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Miami, FL 33131

**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***

The Honorable Mayor, and Chairperson, and  
Members of the Board of County Commissioners  
Miami-Dade County, Florida:

We have audited 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 Miami-Dade County, Florida as of and for the year ended September 30, 2009, which collectively comprise Miami-Dade County, Florida's basic financial statements, and have issued our report thereon dated May 18, 2010. Our report was modified to include a reference to other auditors. Further, our report was modified to emphasize the restatement of the respective net assets and fund balances as of October 1, 2008 of the governmental activities and the aggregate remaining fund information of Miami-Dade County, Florida. Moreover, our report was modified to emphasize certain risks associated with the significant losses incurred and uncertainties related to the operations of the Public Health Trust of Miami-Dade County, Florida. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Other auditors audited the financial statements of (1) Miami-Dade Housing Finance Authority (a discretely presented component unit); (2) Jackson Memorial Foundation, Inc. (a discretely presented component unit); (3) Public Health Trust of Miami-Dade County (a major enterprise fund); (4) Miami-Dade Water and Sewer Department (a major enterprise fund); (5) Miami-Dade Transit Department (a major enterprise fund); (6) Miami-Dade County Clerk of the Circuit and County Courts Special Revenue and Agency Funds (a nonmajor governmental fund and a nonmajor fund); (7) Miami-Dade Housing Agency – Other Housing Programs (a nonmajor governmental fund); (8) Miami-Dade Housing Agency – Section 8 Allocation Properties Fund (a nonmajor enterprise fund); (9) Miami-Dade County Mixed Income Properties Fund (a nonmajor enterprise fund); and (10) Pension Trust Fund (a nonmajor fund), as described in our report on Miami-Dade County, Florida's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Jackson Memorial Foundation, Inc. and Miami-Dade County Mixed Income Properties Fund were not in accordance with *Government Auditing Standards*.

For purposes of this report, our consideration of internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters did not include Miami-Dade County Aviation Department, Miami-Dade County Seaport Department, and Miami-Dade County Department of Solid Waste Management. We have issued separate reports on our consideration of internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters for these entities. The findings, if any, included in those reports are not included herein.



### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered Miami-Dade County, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Miami-Dade County, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Miami-Dade County, Florida's internal control over financial reporting.

A deficiency in internal control over financial reporting 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 over financial reporting, 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.

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 the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency and that is described in the accompanying schedule of findings and questioned costs as 2009-01. A significant deficiency is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Miami-Dade County, Florida'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*.

We noted certain matters that we reported to management of Miami-Dade County, Florida in a separate letter dated May 18, 2010.

Miami-Dade County, Florida's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Miami-Dade County, Florida's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Honorable Mayor, and Chairperson, Members of the Board of County Commissioners, management, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

May 18, 2010  
Certified Public Accountants



KPMG LLP  
Suite 2000  
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Miami, FL 33131

**Report on Compliance with Requirements Applicable to  
Each Major Federal Program and State Project and on Internal Control over  
Compliance in Accordance with OMB Circular A-133, Section 215.97, Florida Statutes and Chapter  
10.550, Rules of the Auditor General of the State of Florida**

The Honorable Mayor, and Chairperson, and  
Members of the Board of County Commissioners  
Miami-Dade County, Florida

**Compliance**

We have audited the compliance of Miami-Dade County, Florida (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB Circular A-133 Compliance Supplement*), and the requirements described in the *Executive Office of the Governor's State Projects Compliance Supplement*, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2009. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Miami-Dade Aviation Department; Miami-Dade Transit Department; Public Health Trust of Miami-Dade County; the Miami-Dade Housing Agency and Miami-Dade Water and Sewer Department, which received approximately \$65,000,000; \$97,000,000; \$27,000,000; \$198,000,000; and \$22,000,000 respectively, in federal awards and state financial assistance, which is not included in the schedule of expenditures of federal awards and state financial assistance for the year ended September 30, 2009. Our audit, described below, did not include the operations of the Miami-Dade Aviation Department; Miami-Dade Transit Department; Public Health Trust of Miami-Dade County; the Miami-Dade Housing Agency, and Miami-Dade Water and Sewer Department because these departments engaged us or other auditors to separately perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133); Section 215.97, *Florida Statutes* (Section 215.97); and Chapter 10.550, *Rules of the Auditor General of the State of Florida* (Chapter 10.550).

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; OMB Circular A-133, Section 215.97, and Chapter 10.550. Those standards, OMB Circular A-133, Section 215.97, and Chapter 10.550 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 direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County'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. Our audit does not provide a legal determination of the County's compliance with those requirements.



As described in items 2009-03, 2009-07, 2009-08, 2009-10, 2009-11, 2009-12, 2009-13, 2009-14, 2009-15, 2009-16, 2009-17, 2009-19, 2009-20, 2009-22, and 2009-24 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding activities allowed or unallowed, and subrecipient monitoring applicable to its U.S. Department of Agriculture, Child and Adult Food Care Program (CFDA No. 10.558); activities allowed or unallowed applicable to its U.S. Department of Housing and Urban Development, Community Development Block Grants/Entitlement Grants (CFDA No. 14.218); activities allowed or unallowed and eligibility applicable to its U.S. Department of Housing and Urban Development, HOME Investment Partnerships Program (CFDA No. 14.239); period of availability and activities allowed or unallowed applicable to its U.S. Department of Transportation, Highway Planning and Construction Grant Cluster (CFDA No. 20.205); activities allowed or unallowed and special tests and provisions applicable to its U.S. Department of Health and Human Services, Child Care Development Fund Cluster (Child Care and Development Block Grant (CFDA No. 93.575); ARRA – Child Care and Development Block Grant (CFDA No. 93.713), Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA No. 93.596)) and Temporary Assistance of Needy Families (CFDA No. 93.558); activities allowed or unallowed and eligibility applicable to its U.S. Department of Health and Human Services, Refugee Entrant and Assistance Administered Program (CFDA No. 93.566); activities allowed or unallowed applicable to its U.S. Department of Health and Human Services, Head Start Program (CFDA No. 93.600); cash management applicable to its U.S. Department of Homeland Security, Homeland Security Grant Program (CFDA No. 97.067); and activities allowed or unallowed applicable to its Florida Housing Finance Corporation State Housing Initiative Partnership Program (CFSA No. 52.901). Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2009. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133, Section 215.97, and Chapter 10.550 and which are described in the accompanying schedule of findings and questioned costs as items 2009-02, 2009-04, 2009-05, 2009-06, 2009-09, 2009-18, 2009-21, 2009-23, 2009-25, 2009-26, 2009-27, and 2009-28.

#### **Internal Control over Compliance**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our 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 County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A control deficiency in an entity's 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 noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-03, 2009-07, 2009-08, 2009-10, 2009-11, 2009-12, 2009-13, 2009-14, 2009-15, 2009-16, 2009-17, 2009-19, 2009-20, 2009-22, 2009-24, and 2009-28 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 2009-03, 2009-07, 2009-08, 2009-10, 2009-11, 2009-12, 2009-13, 2009-14, 2009-15, 2009-16, 2009-17, 2009-19, 2009-20, 2009-22, 2009-24, and 2009-28 to be material weaknesses.

#### **Schedule of Expenditures of Federal Awards and State Financial Assistance**

We have audited 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 County as of and for the year ended September 30, 2009, and have issued our report thereon dated May 18, 2010. Our report was modified to include a reference to other auditors. Further, our report was modified to emphasize the restatement of the respective net assets and fund balances as of October 1, 2008 of the governmental activities and the aggregate remaining fund information of the County. Moreover, our report was modified to emphasize certain risks associated with the significant losses incurred and uncertainties related to the operations of the Public Health Trust of Miami-Dade County, Florida. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133, Section 215.97, and Chapter 10.550 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses, and accordingly, we express no opinion on them.



This report is intended solely for the information and use of the Honorable Mayor and Chairperson and Members of the Board of County Commissioners, County management, federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

KPMG LLP

June 30, 2010, except for the schedule of expenditures  
of federal awards and state financial assistance, which  
is as of May 18, 2010, and except as to Note 8  
to the schedule of expenditures of federal awards  
and state financial assistance and CSFA No. 55.026,  
which are as of January 27, 2012  
Certified Public Accountants