

**CITY OF MIAMI BEACH, FLORIDA**

**FINANCIAL AND COMPLIANCE REPORT  
FOR THE BUILDING BETTER COMMUNITIES  
BOND PROJECTS IN ACCORDANCE WITH  
MIAMI-DADE COUNTY, FLORIDA ORDINANCE 05-47**

**Year Ended September 30, 2018**



CITY OF MIAMI BEACH, FLORIDA

FINANCIAL AND COMPLIANCE REPORT

September 30, 2018

CONTENTS

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES FOR THE BUILDING BETTER COMMUNITIES BOND PROJECTS IN ACCORDANCE WITH THE MIAMI-DADE COUNTY, FLORIDA ORDINANCE 05-47, APPLICABLE RESOLUTIONS AND BUILDING BETTER COMMUNITIES ADMINISTRATIVE RULES .....	1
SCHEDULE OF EXPENDITURES AND NOTES TO THE SCHEDULE OF EXPENDITURES OF BUILDING BETTER COMMUNITIES BOND PROJECTS .....	3
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER BUILDING BETTER COMMUNITIES BOND PROJECTS FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF EXPENDITURES FOR THE BUILDING BETTER COMMUNITIES BOND PROJECTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	4
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE BUILDING BETTER COMMUNITIES BOND PROJECTS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE .....	6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	8

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES  
FOR THE BUILDING BETTER COMMUNITIES BOND PROJECTS IN ACCORDANCE  
WITH THE MIAMI-DADE COUNTY, FLORIDA ORDINANCE 05-47, APPLICABLE  
RESOLUTIONS AND BUILDING BETTER COMMUNITIES ADMINISTRATIVE RULES

The Honorable Mayor and City Commissioners  
City of Miami Beach, Florida

**Report on the Schedule of Expenditures of the Building Better Communities Bond Projects**

We have audited the accompanying schedule of expenditures for the Building Better Communities Bond Projects (the "Schedule") of the City of Miami Beach (the "City"), Florida for the year ended September 30, 2018, and the related notes.

**Management's Responsibility**

Management is responsible for the preparation and fair presentation of the Schedule 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 the Schedule that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Ordinance 05-47, *Applicable Resolutions and Building Better Communities Administrative Rules*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, 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 Schedule 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 Schedule.

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

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(Continued)

## Opinion

In our opinion, the Schedule of Expenditures of the Building Better Communities Bond Projects referred to above presents fairly, in all material respects, the expenditures of the Building Better Communities Bond Projects of the City of Miami Beach, Florida for the year ended September 30, 2018, under the Miami-Dade County, Florida Ordinance 05-47, *Applicable Resolutions and Building Better Communities Administrative Rules*, in accordance with accounting principles generally accepted in the United States of America.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2019 on our consideration of the City's internal control over Building Better Communities Bond Projects Financial reporting and on 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 Building Better Communities Bond Projects Financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over Building Better Communities Bond Projects Financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over Building Better Communities Bond Projects Financial reporting and compliance.



Crowe LLP

Miami, Florida  
January 17, 2019

CITY OF MIAMI BEACH, FLORIDA  
 SCHEDULE OF EXPENDITURES AND NOTES TO THE  
 SCHEDULE OF EXPENDITURES OF THE  
 BUILDING BETTER COMMUNITIES BOND PROJECTS  
 Year Ended September 30, 2018

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	<u>Expenditures</u>
<b>Band Shell Park Project No. 86-70611</b>	
Construction	\$ 157,589
Planning, Design and Administration	-
Total	157,589
 <b>Renovation of Flamingo Park Project No. 84-70609</b>	
Construction	39,582
Planning, Design and Administration	82,068
Total	121,650
 <b>Expand and Enhance the Miami Beach Convention Center Project No. 233-76974</b>	
Construction	-
Planning, Design and Administration	-
Total	-
Total	\$ 279,239

**NOTES TO SCHEDULE**

Note 1: The Building Better Communities Bond Projects was created on November 2, 2004 by Miami-Dade County, Florida, Ordinance 05-47 for the purpose of providing municipal governments with funding to develop, improve, rehabilitate and restore or acquire real property.

Note 2: The Schedule of Expenditures of the Building Better Communities Bond Projects (the "Schedule") presents the expenditures/activities that were allowed for pursuant to the Building Better Communities Bond Program of the City of Miami Beach, Florida (the "City") for the year ended September 30, 2018. The information in this schedule is presented in accordance with the Miami-Dade County, Florida, Ordinance 05-47, applicable resolutions and Building Better Communities Administrative Rules. The Schedule presents only a selected portion of the operations of the City for the year then ended in conformity with accounting principles generally accepted in the United States of America. The Schedule was prepared on the modified accrual basis of accounting.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER BUILDING  
BETTER COMMUNITIES BOND PROJECTS FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF EXPENDITURES  
FOR THE BUILDING BETTER COMMUNITIES BOND PROJECTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and City Commissioners  
City of Miami Beach, 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 schedule of expenditures for the Building Better Communities Bond Projects (the "Schedule") of the City of Miami Beach (the "City"), Florida for the year ended September 30, 2018, and the related notes, and have issued our report thereon dated January 17, 2019.

**Internal Control Over Building Better Communities Bond Projects Financial Reporting**

In planning and performing our audit of the Schedule, we considered the City's internal control over Building Better Communities Bond Projects Financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's Schedule will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's Schedule is 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 Schedule 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 over Building Better Communities Bond Projects Financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Miami, Florida  
January 17, 2019

INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE FOR THE BUILDING BETTER COMMUNITIES  
BOND PROJECTS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

The Honorable Mayor and City Commissioners  
City of Miami Beach, Florida

**Report on Compliance for the Building Better Communities Bond Projects**

We have audited the City of Miami Beach, Florida's (the "City") compliance with the compliance requirements described in the Miami-Dade County, Florida Ordinance 05-47, *Applicable Resolutions and Building Better Communities Administrative Rules* applicable to the City's Building Better Communities Bond Projects for the year ended September 30, 2018.

***Management's Responsibility***

Compliance with the requirements referred to above is the responsibility of the City's management.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the City's compliance based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Miami-Dade County, Florida Ordinance 05-47, *Applicable Resolutions and Building Better Communities Administrative Rules*. Those standards and Ordinance 05-47 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on the Building Better Communities Bond Projects occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the City's compliance with those requirements.

***Opinion***

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that are applicable to its Building Better Communities Bond Projects for the year ended September 30, 2018.

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## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance to determine the auditing procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Miami-Dade County, Florida Ordinance 05-47, *Applicable Resolutions and Building Better Communities Administrative Rules*. Accordingly, this report is not suitable for any other purpose.

  
Crowe LLP

Miami, Florida  
January 17, 2019

CITY OF MIAMI BEACH, FLORIDA  
BUILDING BETTER COMMUNITIES BOND PROJECTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended September 30, 2018

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**Section I - Summary of Auditor's Results**

***Schedule of Expenditures***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

    Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

    Significant deficiencies identified not  
    considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_X\_\_\_ None Reported

Noncompliance material to the Schedule of  
Expenditures noted? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

***Building Better Communities Bond Projects***

Internal control over programs:

    Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

    Significant deficiencies identified not  
    considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_X\_\_\_ None Reported

Type of auditor's report issued on compliance for  
program-specific program: Unmodified

Any audit findings disclosed that are required to be  
reported in accordance with Ordinance 05-47? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

**Section II - Summary Schedule of Prior Audit Findings and Corrective Action Plan**

No findings reported.

**Section III – Schedule of Current Year Findings**

No findings reported.