue	14,000,982	-	14,000,982
Interest revenue	78,442	-	78,442
Other income	<u>102,500</u>	<u>-</u>	<u>102,500</u>
Total general revenues	<u>14,181,924</u>	<u>-</u>	<u>14,181,924</u>
Deficiency of revenues over expenditures / decrease in net assets	(713,221)	-	(713,221)
Fund Balance/net assets - beginning of the year	<u>30,482,017</u>	<u>856</u>	<u>30,482,873</u>
Fund Balance/net assets - end of the year	<u>\$ 29,768,796</u>	<u>856</u>	<u>29,769,652</u>

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

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

Notes to Basic Financial Statements

September 30, 2010

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 assets 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* 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, 2010

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.

The *Special Revenue Fund* is the Agency's only fund. It accounts for all financial resources of the Agency.

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 County and The Children's Trust.

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 assets.

F. 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.

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.

G. Restricted Net Assets

The restricted net assets reported on the government-wide statement of net assets in the amount of \$29,768,796 is restricted by enabling legislation (i.e. the use of tax increment funding for specific activities).

H. Fund Equity

In the fund financial statements, the Special Revenue fund reports a reservation of fund balance for an amount that is not available for appropriation or is legally restricted by outside parties for use for a specific purpose. Unreserved fund balance is the portion of fund equity available for any lawful use.

I. 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%.

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

Notes to Basic Financial Statements

September 30, 2010

I. Tax Increment Revenues

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. For the fiscal year ended September 30, 2010, the Agency remitted a total of \$5,631,384 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. As of September 30, 2010, the Agency recorded an amount due to the Trust totaling \$567,028.

J. 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, 2010, consisted of equity in pooled cash in the amount of \$34,759,767. 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.

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

Notes to Basic Financial Statements

September 30, 2010

2. Cash Deposits (continued)

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, 2010 was as follows:

	Balance September 30, 2009	Additions	Deletions	Balance September 30, 2010
Capital assets, not being depreciated:				
Land	\$ <u>856</u>	<u>-</u>	<u>-</u>	<u>856</u>

4. Commitment and Contingencies

The Agency is contractually obligated for approximately \$23.1 million at September 30, 2010, for construction projects.

5. Subsequent events

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or are available to be issued. Subsequent events should be disclosed in the financial statements if exclusion of such disclosure would cause the financial statements to be misleading. The Agency evaluated subsequent events through January 19, 2011, the date the financial statements were available to be issued, and does not believe that there are any such events or transactions that require disclosure.

Required Supplementary Information

CITY OF MIAMI OMNI 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, 2010

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance - positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Tax increment revenue	\$ 14,522,904	13,433,954	14,000,982	567,028
Interest revenue	-	-	78,442	78,442
Other income	-	-	102,500	102,500
Total revenues	<u>14,522,904</u>	<u>13,433,954</u>	<u>14,181,924</u>	<u>747,970</u>
Expenditures:				
Current:				
General government	683,510	716,400	664,719	51,681
Community redevelopment	<u>46,933,267</u>	<u>43,199,571</u>	<u>14,230,426</u>	<u>28,969,145</u>
Total expenditures	<u>47,616,777</u>	<u>43,915,971</u>	<u>14,895,145</u>	<u>29,020,826</u>
Deficiency of revenues over expenditures	(33,093,873)	(30,482,017)	(713,221)	29,768,796
Other financing uses:				
Net carryover fund balance	<u>33,093,873</u>	<u>30,482,017</u>	-	30,482,017
Total other financing uses	<u>33,093,873</u>	<u>30,482,017</u>	-	30,482,017
Net change in fund balance	<u>\$ -</u>	<u>-</u>	(713,221)	<u>(713,221)</u>
Fund balance - beginning of the year			<u>30,482,873</u>	
Fund balance - end of the year			<u>\$ 29,769,652</u>	

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

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

Note to Required Supplementary Information

September 30, 2010

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**

To the Board of Directors of the
City of Miami Omni Community
Redevelopment Agency:

We have audited the basic financial statements of the City of Miami Omni Community Redevelopment Agency (the Agency) as of and for the year ended September 30, 2010, and have issued our report thereon dated January 19, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free of 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*.

In addition, we issued a management letter to management of the Agency dated January 19, 2011, as required by the *Rules of the Auditor General* of the State of Florida.



This report is intended solely for the information and use of the board of directors, management of the Agency, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Sanson, Kline, Tacomeau & Company LLP

January 19, 2011



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

To the Board of Directors of the
City of Miami Omni Community
Redevelopment Agency:

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, 2010 and have issued our report thereon dated January 19, 2011.

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. We have issued our Independent Auditors' Reports on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in those reports, which are dated January 19, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

- 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 not otherwise addressed in the auditor's report pursuant to Section 10.557(3)(b)2., Rules of the Auditor General. See Appendix A to this report for a status of the prior year's recommendation.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our current year audit, we determined that the Agency complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our current year audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statement that is less than material but more than inconsequential. In connection with our current year audit, we noted no such violations.



- Section 10.554(1)(i)5., Rules of the Auditor General, requires, based on professional judgment, the reporting of the following matters that have an inconsequential to the determination effect on the financial statement, considering both quantitative and qualitative factors: (a) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (b) deficiencies in internal control that are not significant deficiencies. In connection with our current year audit, we did not have any such findings.
- Section 10.554(1)(i)6., 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.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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 current year audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial reports for the Agency for the fiscal year ended September 30, 2010, 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, 2010. The Agency does not file a separate report with the State of 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 year ended September 30, 2010.
- Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our current year audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity'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.

This management letter is intended solely for the information and use of the board of directors, management of the Agency, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Samson, Klein, Taconaro & Company LLP

January 19, 2011

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

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

Year ended September 30, 2010

Status of Prior Year's Recommendation

2010-1 GASB Statement No. 54

Prior Year's Recommendation

We recommend that management become familiar with GASB Statement No. 54, and be prepared to implement this pronouncement for the fiscal year ending September 30, 2011. However, if the City decides to implement GASB Statement No. 54 earlier than fiscal year ending September 30, 2011, the Authority will be required to early implement as well.

Prior Year's Management's Response

Management acknowledges the recommendation made. We will discuss this with the City and be prepared to implement GASB Statement No. 54 when the City does.

Current Year's Status

The City did not early implement GASB Statement No. 54 for the year ended September 30, 2010, but instead will implement it, as required, for the year ending September 30, 2011.

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

Basic Financial Statements

September 30, 2010

(With Independent Auditor's Report Thereon)

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

September 30, 2010

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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:

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, 2010, which collectively comprise the Agency's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Agency's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have issued our report dated January 19, 2011 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2 through 4 and the budgetary comparison information on pages 10 and 11 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Sanson, Kline, Jacomino & Company LLP

January 19, 2011

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, 2010

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, 2010. 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 had a fund balance/net asset balance of \$0, which is the same as in the prior year. This was a result of the remittance of the tax increment funds to the District for the repayment of the debt service of bonds issued by the District, as described above.

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, 2010

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 Assets 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 5 and 6 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 assets presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 7 to 9 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 10 of this report.

The significant change between the original budget and final budget was to increase 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, 2010

Financial Analysis

Government-Wide/Individual Fund Analysis

Our analysis of the financial statements of the Agency begins below. The Statement of Net Assets 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 Assets

	<u>9/30/10</u>	<u>9/30/09</u>
Total assets	\$ 1,500	\$ -
Total liabilities	1,500	-
Total restricted net assets	-	-

Summary of Changes in Net Assets

	<u>9/30/10</u>	<u>9/30/09</u>
Expenditures:		
General government	\$ 33,984	\$ 29,538
Community redevelopment	3,867,462	3,391,730
Revenues:		
Tax increment	<u>3,901,446</u>	<u>3,421,268</u>
Change in net assets	-	-
Net assets, beginning of year	-	-
Net assets, end of year	\$ <u> </u>	\$ <u> </u>

- Community redevelopment expenditures increased in the current year as a result of 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 as a result of an 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, 49 N.W. 5th Street, Suite 100, Miami, Florida 33128.

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 Assets

September 30, 2010

	<u>Special revenue fund</u>	<u>Adjustments</u>	<u>Statement of net assets</u>
Assets			
Equity in pooled cash	\$ 1,500	-	1,500
Liabilities			
Accounts payable	\$ 1,500	-	1,500
Unreserved fund balance/unrestricted net assets	<u>\$ -</u>	<u>-</u>	<u>-</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)

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

Year ended September 30, 2010

	<u>Special revenue fund</u>	<u>Adjustments</u>	<u>Statement of activities</u>
Expenditures/expenses:			
General government	\$ 33,984	-	33,984
Community redevelopment	3,867,462	-	3,867,462
Total expenditures/expenses	<u>3,901,446</u>	<u>-</u>	<u>3,901,446</u>
General revenues:			
Tax increment revenue	<u>3,901,446</u>	<u>-</u>	<u>3,901,446</u>
Total general revenues	<u>3,901,446</u>	<u>-</u>	<u>3,901,446</u>
Excess of revenues over expenditures/increase in net assets	-	-	-
Fund Balance/net assets - beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance/net assets - end of the year	<u>\$ -</u>	<u>-</u>	<u>-</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, 2010

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 assets 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* 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, 2010

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.

The *Special Revenue Fund* is the Agency's only fund. It accounts for all financial resources of the Agency.

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 assets.

E. Fund Equity

Unreserved fund balance is the portion of fund equity available for any lawful use.

F. 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. 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, 2010, the Agency remitted a total of \$3,862,462 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.

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

Notes to Basic Financial Statements

September 30, 2010

2. Cash and Cash Equivalents

The Agency's cash as of September 30, 2010, consisted of equity in pooled cash in the amount of \$1,500. 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.

3. Subsequent events

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or are available to be issued. Subsequent events should be disclosed in the financial statements if exclusion of such disclosure would cause the financial statements to be misleading. The Agency evaluated subsequent events through January 19, 2011, the date the financial statements were available to be issued, and does not believe that there are any such events or transactions that require disclosure.

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, 2010

	Budgeted amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues:				
Tax increment revenue	\$ 3,421,268	3,901,446	3,901,446	-
Other	-	-	-	-
Total revenues, net	<u>3,421,268</u>	<u>3,901,446</u>	<u>3,901,446</u>	<u>-</u>
Expenditures:				
Current:				
General government	41,213	33,984	33,984	-
Community redevelopment	<u>3,380,055</u>	<u>3,867,462</u>	<u>3,867,462</u>	<u>-</u>
Total expenditures	<u>3,421,268</u>	<u>3,901,446</u>	<u>3,901,446</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Net (budget reserve) carryover fund balance	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning of the year			-	
Fund balance - end of the year			<u>\$ -</u>	

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

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

Note to Required Supplementary Information

September 30, 2010

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**

To the Board of Directors of the
City of Miami Midtown Community
Redevelopment Agency:

We have audited the basic financial statements of the City of Miami Midtown Community Redevelopment Agency (the Agency) as of and for the year ended September 30, 2010, and have issued our report thereon dated January 19, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free of 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*.

In addition, we issued a management letter to management of the Agency dated January 19, 2011, as required by the *Rules of the Auditor General* of the State of Florida.



This report is intended solely for the information and use of the board of directors, management of the Agency, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Sanson, Kline, Tacomini & Company LLP

January 19, 2011



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

To the Board of Directors of the
City of Miami Midtown Community
Redevelopment Agency:

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, 2010 and have issued our report thereon dated January 19, 2011.

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. We have issued our Independent Auditors' Reports on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in those reports, which are dated January 19, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

- 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 not otherwise addressed in the auditor's report pursuant to Section 10.557(3)(b)2., Rules of the Auditor General. See Appendix A to this report for a status of the prior year's recommendation.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our current year audit, we determined that the Agency complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our current year audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statement that is less than material but more than inconsequential. In connection with our current year audit, we noted no such violations.



- Section 10.554(1)(i)5., Rules of the Auditor General, requires, based on professional judgment, the reporting of the following matters that have an inconsequential to the determination effect on the financial statement, considering both quantitative and qualitative factors: (a) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (b) deficiencies in internal control that are not significant deficiencies. In connection with our current year audit, we did not have any such findings.
- Section 10.554(1)(i)6., 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.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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 current year audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial reports for the Agency for the fiscal year ended September 30, 2010, 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, 2010. The Agency does not file a separate report with the State of 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 year ended September 30, 2010.
- Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our current year audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity'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.

This management letter is intended solely for the information and use of the board of directors, management of the Agency, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Sanson, Kline, Tacomini & Company LLP

January 19, 2011

CITY OF MIAMI MIDTOWN COMMUNITY REDEVELOPMENT AGENCY

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

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

Year ended September 30, 2010

Status of Prior Year's Recommendation

2010-1 GASB Statement No. 54

Prior Year's Recommendation

We recommend that management become familiar with GASB Statement No. 54, and be prepared to implement this pronouncement for the fiscal year ending September 30, 2011. However, if the City decides to implement GASB Statement No. 54 earlier than fiscal year ending September 30, 2011, the Authority will be required to early implement as well.

Prior Year's Management's Response

Management acknowledges the recommendation made. We will discuss this with the City and be prepared to implement GASB Statement No. 54 when the City does.

Current Year's Status

The City did not early implement GASB Statement No. 54 for the year ended September 30, 2010, but instead will implement it, as required, for the year ending September 30, 2011.