

**CITY OF MIAMI BEACH, FLORIDA
CHILDREN'S TRUST CONTRACTS**

FINANCIAL AND COMPLIANCE REPORTS
Year Ended September 30, 2018



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CONTENTS

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF THE CHILDREN'S TRUST CONTRACTS.....	1
SCHEDULE OF EXPENDITURES AND NOTE TO THE SCHEDULE OF EXPENDITURES OF THE CHILDREN'S TRUST CONTRACTS.....	3
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER CHILDREN'S TRUST CONTRACTS FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF EXPENDITURES FOR THE CHILDREN'S TRUST CONTRACTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	4
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE CHILDREN'S TRUST CONTRACTS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE	6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	8



INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES
OF THE CHILDREN'S TRUST CONTRACTS

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

Report on the Schedule of Expenditures of the Children's Trust Contract

We have audited the accompanying schedule of expenditures for the Children's Trust contracts (the "Schedule") of the City of Miami Beach, Florida (the "City") for the year ended September 30, 2018, and the related note.

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 the Children's Trust contracts. 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.

Opinion

In our opinion, the Schedule of Expenditures of the Children's Trust contracts referred to above presents fairly, in all material respects, the expenditures of the Children's Trust contracts of the City of Miami Beach, Florida for the year ended September 30, 2018, 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 March 1, 2019 on our consideration of the City's internal control over Children's Trust contracts 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 Children's Trust contracts financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over Children's Trust contracts 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 Children's Trust contracts financial reporting and compliance.



Crowe LLP

Miami, Florida
March 1, 2019

CITY OF MIAMI BEACH, FLORIDA
 THE CHILDREN'S TRUST CONTRACTS
 SCHEDULE OF EXPENDITURES AND NOTE TO THE SCHEDULE OF EXPENDITURES
 OF THE CHILDREN'S TRUST CONTRACTS
 Year Ended September 30, 2018

<u>Contract Name</u>	<u>Contract Term</u>	<u>Contract Number</u>	<u>Contract Amount</u> (1)	<u>Total Contract Expenditures</u> (2)	<u>SAMIS Fiscal Year Expenditures</u> (3)
Success University Program	August 2017 - July 2018	1821-1090	\$ 400,000	\$ 330,976	\$ 309,890
Success University Program	August 2018 - July 2019	1921-1090	400,000	23,737	23,736
Out of School Program	August 2017 - July 2018	1814-1090	333,258	314,001	286,938
Out of School Program	August 2018 - July 2019	1914-1090	464,940	27,390	27,390
Youth Development Program	August 2017 - July 2018	1816-1090	312,550	285,434	256,936
Youth Development Program	August 2018 - July 2019	1916-1090	371,089	21,256	21,256
Early Childhood Development Program	August 2017 - July 2018	1810-1090	249,957	228,909	204,103
Early Childhood Development Program	August 2018 - July 2019	1910-1090	<u>294,818</u>	<u>25,896</u>	<u>25,896</u>
Totals			<u>\$ 2,826,611</u>	<u>\$ 1,257,599</u>	<u>\$ 1,156,145</u>

- (1) These amounts represent the total contract amount for the period of the contract.
- (2) These amounts represent the actual expenditures from the start of the contract through September 30, 2018.
- (3) These amounts represent the actual expenditures incurred from October 1, 2017 through September 30, 2018.

NOTE TO SCHEDULE

The Schedule of Expenditures of the Children's Trust contracts (the "Schedule") presents the expenditures/activities of the Children's Trust contracts 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 requirements of the Children's Trust contracts. The schedule presents only a selected portion of the operations of the City of Miami Beach, Florida, and is not intended to and does not present fairly the financial position as of September 30, 2018, the changes in its financial position or where applicable, its cash flows of the City of Miami Beach, Florida (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 CHILDREN'S
TRUST CONTRACTS FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF EXPENDITURES
FOR THE CHILDREN'S TRUST CONTRACTS 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 Children's Trust Contracts (the "Schedule") of the City of Miami Beach, Florida (the "City") for the year ended September 30, 2018, and the related note, and have issued our report thereon dated March 1, 2019.

Internal Control Over Children's Trust Contracts Financial Reporting

In planning and performing our audit of the Schedule, we considered the City's internal control over the Children's Trust Contracts 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.

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 Children's Trust Contracts 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
March 1, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
THE CHILDREN'S TRUST CONTRACTS AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for the Children's Trust Contracts

We have audited the City of Miami Beach, Florida's (the "City") compliance with the compliance requirements described in the Children's Trust Contracts applicable to the City's Children's Trust Contracts 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 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 the Children's Trust contracts. Those standards and Children's Trust contracts require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements that are applicable to its Children's Trust contracts 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 Children's Trust contracts for the year ended September 30, 2018.

(Continued)

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 control 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 the Children's Trust contracts. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Miami, Florida
March 1, 2019

CITY OF MIAMI BEACH, FLORIDA
THE CHILDREN'S TRUST CONTRACTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2018

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 deficiency(ies) identified? _____ Yes ___X___ None Reported

Noncompliance material to the Schedule of Expenditures noted? _____ Yes ___X___ No

Children's Trust Contracts

Internal Control over programs:

 Material weakness(es) identified? _____ Yes ___X___ No

 Significant deficiency(ies) identified? _____ 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 the contracts? _____ Yes ___X___ No

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

No findings were reported for the year ended September 30, 2017.