

**Midtown Miami  
Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2015**

**Midtown Miami Community Development District**

**ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended September 30, 2015**

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## **REPORT OF INDEPENDENT AUDITORS**

To the Board of Supervisors  
Midtown Miami Community Development District  
Miami-Dade County, Florida

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

We have audited the accompanying basic financial statements of Midtown Miami Community Development District as of and for the year ended September 30, 2015, as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Fort Pierce / Stuart

To the Board of Supervisors  
Midtown Miami Community Development District

### Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, General Fund, Debt Service Fund, and Enterprise Fund of Midtown Miami Community Development District as of September 30, 2015, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures in accordance with governmental auditing standards generally accepted in the United States of America, which consisted principally of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Midtown Miami Community Development District's internal control over financial reporting and compliance.

*Berger, Toombs, Elam,  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

June 24, 2016

**Midtown Miami Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2015**

Management's discussion and analysis of Midtown Miami Community Development District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position are reported in three categories; 1) net investment in capital assets, 2) restricted and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government, physical environment and interest on long term debt.

*Fund financial statements* present financial information for governmental and enterprise funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The enterprise funds financial statements provide information on all asset and liabilities of these funds, changes in economic resources (revenues and expenses) and total economic resources.

**Midtown Miami Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2015**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

*Fund financial statements* include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual**, is provided for the District's General Fund. For enterprise funds a statement of net position, a statement of revenues and expenses, and changes in fund net position and a statement of cash flows are presented. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The government-wide financial statements provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including capital assets, are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. Transactions between the different functions of the District have been eliminated in the **statement of activities** in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

*Notes to financial statements* provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets, and long-term debt are some of the items included in the *notes to financial statements*.

**Financial Highlights:**

The following are the highlights of financial activity for the year ended September 30, 2015.

- The District's total liabilities exceeded total assets by \$(14,053,524) (net position). Total net position for governmental activities was \$(975,140) and for business-type activities was \$(13,078,384). Unrestricted net position for governmental activities was \$870,938 and for business-type activities was \$1,387,376. Restricted for debt service for governmental activities was \$182,219 and for business-type activities was \$1,597,617. Net investment in capital assets for governmental activities were \$(2,028,297) and for business-type activities were \$(16,063,377).

**Midtown Miami Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2015**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Highlights (Continued):**

- Governmental activities revenues and transfers totaled \$4,144,538 while governmental activities expenses totaled \$4,605,543. Business-type activities revenues totaled \$10,286,616 while business-type activities expenses and transfers totaled \$8,889,340.

**Financial Analysis of the District**

The following schedule provides a summary of the assets, liabilities and net position of the District. It is not intended to be a complete presentation of government-wide financial activity.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 1,557,144	\$ 1,757,403	\$ 2,440,717	\$ 2,438,257	\$ 3,997,861	\$ 4,195,660
Restricted assets	1,161,156	1,175,334	3,119,060	1,501,547	4,280,216	2,676,881
Capital assets	22,687,802	23,717,548	44,619,534	46,740,358	67,307,336	70,457,906
Total Assets	<u>25,406,102</u>	<u>26,650,285</u>	<u>50,179,311</u>	<u>50,680,162</u>	<u>75,585,413</u>	<u>77,330,447</u>
Deferred outflows	-	-	146,309	153,087	146,309	-
Current liabilities	1,401,602	1,377,036	3,279,784	3,278,239	4,681,386	4,655,275
Non-current liabilities	24,979,640	25,787,384	60,124,220	61,877,583	85,103,860	87,664,967
Total Liabilities	<u>26,381,242</u>	<u>27,164,420</u>	<u>63,404,004</u>	<u>65,155,822</u>	<u>89,785,246</u>	<u>92,320,242</u>
Net investment in capital assets	(2,028,297)	(1,771,385)	(16,063,377)	(14,174,505)	(18,091,674)	(15,945,890)
Net position - restricted	182,219	289,585	1,597,617	731,778	1,779,836	-
Net assets - unrestricted	870,938	967,665	1,387,376	(1,032,933)	2,258,314	(65,268)
Total Net Position	<u>\$ (975,140)</u>	<u>\$ (514,135)</u>	<u>\$ (13,078,384)</u>	<u>\$ (14,475,660)</u>	<u>\$ (14,053,524)</u>	<u>\$ (16,011,158)</u>

The increase in restricted assets for business-type activities was primarily due to revenues in excess of expenses.

The decrease in capital assets for governmental activities and business-type activities was primarily due to current year depreciation.

The decrease in total liabilities is primarily the result of principal payments made in the current year.

**Midtown Miami Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2015**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

The following schedule provides a summary of the changes in net position of the District and is presented at the government-wide level for comparison purposes. It is not intended to be a complete presentation of District-wide financial activity.

	Change in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Program Revenues						
Charges for services	\$ 3,980,394	\$ 5,260,528	\$ 5,902,521	\$ 7,938,395	\$ 9,882,915	\$ 9,104,381
Operating grants and contributions	-	-	4,321,546	3,332,159	4,321,546	2,793,222
General Revenues						
Investments earnings	56,699	10,184	62,448	158,886	119,147	349,045
Miscellaneous revenues	1,864	67,260	101	-	1,965	-
Total Revenues	<u>4,038,957</u>	<u>5,337,972</u>	<u>10,286,616</u>	<u>11,429,440</u>	<u>14,325,573</u>	<u>12,246,648</u>
Expenses						
General government	215,721	184,377	-	-	215,721	181,723
Physical environment	3,107,142	2,873,309	-	-	3,107,142	2,711,965
Interest on long-term debt	1,282,680	2,150,598	-	-	1,282,680	1,826,428
Parking garage	-	-	8,783,759	10,566,148	8,783,759	9,098,524
Total Expenses	<u>4,605,543</u>	<u>5,208,284</u>	<u>8,783,759</u>	<u>10,566,148</u>	<u>13,389,302</u>	<u>13,818,640</u>
Transfers	<u>105,581</u>	<u>97,985</u>	<u>(105,581)</u>	<u>(97,985)</u>	<u>-</u>	<u>-</u>
Change in Net Position	(461,005)	227,673	1,397,276	765,307	936,271	(1,571,992)
Net Position - Beginning of Year	<u>(514,135)</u>	<u>(741,808)</u>	<u>(14,475,660)</u>	<u>(15,240,967)</u>	<u>(15,982,775)</u>	<u>(14,410,783)</u>
Net Position - End of year	<u>\$ (975,140)</u>	<u>\$ (514,135)</u>	<u>\$ (13,078,384)</u>	<u>\$ (14,475,660)</u>	<u>\$ (15,046,504)</u>	<u>\$ (15,982,775)</u>

The decrease in charges for services for governmental activities and business-type activities was primarily the result of the collection of prior year accounts receivable.

The decrease in parking garage expenses for business-type activities was primarily due to decreases in interest expense, cost of insurance and the issuance costs related to the bond refunding in the prior year.

**Midtown Miami Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2015**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

The increase in operating contributions was the result of an amended agreement between the City, County and Community Redevelopment Agency based on additional tax increment revenue received.

Governmental activities physical environment expenses increased due to increased janitorial service, landscape maintenance and security services expenses. The interest on long term debt expenses decreased because of the bond refinancing in the prior year.

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of September 30, 2015.

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Machinery and equipment	\$ 89,987	\$ 37,280	\$ 127,267
Building and improvements	30,743,784	63,555,028	94,298,812
	<u>30,833,771</u>	<u>63,592,308</u>	<u>94,426,079</u>
Less: accumulated depreciation	(8,145,969)	(18,972,774)	(27,118,743)
Total Capital Assets (Net)	<u>\$ 22,687,802</u>	<u>\$ 44,619,534</u>	<u>\$67,307,336</u>

The current year activity in the governmental activities was depreciation of \$1,029,746. In the business-type activities depreciation of \$2,120,824 was the current year activity.

**General Fund Budgetary Highlights**

Actual expenditures were less than the budget for the year because the use of the budgeted contingency was less than anticipated.

During the year, the budget was amended through a board resolution as the result of the receipt of unanticipated funds.

**Debt Management**

Governmental Activities debt includes the following:

- In May 2014, the District issued \$26,970,000 Special Assessment Refunding Bonds Series 2014B. These bonds were issued to refund the Series 2004B Bonds. The balance outstanding at September 30, 2015 was \$26,175,000.

**Midtown Miami Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2015**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Debt Management (Continued)**

Business-Type Activities debt includes the following:

- In May 2014 the District issued \$64,875,000 Series 2014A Special Assessment and Revenue Refunding Bonds to refund the Series 2004 Bonds. The balance outstanding at September 30, 2015 was \$62,985,000.

**Economic Factors and Next Year's Budget**

Midtown Miami Community Development District does not expect any economic factors to have a significant effect on the financial position or results of operations of the District in fiscal year 2016.

**Request for Information**

The financial report is designed to provide a general overview of Midtown Miami Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Midtown Miami Community Development District, Wrathell, Hunt and Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431

**Midtown Miami Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$ 710,029	\$ 2,258,954	\$ 2,968,983
Accounts receivable	1,035	8,863	9,898
Assessments receivable	698,451	25	698,476
Prepaid expenses	-	319,204	319,204
Internal balances	146,329	(146,329)	-
Deposits	1,300	-	1,300
Total Current Assets	<u>1,557,144</u>	<u>2,440,717</u>	<u>3,997,861</u>
<b>Non-current Assets</b>			
<b>Restricted assets</b>			
Investments	1,161,156	3,119,060	4,280,216
<b>Capital assets, being depreciated</b>			
Buildings and improvements	30,743,784	63,555,028	94,298,812
Machinery and equipment	89,987	37,280	127,267
Less: Accumulated depreciation	<u>(8,145,969)</u>	<u>(18,972,774)</u>	<u>(27,118,743)</u>
Total Non-Current Assets	<u>23,848,958</u>	<u>47,738,594</u>	<u>71,587,552</u>
Total Assets	<u>25,406,102</u>	<u>50,179,311</u>	<u>75,585,413</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	<u>-</u>	<u>146,309</u>	<u>146,309</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	165,059	319,878	484,937
Due to developer	75	-	75
Bond payable	715,000	1,705,000	2,420,000
Accrued interest	521,468	1,254,906	1,776,374
Total Current Liabilities	<u>1,401,602</u>	<u>3,279,784</u>	<u>4,681,386</u>
<b>Non-Current Liabilities</b>			
Bonds payable, net	<u>24,979,640</u>	<u>60,124,220</u>	<u>85,103,860</u>
Total Liabilities	<u>26,381,242</u>	<u>63,404,004</u>	<u>89,785,246</u>
<b>NET POSITION</b>			
Net investment in capital assets	(2,028,297)	(16,063,377)	(18,091,674)
Restricted for debt service	182,219	1,597,617	1,779,836
Unrestricted	<u>870,938</u>	<u>1,387,376</u>	<u>2,258,314</u>
Total Net Position	<u>\$ (975,140)</u>	<u>\$ (13,078,384)</u>	<u>\$ (14,053,524)</u>

See accompanying notes to financial statements.

**Midtown Miami Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Primary government</b>						
Governmental Activities						
General government	\$ (215,721)	\$ 197,662	\$ -	\$ (18,059)	\$ -	\$ (18,059)
Physical environment	(3,107,142)	1,987,238	-	(1,119,904)	-	(1,119,904)
Interest on long-term debt	(1,282,680)	1,795,494	-	512,814	-	512,814
Total Governmental Activities	<u>(4,605,543)</u>	<u>3,980,394</u>	<u>-</u>	<u>(625,149)</u>	<u>-</u>	<u>(625,149)</u>
Business-Type Activities						
Parking garage	(8,783,759)	5,902,521	4,321,546	-	1,440,308	1,440,308
Total Primary Government	<u>\$ (13,389,302)</u>	<u>\$ 9,882,915</u>	<u>\$ 4,321,546</u>	<u>(625,149)</u>	<u>1,440,308</u>	<u>815,159</u>
<b>General Revenues and Transfers</b>						
				1,864	101	1,965
				56,699	62,448	119,147
				105,581	(105,581)	-
				<u>164,144</u>	<u>(43,032)</u>	<u>121,112</u>
				<u>(461,005)</u>	<u>1,397,276</u>	<u>936,271</u>
				<u>(514,135)</u>	<u>(14,475,660)</u>	<u>(14,989,795)</u>
				<u>\$ (975,140)</u>	<u>\$ (13,078,384)</u>	<u>\$ (14,053,524)</u>

See accompanying notes to financial statements.

**Midtown Miami Community Development District**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2015**

	General	2014 Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 710,029	\$ -	\$ 710,029
Accounts receivable	1,035	-	1,035
Assessments receivable	186,140	512,311	698,451
Due from other funds	147,329	9,786	157,115
Deposits	1,300	-	1,300
Restricted assets			
Investments, at fair value	-	1,161,156	1,161,156
Total Assets	\$ 1,045,833	\$ 1,683,253	\$ 2,729,086
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 165,059	\$ -	\$ 165,059
Due to other funds	9,786	1,000	10,786
Due to developer	75	-	75
Total Liabilities	174,920	1,000	175,920
 <b>Deferred Inflows</b>			
Deferred revenues	187,165	25	187,190
 <b>Fund Balances</b>			
Nonspendable for deposits	1,300	-	1,300
Restricted - debt service	-	1,682,228	1,682,228
Unassigned	682,448	-	682,448
Total Fund Balances	683,748	1,682,228	2,365,976
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,045,833	\$ 1,683,253	\$ 2,729,086

*See accompanying notes to financial statements.*

**Midtown Miami Community Development District**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**September 30, 2015**

Total Governmental Fund Balances	\$ 2,365,976
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets being depreciated, building and improvements, \$30,743,784, and machinery and equipment, \$89,987, net of accumulated depreciation, \$(8,145,969) used in governmental activities are not financial resources and; therefore, are not reported in the funds.	22,687,802
Certain special assessment receivables were not collected within 60 days of year end and thus, are not financial resources in the current period and; therefore, are reported as deferred inflows in the funds statements.	187,190
Long-term liabilities, including bonds payable, are not due and payable in the current period and; therefore, are not reported in the funds.	(26,175,000)
Bond discount (\$510,035) net of accumulated amortization (\$(29,675)) are recorded as expenditures at the fund level, and are netted against bonds payable and amortized over the life of the bonds at the government wide level.	480,360
Accrued interest expense for long-term debt is not a financial use and; therefore, is not reported in the funds.	<u>(521,468)</u>
Net Position of Governmental Activities	<u><u>\$ (975,140)</u></u>

*See accompanying notes to financial statements.*

**Midtown Miami Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2015**

	General	2014 Debt Service	Totals Governmental Funds
Revenues			
Special assessments	\$ 2,603,203	\$ 1,795,494	\$ 4,398,697
Miscellaneous revenues	1,864	-	1,864
Investment earnings	535	56,164	56,699
Total Revenues	<u>2,605,602</u>	<u>1,851,658</u>	<u>4,457,260</u>
Expenditures			
Current			
General government	206,630	9,091	215,721
Physical environment	2,077,396	-	2,077,396
Debt service			
Principal	-	795,000	795,000
Interest	-	1,218,294	1,218,294
Total Expenditures	<u>2,284,026</u>	<u>2,022,385</u>	<u>4,306,411</u>
Excess of revenues over/(under) expenditures	<u>321,576</u>	<u>(170,727)</u>	<u>150,849</u>
Other financing sources/(uses)			
Transfers in	<u>-</u>	<u>105,581</u>	<u>105,581</u>
Net Change in Fund Balances	<u>321,576</u>	<u>(65,146)</u>	<u>256,430</u>
Fund Balances - October 1, 2014	<u>362,172</u>	<u>1,747,374</u>	<u>2,109,546</u>
Fund Balances - September 30, 2015	<u>\$ 683,748</u>	<u>\$ 1,682,228</u>	<u>\$ 2,365,976</u>

See accompanying notes to financial statements.

**Midtown Miami Community Development District**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2015**

Net Change in Fund Balances -Total Governmental Funds	\$ 256,430
Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation on capital assets is not recognized in the governmental fund statement but is reported as an expense in the Statement of Activities.	(1,029,746)
Revenues in the statement of activities that do not provide current financial resources are not considered earned in the governmental fund statements. This is the change in deferred inflows in the current period.	(418,303)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the change in accrued interest from the prior year.	(42,130)
Bond discount is amortized over the life of the debt at the government wide level this is the accumulated amortization as of September 30, 2015.	(22,256)
Repayments of bond principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position.	795,000
Change in Net Position of Governmental Activities	\$ (461,005)

*See accompanying notes to financial statements.*

**Midtown Miami Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended September 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Special assessments	\$ 2,222,058	\$ 2,625,561	\$ 2,603,203	\$ (22,358)
Miscellaneous revenues	-	1,864	1,864	-
Interest earnings	-	535	535	-
Total Revenues	<u>2,222,058</u>	<u>2,627,960</u>	<u>2,605,602</u>	<u>(22,358)</u>
Expenditures				
Current				
General government	190,840	206,630	206,630	-
Physical environment	<u>2,031,218</u>	<u>2,176,525</u>	<u>2,077,396</u>	<u>99,129</u>
Total Expenditures	<u>2,222,058</u>	<u>2,383,155</u>	<u>2,284,026</u>	<u>99,129</u>
Net Change in Fund Balances	-	244,805	321,576	76,771
Fund Balance - October 1, 2014	<u>366,041</u>	<u>362,172</u>	<u>362,172</u>	<u>-</u>
Fund Balance - September 30, 2015	<u><u>\$ 366,041</u></u>	<u><u>\$ 606,977</u></u>	<u><u>\$ 683,748</u></u>	<u><u>\$ 76,771</u></u>

*See accompanying notes to financial statements.*

**Midtown Miami Community Development District**  
**STATEMENT OF NET POSITION - PARKING GARAGE FUND**  
**September 30, 2015**

<b>ASSETS</b>	
Current Assets	
Cash	\$ 2,258,954
Accounts receivable	8,863
Assessment receivable	25
Due from other funds	1,000
Prepaid expenses	319,204
Total Current Assets	<u>2,588,046</u>
Non-Current Assets	
Restricted Assets	
Investments	3,119,060
Capital Assets, Being Depreciated	
Building and improvements	63,555,028
Machinery and equipment	37,280
Less: accumulated depreciation	<u>(18,972,774)</u>
Total Non-Current Assets	<u>47,738,594</u>
Total Assets	<u>50,326,640</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	<u>146,309</u>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	319,878
Due to other funds	147,329
Accrued interest	1,254,906
Bonds payable	1,705,000
Total Current Liabilities	<u>3,427,113</u>
Non-Current Liabilities	
Bonds payable, net	<u>60,124,220</u>
Total Liabilities	<u>63,551,333</u>
NET POSITION	
Net investment in capital assets	(16,063,377)
Restricted for debt service	1,597,617
Unrestricted	<u>1,387,376</u>
Total Net Position	<u>\$ (13,078,384)</u>

*See accompanying notes to financial statements.*

**Midtown Miami Community Development District**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION - PARKING GARAGE FUND**  
**For the Year Ended September 30, 2015**

<b>Operating Revenues:</b>	
Charges for services	
Parking	<u>\$ 5,006,959</u>
<b>Operating Expenses:</b>	
General and administrative expenses	149,510
Parking garage	3,420,566
Depreciation	<u>2,120,824</u>
Total Operating Expenses	<u>5,690,900</u>
Operating Income (Loss)	<u>(683,941)</u>
<b>Non-Operating Revenues (Expenses):</b>	
Special assessments	895,562
Intergovernmental revenues	4,321,546
Interest expense	(3,092,859)
Investment earnings	62,448
Miscellaneous revenues	<u>101</u>
Total Non-Operating Revenues (Expenses)	<u>2,186,798</u>
Income (loss) before contributions and transfers	1,502,857
Transfers out	<u>(105,581)</u>
Change in Net Position	1,397,276
Net Position - October 1, 2014	<u>(14,475,660)</u>
Net Position - September 30, 2015	<u><u>\$ (13,078,384)</u></u>

*See accompanying notes to financial statements.*

**Midtown Miami Community Development District**  
**STATEMENT OF CASH FLOWS - PARKING GARAGE FUND**  
**For the Year Ended September 30, 2015**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 6,390,645
Payments to suppliers for goods and services	(4,178,514)
Payments to employees for services	(149,510)
Net Cash Provided By Operating Activities	<u>2,062,621</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Receipts from assessments	895,562
Receipts from intergovernmental revenues	4,321,647
Transfers out	(105,581)
Bond principal payments	(1,890,000)
Bond interest payments	(2,930,718)
Net Cash Provided By Capital and Related Financing Activities	<u>290,910</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Sale of investments	4,821,105
Purchase of investments	(6,438,618)
Investment earnings	62,448
Net Cash Used By Investing Activities	<u>(1,555,065)</u>
Net increase in cash and cash equivalents	798,466
Cash and equivalents - October 1, 2014	<u>1,460,488</u>
Cash and equivalents - September 30, 2015	<u><u>\$ 2,258,954</u></u>

*See accompanying notes to financial statements.*

**Midtown Miami Community Development District**  
**STATEMENT OF CASH FLOWS - PARKING GARAGE FUND**  
**For the Year Ended September 30, 2015**

**RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ (683,941)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	2,120,824
Decrease in accounts receivable	1,383,686
Increase in prepaid expenses	(295,527)
Decrease in accounts payable and accrued expenses	(170,268)
Decrease in due to other funds	<u>(292,153)</u>
 Net Cash Provided By Operating Activities	 <u><u>\$ 2,062,621</u></u>

*See accompanying notes to financial statements.*

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Reporting Entity**

The District was created on December 26, 2003, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance 03-271 of the Board of County Commissioners of Miami-Dade County, as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Midtown Miami Community Development District. The District is governed by a five-member Board of Supervisors who are elected for four year terms. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Midtown Miami Community Development District Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board Statement Number 61, The Financial Reporting Entity, the District has identified no component units.

**2. Measurement Focus and Basis of Accounting**

The basic financial statements of the District are composed of the following:

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

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**a. Government-wide Financial Statements**

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments and interest. Program revenues include charges for services, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as another financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

**b. Fund Financial Statements**

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds**

The District classifies fund balance according to Governmental Accounting Standards Board Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications include non-spendable, restricted, committed, assigned and unassigned.

The District has various policies governing the fund balance classifications.

**Nonspendable Fund Balance** – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Assigned Fund Balance** – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

**Unassigned Fund Balance** – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Fund Balance Spending Hierarchy** - For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

**Enterprise Funds**

In the fund financial statements, the enterprise fund is presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered.

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Enterprise Funds (Continued)**

In the fund financial statements, enterprise funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net position. The District applies all GASB pronouncements as well as all FASB and AICPA pronouncements, issued on or before November 30, 1989, which do not conflict with, or contradict, GASB pronouncements. Enterprise fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as other financing sources.

Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

**3. Basis of Presentation**

**a. Governmental Major Funds**

General Fund - The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund 2014B - Accounts for debt service requirements to retire the special assessment refunding bonds which were issued to refund and retire the Series 2004B bonds. The bonds are secured by a pledge of the Pledged Revenues, consisting of all revenue received by the District from Special Assessments levied and collected on all or a portion of the District Lands with respect to the Series 2014B Bonds.

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Basis of Presentation (Continued)**

**b. Enterprise Major Fund**

Parking Garage Fund- The Parking and Transit Fund accounts for the operations of the parking garages, which are funded by proceeds from operations of these facilities, including parking fees.

**c. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires that non-current governmental assets, such as land and improvements, and non-current governmental liabilities, such as general obligation bonds and due to developer be reported in the governmental activities column in the government-wide Statement of Net Position.

**4. Assets, Liabilities and Net Position or Equity**

**a. Cash and Investments**

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities and Net Position or Equity (Continued)**

**a. Cash and Investments (Continued)**

4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Chapter 280.02, Florida Statutes.

**b. Restricted Assets**

Certain net position of the District are classified as restricted assets on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

**c. Capital Assets**

Capital assets, which include land and improvements, buildings and improvements, infrastructure, and construction in progress, are reported in the governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation of capital assets is computed and recorded by utilizing the straight-line method over the assets' estimated useful lives.

**Midtown Miami Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, and Net Position or Equity (Continued)**

**d. Budgets**

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190 and Section 200.065, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position.**

“Total fund balances” of the District’s governmental funds (\$2,365,976) differs from “net position” of governmental activities (\$(975,140)) reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

**Capital related items**

When capital assets (construction in progress) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Building and improvements	\$ 30,743,784
Machinery and equipment	89,987
Accumulated depreciation	<u>(8,145,969)</u>
Total	<u>\$ 22,687,802</u>

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)**

**Unearned revenues**

Unearned revenues in the statement of net position differ from the amount reported in the governmental funds due to special assessment receivables. Governmental funds financial statements report unearned revenues or revenues which are measurable but not available as deferred revenues. However, unearned revenues in governmental funds are susceptible to full accrual on government-wide financial statements.

Unearned revenues	\$ <u>187,190</u>
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**Long-term debt transactions**

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2015 were:

Bonds payable	\$ <u>(26,175,000)</u>
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**Bond discount**

Bond discount, net of accumulated amortization, are recorded as expenditures at the fund level, and are netted against bonds payable and amortized over the life of the bonds.

Bond discount	\$ 510,035
Accumulated amortization	(29,675)
Net bond discount	<u>\$ 480,360</u>

**Accrued interest**

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	\$ <u>(521,468)</u>
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**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for government funds (\$256,430) differs from the “change in net position” for governmental activities (\$(461,005)) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation expense charged for the year.

Depreciation	<u>\$ (1,029,746)</u>
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**Deferred Revenues**

Unearned revenues (special assessments) reported in the governmental funds have been recognized as revenues in the current fiscal year in the statement of activities.

Deferred revenues	<u>\$ (418,303)</u>
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**Long-term debt transactions**

Repayments of bond principal are reported as expenditures in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Bond principal payments	<u>\$ 795,000</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in accrued interest payable	<u>\$ (42,130)</u>
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Bond discount is amortized as a component of interest expense over the life of the debt at the government wide level. This is the current year amortization.

Bond discount amortization	<u>\$ (22,256)</u>
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**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE C - CASH AND INVESTMENTS**

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. The District does, however, follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2015, the District's bank balances were \$3,274,061; and the carrying values were \$2,968,983. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2015, the District had the following investments and maturities:

<b>Investment</b>	<b>Maturities</b>	<b>Fair Value</b>
First American Prime Obligation Class Y	N/A	\$ 2,249,585
Certificates of Deposit	2/2024-6/2024	2,030,631
Total		\$ 4,280,216

Investments

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices.

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE C - CASH AND INVESTMENTS (CONTINUED)**

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investment in First American Prime Obligation Class Y represents 53% of the districts total investments. The investments in Certificates of Deposit represent 47% of the District's investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2015 were typical. The First American Obligation Fund Class Y was rated AAAM by Standard & Poor's.

**NOTE D – CAPITAL ASSETS**

Capital Asset activity for governmental activities for the year ended September 30, 2015 was as follows:

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Building and improvements	\$ 30,743,784	\$ -	\$ -	\$ 30,743,784
Machinery and equipment	89,987	-	-	89,987
Total Capital Assets, Being Depreciated	<u>30,833,771</u>	<u>-</u>	<u>-</u>	<u>30,833,771</u>
Less accumulated depreciation for:				
Building improvements	(7,059,357)	(1,024,793)	-	(8,084,150)
Machinery and equipment	(56,866)	(4,953)	-	(61,819)
Total Accumulated Depreciation	<u>(7,116,223)</u>	<u>(1,029,746)</u>	<u>-</u>	<u>(8,145,969)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 23,717,548</u>	<u>\$ (1,029,746)</u>	<u>\$ -</u>	<u>\$ 22,687,802</u>

Depreciation of \$1,029,746 was charged to physical environment.

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE D – CAPITAL ASSETS (CONTINUED)**

The following is a summary of changes in the Parking and Transit Fund fixed assets for the year ended September 30, 2015.

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<u>Business-type Activities:</u>				
Capital assets, being depreciated:				
Building and improvements	\$ 63,555,028	\$ -	\$ -	\$ 63,555,028
Machinery and equipment	37,280	-	-	37,280
Total Capital Assets, Being Depreciated	63,592,308	-	-	63,592,308
Less accumulated depreciation for:				
Building and improvements	(16,835,394)	(2,118,501)	-	(18,953,895)
Machinery and equipment	(16,556)	(2,323)	-	(18,879)
Total Accumulated Depreciation	(16,851,950)	(2,120,824)	-	(18,972,774)
Total Capital Assets Being Depreciated, Net	\$ 46,740,358	\$ (2,120,824)	\$ -	\$ 44,619,534

Depreciation of \$2,120,824 was charged to parking garage.

**NOTE E – LONG-TERM DEBT**

Long-term debt for Governmental Activities is comprised of the following:

**Special Assessment Bonds**

\$26,970,000 Special Assessment Refunding, Series 2014B due in annual principal installments, beginning May 1, 2016. Interest is due semi-annually on May 1 and November 1, beginning November 1, 2014, at rates of 4.25% to 5%.

\$ 26,175,000

Less: Bond discount, net

480,360

\$ 25,694,640

**Midtown Miami Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015**

**NOTE E – LONG-TERM DEBT (CONTINUED)**

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2015 are as follows:

Year Ending September 30,	<b>Governmental Activities</b>		
	Principal	Interest	Total
2016	\$ 715,000	\$ 1,251,525	\$ 1,966,525
2017	740,000	1,221,138	1,961,138
2018	775,000	1,189,688	1,964,688
2019	810,000	1,156,750	1,966,750
2020	845,000	1,122,325	1,967,325
2021-2025	4,785,000	5,042,338	9,827,338
2026-2030	6,050,000	3,801,750	9,851,750
2031-2035	7,765,000	2,126,000	9,891,000
2036-2037	3,690,000	279,000	3,969,000
Totals	<u>\$ 26,175,000</u>	<u>\$ 17,190,514</u>	<u>\$ 43,365,514</u>

Depository Funds - The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

1. Reserve Fund - The 2014B Reserve Account is funded from the proceeds of the Series 2014B Bond in an amount equal to the lesser of 10% of the outstanding principal amount of the Bonds or the total principal and interest payments for the calendar year. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture. Reserve fund requirements as of September 30, 2015 are as follows:

	Special Assessment and Revenue Bonds	
	Reserve Balance	Reserve Requirement
Special Assessment Bonds, Series 2014B	<u>\$ 1,001,851</u>	<u>\$ 978,541</u>

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE E – LONG-TERM DEBT (CONTINUED)**

Long-term debt for Business-type Activities is comprised of the following:

**Special Assessment and Revenue Bonds**

\$64,875,000 Special Assessment and Revenue Refunding Bonds, Series 2014A due in annual principal installments, beginning May 1, 2015. Interest is due semi-annually on May 1 and November 1, beginning November 1, 2014, at rates of 4.25% to 5%.	\$ 62,985,000
Less: Bond discount, net	<u>1,155,780</u>
Total	<u>\$ 61,829,220</u>

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2015 are as follows:

<u>Year Ending September 30,</u>	<b>Business-Type Activity</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,705,000	\$ 3,011,775	\$ 4,716,775
2017	1,780,000	2,939,313	4,719,313
2018	1,860,000	2,863,663	4,723,663
2019	1,940,000	2,784,613	4,724,613
2020	2,025,000	2,702,163	4,727,163
2021-2025	11,520,000	12,142,313	23,662,313
2026-2030	14,565,000	9,154,750	23,719,750
2031-2035	18,700,000	5,121,000	23,821,000
2036-2037	<u>8,890,000</u>	<u>672,250</u>	<u>9,562,250</u>
Totals	<u>\$ 62,985,000</u>	<u>\$ 41,391,840</u>	<u>\$ 104,376,840</u>

**Midtown Miami Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015**

**NOTE E – LONG-TERM DEBT (CONTINUED)**

SUMMARY OF SIGNIFICANT BONDS RESOLUTION TERMS AND COVENANTS

Special Assessment and Revenue Bonds, Series 2014A

Depository Funds - The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

2. Reserve Fund - The 2014A Reserve Account is funded from the proceeds of the Series 2014A Bond in an amount equal to the lesser of 10% of the outstanding principal amount of the Bonds or the total principal and interest payments for the calendar year. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture. Reserve fund requirements as of September 30, 2015 are as follows:

	Special Assessment and Revenue Bonds	
	Reserve Balance	Reserve Requirement
Special Assessment and Revenue Bonds, Series 2014A	\$ 1,030,193	\$1,000,000

**NOTE F – ECONOMIC DEPENDENCY AND RELATED PARTIES**

The majority of the District’s special assessment revenue comes from the Developers. A change in developers may have a materially adverse effect on the District’s operations unless replaced with a developer of equal or greater credit worthiness. At September 30, 2015, the developers held the majority of the assessable property located within District boundaries.

In addition to the aforementioned economic dependency, the Board of Supervisors include employees of the Developers, or their affiliates. Specifically, one member of the Board of Supervisors is employed by unrelated developers, or an affiliate, and one member is employed by another developer, or an affiliate. Also, a member of the Board of Supervisors is an immediate family member of the interim operations manager hired in August 2015. The interim operations manager resigned from the Board in August 2015.

The District contract with one of the developers to provide property management services was terminated during the year. During the fiscal year ended September 30, 2015, payments to the developer totaled \$1,685,939. As of September 30, 2015, the District owed certain developers \$75 in the General Fund.

**Midtown Miami Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE G – RISK MANAGEMENT**

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. For the year ended September 30, 2015, the District held insurance policies with aggregate general liability coverage of \$2,000,000.

**NOTE H – INTERFUND BALANCES**

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds. Interfund balances at September 30, 2015 consisted of the following:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
Governmental Funds:		
General Fund	\$ 147,329	\$ 9,786
Debt Service Fund	9,786	1,000
Proprietary Fund:		
Parking Garage Fund	1,000	147,329
	\$ 158,115	\$ 158,115



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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 Supervisors  
Midtown Miami Community Development District  
Miami-Dade County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Midtown Miami Community Development District, as of and for the year ended September 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Midtown Miami Community Development District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Midtown Miami Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Midtown Miami Community Development District'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Supervisors  
Midtown Miami Community Development District

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Midtown Miami Community Development District's 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*.

### **Purpose of this Report**

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

*Berger, Toombs, Elam,  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants  
Fort Pierce, Florida

June 24, 2016



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## **MANAGEMENT LETTER**

To the Board of Supervisors  
Midtown Miami Community Development District  
Miami-Dade County, Florida

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

We have audited the financial statements of the Midtown Miami Community Development District as of and for the year ended September 30, 2015, and have issued our report thereon dated June 24, 2016.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

### **Other Reports and Schedule**

We have issued our 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*. Disclosures in that report, which is dated June 24, 2016, should be considered in conjunction with this Management Letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we address in the Management Letter, if not already addressed in the auditor's report on compliance and internal controls, whether or not recommendations made in the preceding annual financial report have been followed. The following recommendations were made in the preceding audit report.

#### **Finding 2013-01/2014-01/2015-01**

**Finding -** The District continues to report a net position deficit in the Enterprise Fund for which sufficient resources were not available to cover the deficit.

**Management Response –** Management continues to work on improving the operations of the parking garage. The District refunded its outstanding bonds in May 2014 which will result in significant cash flow savings.

To the Board of Supervisors  
Midtown Miami Community Development District

### Finding 2013-01

Finding - The District did not amend the budget for the fiscal year ended September 30, 2013 for higher than anticipated expenditures. This resulted in actual expenditures exceeding the budget for the general fund in violation of Section 189.418, Florida Statutes.

Management Response – Management has adjusted year end procedures to review budget comparisons to insure the budget is not exceeded in future years.

Current status - This finding was corrected.

### **Financial Condition**

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures. It is management's responsibility to monitor the Midtown Miami Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

### **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Midtown Miami Community Development District for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

### **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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



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Certified Public Accountants PL

To the Board of Supervisors  
Midtown Miami Community Development District

**Purpose of this Letter**

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger, Toombs, Elam,  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

June 24, 2016



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**INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors  
Midtown Miami Community Development District  
Miami-Dade County, Florida

We have examined Midtown Miami Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2015. Management is responsible for Midtown Miami Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Midtown Miami Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Midtown Miami Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Midtown Miami Community Development District's compliance with the specified requirements.

In our opinion, Midtown Miami Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2015.

*Berger, Toombs, Elam,  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
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Fort Pierce, Florida

June 24, 2016

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