

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

Basic Financial Statements

September 30, 2008

(With Independent Auditors' Report Thereon)

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

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Independent Auditors' 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, 2008, 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, 2008, 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 20, 2008 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

November 20, 2008

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

Management's Discussion and Analysis - Unaudited

September 30, 2008

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, 2008. 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, 2008 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, 2008

Financial Highlights

At the close of the current fiscal year, the Agency had a fund balance of \$25,780,819, an increase of \$6,930,704 in comparison with the prior year. The difference between fund balance and net assets is capital assets of \$856. The restricted net asset of \$25,780,819 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, 2008

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 2008, but not yet started or completed 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>9/30/08</u>	<u>9/30/07</u>
Total assets	\$ 26,238,023	\$ 18,850,115
Total liabilities	456,348	-
Total net assets	25,781,819	18,850,115

- Total assets increased from the prior year as a result of the overall increase in tax increment revenue received as well as the overall decrease in redevelopment project expenditures during the current year.
- Total liabilities increase from the prior year as a result of the amount accrued for the remittance of tax increment revenues due to The Children's Trust in accordance with the applicable interlocal agreement.

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

Management's Discussion and Analysis - Unaudited

September 30, 2008

Government-Wide/Individual Fund Analysis (continued)

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

Summary of Changes in Net Assets

	<u>9/30/08</u>	<u>9/30/07</u>
Expenditures:		
General government	\$ 330,000	\$ 500,000
Community redevelopment	6,113,670	2,939,289
Revenues:		
Tax increment	12,543,065	11,510,305
Interest	831,309	835,618
Other	<u>856</u>	<u>-</u>
Increase in net assets	6,931,560	8,906,634
Net assets, beginning of year	<u>18,850,115</u>	<u>9,943,481</u>
Net assets, end of year	\$ <u>25,781,675</u>	\$ <u>18,850,115</u>

- General government expenditures decreased in the current year as a result of the decrease in the contribution to the General Fund of the Southeast Overtown Park West Redevelopment Agency.
- Community redevelopment expenditures increased in the current year primarily as a result of the amount accrued for the remittance of tax increment revenues due to The Children's Trust, and the increase in actual amounts paid for the remittance of tax increment revenues to Miami-Dade County, both of which were in accordance with applicable interlocal agreements.
- Tax increment revenue increased from the prior year as a result of an increase in the annual pay out from the City and the County.

Capital Assets

As of September 30, 2008, the Agency's investment in capital assets amounted to \$856, which was a donation of land and building from the City, which was recorded at the City's net book value, in fiscal year 2008.

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.

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, 2008

	<u>Special revenue fund</u>	<u>Adjustments</u>	<u>Statement of net assets</u>
Assets			
Equity in pooled cash	\$ 26,149,947	-	26,149,947
Interest receivable	87,220	-	87,220
Capital assets:			
Land	<u>-</u>	<u>856</u>	<u>856</u>
Total assets	<u>26,237,167</u>	<u>856</u>	<u>26,238,023</u>
Liabilities			
Accounts payable	\$ 10,017	-	10,017
Due to other government	<u>446,331</u>	<u>-</u>	<u>446,331</u>
Total liabilities	<u>456,348</u>	<u>-</u>	<u>456,348</u>
Fund Balance/Net Assets			
Fund balance reserved for encumbrances	23,358,664	(23,358,664)	-
Unreserved fund balance:			
Designated for redevelopment projects	1,491,180	(1,491,180)	-
Undesignated	930,975	(930,975)	-
Invested in capital assets	-	856	856
Restricted net assets	<u>-</u>	<u>25,780,819</u>	<u>25,780,819</u>
Total fund balance/net assets	<u>\$ 25,780,819</u>	<u>856</u>	<u>25,781,675</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, 2008

	<u>Special revenue fund</u>	<u>Adjustments</u>	<u>Statement of activities</u>
Expenditures/expenses:			
General government	\$ 330,000	-	330,000
Community redevelopment	6,113,670	-	6,113,670
Total expenditures/expenses	<u>6,443,670</u>	<u>-</u>	<u>6,443,670</u>
General revenues:			
Tax increment revenue	12,543,065	-	12,543,065
Interest revenue	831,309	-	831,309
Other	-	856	856
Total general revenues	<u>13,374,374</u>	<u>856</u>	<u>13,375,230</u>
Excess of revenues over expenditures/increase in net assets	6,930,704	856	6,931,560
Fund Balance/net assets - beginning of the year	<u>18,850,115</u>	<u>-</u>	<u>18,850,115</u>
Fund Balance/net assets - end of the year	<u>\$ 25,780,819</u>	<u>856</u>	<u>25,781,675</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, 2008

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 163.330, 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 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, 2008

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 of \$25,780,819 reported on the government-wide statement of net assets 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.

CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY

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

Notes to Basic Financial Statements

September 30, 2008

I. Tax Incremental Revenues

The Agency's primary source of revenue is tax increment funds. This revenue is computed by applying the operating tax rate for the City and the County, multiplied by the increased value of property located within the boundaries of the redevelopment areas of the Agency, over the base property value, minus 5%. Both the City and the County are required to fund this amount annually without regard to tax collections or other obligations.

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, 2008 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, 2008, the Agency remitted a total of \$5,341,862 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, 2008, the Agency recorded an amount due to the Trust totaling \$446,331.

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, 2008, consisted of equity in pooled cash in the amount of \$26,149,947. 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.

CITY OF MIAMI OMNI COMMUNITY REDEVELOPMENT AGENCY

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

Notes to Basic Financial Statements

September 30, 2008

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, 2008 was as follows:

	Balance September <u>30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance September <u>30, 2008</u>
Capital assets, not being depreciated:				
Land	\$ <u> -</u>	<u> 856</u>	<u> -</u>	<u> 856</u>

4. Commitment and Contingencies

The Agency is contractually obligated for approximately \$24.9 million at September 30, 2008, for construction projects.

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, 2008

	Budgeted amounts		Actual	Variance - positive (negative)
	Original	Final		
Revenues:				
Tax increment revenue	\$ 11,701,816	12,096,734	12,543,065	446,331
Interest revenue	21,500	21,500	831,309	809,809
Other	-	-	856	856
Total revenues	<u>11,723,316</u>	<u>12,118,234</u>	<u>13,375,230</u>	<u>1,256,996</u>
Expenditures:				
Current:				
General government	712,500	700,000	330,000	370,000
Community redevelopment	<u>26,293,185</u>	<u>29,838,113</u>	<u>6,113,670</u>	<u>23,724,443</u>
Total expenditures	<u>27,005,685</u>	<u>30,538,113</u>	<u>6,443,670</u>	<u>24,094,443</u>
Excess (deficiency) of revenues over (under) expenditures	(15,282,369)	(18,419,879)	6,931,560	25,351,439
Other financing uses:				
Net carryover fund balance	<u>15,282,369</u>	<u>18,419,879</u>	-	<u>18,419,879</u>
Total other financing uses	<u>15,282,369</u>	<u>18,419,879</u>	-	<u>18,419,879</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, 2008

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.



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**Independent Auditors' 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, 2008, and have issued our report thereon dated November 20, 2008. 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*.



In addition, we issued a management letter to management of the Agency dated November 20, 2008, 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, the State of Florida Office of the Auditor General, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Sanson, Klenz, Taccone & Company LLP

November 20, 2008