

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

Basic Financial Statements

September 30, 2009

(With Independent Auditor's Report Thereon)

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

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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, 2009, 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, 2009, 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 November 25, 2009 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

November 25, 2009

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, 2009

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, 2009. 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 \$25,814,829. Of this amount, \$5,090,628 was invested in capital assets net of related debt, \$782,270 was restricted for debt service, \$3,139,966 was restricted for capital projects, and \$16,483,835 was restricted by enabling legislation. This resulted in an excess of \$318,130 (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 \$20,851,149, an increase of \$3,137,670 in comparison with the prior year.

Overview to the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

In addition, the Agency reports, as required supplementary information, a budget to actual comparison and notes to the required supplementary information.

**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, 2009

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 19 and 20, respectively, of this report.

The following is a brief review of the variances from the final budget to actual amounts for the General Fund (please see budget to actual comparison on page 19):

- The change in final budget to actual for parking fees was a result of no amounts budgeted for the use of the parking lots owned by the Agency and managed by the Miami Parking Authority.
- The change in final budget to actual for general government expenditures was mainly a result of payroll expenditures budgeted higher than actually expended.

The following is a brief review of the variances from the final budget to actual amounts for the Special Revenue Fund (please see budget to actual comparison on page 20):

- The change in final budget to actual for community redevelopment was a result of redevelopment projects planned that either did not commence or were not 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.

Table A-1
Summary of Net Assets

	Fiscal Year <u>2009</u>	Fiscal Year <u>2008</u>
Current assets	\$ 21,547,504	\$ 20,271,270
Capital assets, net	<u>8,624,492</u>	<u>8,750,738</u>
Total assets	<u>30,171,996</u>	<u>29,022,008</u>
Current liabilities	696,355	2,557,813
Non-current liabilities	<u>3,660,812</u>	<u>3,775,109</u>
Total liabilities	<u>4,357,167</u>	<u>6,332,900</u>
Investment in capital assets, net of related debt	5,090,628	5,031,874
Restricted	20,406,071	17,270,278
Unrestricted	<u>318,130</u>	<u>386,956</u>
Total net assets	<u>\$ 25,814,829</u>	<u>\$ 22,689,108</u>

**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, 2009

Individual Fund Analysis

Fund balance for the General Fund increased from \$443,201 at September 30, 2008 to \$445,078 at September 30, 2009. The fund balance for the Special Revenue Fund increased from \$11,994,438 at September 30, 2008 to \$16,483,835 at September 30, 2009. Fund balance for the Debt Service Fund decreased from \$2,177,915 at September 30, 2008 to \$782,270 at September 30, 2009. Fund balance for the Capital Projects Fund increased from \$3,097,925 at September 30, 2008 to \$3,139,966 at September 30, 2009. 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 2008:

- The increase in fund balance in the Special Revenue Fund was mainly due to the increase in tax increment revenues and the transfer from the debt service fund.
- The decrease in fund balance in the Debt Service Fund was a result of the one time transfer to the Special Revenue Fund.
- The increase in fund balance in the Capital Projects Fund was a result of interest income earned during the year.

Capital Assets

As of September 30, 2009, the Agency's investment in capital assets, net of accumulated depreciation, amounted to \$8,624,492, decreasing from \$8,750,738 as of September 30, 2008.

Summary of Capital Assets
(Net of Depreciation)

	Fiscal Year <u>2009</u>	Fiscal Year <u>2008</u>
Land	\$ 3,944,507	\$ 3,688,307
Furniture and equipment	15,687	25,762
Infrastructure	<u>4,664,298</u>	<u>5,036,669</u>
Total capital assets	<u>\$ 8,624,492</u>	<u>\$ 8,750,738</u>

Additional capital asset information can be found on page 14 of this report.

Debt Management

As of September 30, 2009, the Agency had \$3,533,864 of special obligation bonds and loans outstanding compared to \$3,718,864 as of September 30, 2008. 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 2009.

Additional long-term debt information can be found on pages 15 and 16 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, 2009

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash	\$ 20,677,370
Restricted cash	782,270
Other receivable	42,686
Interest receivable	45,178
Capital assets (net of accumulated depreciation):	
Land	3,944,507
Furniture and equipment	15,687
Infrastructure	<u>4,664,298</u>
Total assets	<u>30,171,996</u>
Liabilities	
Accounts payable and accrued liabilities	411,434
Due to other governments	284,921
Non-current liabilities:	
Due within one year:	
Bonds payable	200,000
Due in more than one year:	
Bonds payable	1,625,000
Notes payable	1,708,864
Compensated absences	<u>126,948</u>
Total liabilities	<u>4,357,167</u>
Net Assets	
Invested in capital assets, net of related debt	5,090,628
Restricted	20,406,071
Unrestricted	<u>318,130</u>
Total net assets	<u>\$ 25,814,829</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, 2009

	General	Special revenue	Debt service	Capital projects	Total governmental funds
Assets					
Equity in pooled cash	\$ 495,210	17,049,099	-	3,133,061	20,677,370
Restricted cash	-	-	782,270	-	782,270
Other receivable	-	42,686	-	-	42,686
Interest receivable	-	38,273	-	6,905	45,178
Total assets	495,210	17,130,058	782,270	3,139,966	21,547,504
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 16,650	394,784	-	-	411,434
Due to other governments	33,482	251,439	-	-	284,921
Total liabilities	50,132	646,223	-	-	696,355
Fund Balances:					
Reserved for encumbrances	-	13,990,276	-	-	13,990,276
Reserved for debt service	-	-	782,270	-	782,270
Reserved for capital projects	-	-	-	3,139,966	3,139,966
Unreserved:					
Designated for redevelopment projects	-	2,493,559	-	-	2,493,559
Undesignated	445,078	-	-	-	445,078
Total fund balances	445,078	16,483,835	782,270	3,139,966	20,851,149
Total liabilities and fund balances	\$ 495,210	17,130,058	782,270	3,139,966	

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.	8,624,492
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds and notes payable	(3,533,864)
Compensated absences	(126,948)
Net assets of governmental activities	\$ 25,814,829

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, 2009

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, 2009

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, 2009, the Agency's cash consisted of equity in pooled cash of \$20,677,370 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, 2009

5. Long-Term Obligations

The changes in the long-term obligations for the year ended September 30, 2009 are summarized as follows:

	Balance September 30, 2008	Additions	Deletions	Balance September 30, 2009	Amount due within one year
Community Redevelopment Revenue					
Bonds, Series 1990	\$ 2,010,000	-	(185,000)	1,825,000	200,000
Gran Central Loan	1,708,864	-	-	1,708,864	-
Compensated absences	<u>56,245</u>	-	<u>70,703</u>	<u>126,948</u>	-
Total long-term obligations	<u>\$ 3,775,109</u>	<u>-</u>	<u>(114,297)</u>	<u>3,660,812</u>	<u>200,000</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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 200,000	146,625	346,625
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
2015-2016	<u>635,000</u>	<u>55,037</u>	<u>690,037</u>
Total	<u>\$ 1,825,000</u>	<u>594,363</u>	<u>2,419,363</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, 2009

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.

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, therefore, the City allocates all moneys received from DOSP to the Southeast Overtown district.

8. Interfund Transfers

During 2009, there was a transfer of \$47,988 from the special revenue fund to the debt service fund to cover debt service expenditures, and a transfer of \$1,400,000 from the debt service fund to the special revenue fund for use on the affordable housing program.

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	\$ 91,000
Current year's payroll for general employees	356,355
Current year's employer contributions for:	
Executive employees (8% rate)	7,280
General employees (5% rate)	9,079

(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	\$ 91,000
Current year's employer contributions for:	
Executive employees (5% rate)	4,550

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, 2009

	<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	\$ 700,000	700,000	582,277	(117,723)
Intergovernmental	849,119	847,009	417,723	(429,286)
Parking fees	-	-	257,095	257,095
Total revenues	<u>1,549,119</u>	<u>1,547,009</u>	<u>1,257,095</u>	<u>(289,914)</u>
Expenditures:				
Current:				
General government	<u>1,427,354</u>	<u>1,556,067</u>	<u>1,255,218</u>	<u>300,849</u>
Total expenditures	<u>1,427,354</u>	<u>1,556,067</u>	<u>1,255,218</u>	<u>300,849</u>
Excess (deficiency) of revenues over (under) expenditures	121,765	(9,058)	1,877	10,935
Other financing sources (uses):				
Net (budget reserve) carryover fund balance	<u>(121,765)</u>	<u>9,058</u>	<u>-</u>	<u>(9,058)</u>
Total other financing sources (uses)	<u>(121,765)</u>	<u>9,058</u>	<u>-</u>	<u>(9,058)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>1,877</u>	<u>1,877</u>
Fund balances - beginning			<u>443,201</u>	
Fund balances - ending			<u>\$ 445,078</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, 2009

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.

**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***



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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, 2009, and have issued our report thereon dated November 25, 2009. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, 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*.