

**CITY OF NORTH MIAMI, FLORIDA**

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF RESTRICTED ASSETS  
ACTIVITY OF THE CLOSURE ESCROW ACCOUNT OF THE LANDFILL CLOSURE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015



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**CITY OF NORTH MIAMI, FLORIDA**  
**SCHEDULE OF RESTRICTED ASSETS ACTIVITY OF THE CLOSURE ESCROW**  
**ACCOUNT OF THE LANDFILL CLOSURE SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor, City Council and City Manager  
City of North Miami, Florida

**Report on the Financial Statements**

We have audited the accompanying schedule of restricted assets activity of the closure escrow account of the landfill closure special revenue fund (the Schedule) of the City of North Miami, Florida (the City), as of and for the fiscal year ended September 30, 2015, and the related notes to the schedule as listed in the table of contents.

**Management's Responsibility for the Schedule**

Management is responsible for the preparation and fair presentation of the schedule in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable presentation of the Schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal controls 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. 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 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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## **Opinion**

In our opinion, the Schedule referred to above present fairly, in all material respects, the balance of and activity in the closure escrow account of the landfill closure special revenue fund as of and for the year ended September 30, 2015, in conformity with rule 62-701.630(5)(c) of the Florida administrative Code.

## **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The Schedule is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

*HCT Certified Public Accountants and Consultants, LLC*

Hollywood, Florida

June 22, 2016

**CITY OF NORTH MIAMI, FLORIDA**  
SCHEDULE OF RESTRICTED ASSETS ACTIVITY OF THE CLOSURE ESCROW  
ACCOUNT OF THE LANDFILL CLOSURE SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Restricted Assets:

Cash in bank (Money Market Fund at City National Bank)	<u>\$ 11,149,456</u>
Total	<u>\$ 11,149,456</u>
Beginning Balance, October 1, 2014	\$ 12,833,798
Receipts	-
Interest	39,714
Other	(74,074)
Withdrawals	<u>(1,649,982)</u>
Ending Balance, September 30, 2015	<u>\$ 11,149,456</u>

**CITY OF NORTH MIAMI, FLORIDA**  
NOTES TO SCHEDULE OF RESTRICTED ASSETS ACTIVITY OF THE CLOSURE  
ESCROW ACCOUNT OF THE LANDFILL CLOSURE SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of North Miami, Florida (the City), located in Miami-Dade County, was incorporated in 1926. The City operates under a Council-Manager form of government and derives its authority from the Florida Constitution and Florida Statutes.

The landfill closure special revenue fund accounts for the restricted assets activity used to fund landfill closure costs. Within this fund, deposits are made to the fund's restricted assets account for the purpose of complying with the Florida Department of Environmental Protection's escrow requirements of Rule 62-701.630(5)(c), Florida Administrative Code. The rule requires that once the landfill ceases to receive waste, the closure escrow account should be able to fully fund the facility's closing costs.

Closure Escrow Account

On December 22, 2004, the City received \$31,027,000 in grant funds from Miami-Dade County to be used towards financing the remediation and closure costs of the "Munisport" landfill site. The funds were deposited into the Munisport landfill closure account.

The schedule of restricted cash activity is only intended to present the activity of restricted assets segregated for the purpose of complying with Rule 62-701.630(5)(c), Florida Administrative Code. The schedule of restricted assets was prepared on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

All funds on deposit are restricted for landfill closing.

Long-term Care Escrow Account

The City opened a second escrow account for the purpose of funding the landfill's long term care costs. This account will remain dormant until the time of facility closing where it will be funded in accordance with Rule 62-701.630(5)(c), Florida Administrative Code. Therefore, as of September 30, 2015, the balance in this escrow account is \$0.

**NOTE 2 - RESTRICTED CASH**

The City, for accounting and investment purposes, maintains restricted asset accounts. The restricted assets are composed of cash in the bank in an interest bearing money market account and an FDIC insurance note exposure over \$250,000.

**CITY OF NORTH MIAMI, FLORIDA**  
**NOTES TO SCHEDULE OF RESTRICTED ASSETS ACTIVITY OF THE CLOSURE**  
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**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 3 - COMPLIANCE WITH RULE 62-701.630(5)(c), FLORIDA ADMINISTRATIVE CODE**

As provided by Rule 62-710.630(5)(c), Florida Administrative Code, the City is required to annually submit to the Florida Department of Environmental Protection an audit of the landfill closure account with a list of all deposits and withdrawals made. For the year ended September 30, 2015, withdrawals of \$1,649,982 were made from the account and no additional deposits, other than interest received of \$39,714 were required.

**CITY OF NORTH MIAMI, FLORIDA**  
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 City of North Miami  
North Miami, 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 the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of North Miami, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City of North Miami, Florida's basic financial statements, and have issued our report thereon dated June 22, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of North Miami, Florida's internal control over financial reporting (internal control) 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 the City of North Miami, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of North Miami, Florida'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 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 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 of North Miami, Florida's financial statements are free from 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.

*HCT Certified Public Accountants and Consultants, LLC*

Hollywood, Florida

June 22, 2016