



REQUEST FOR QUALIFICATIONS FOR AUDITING SERVICES

RFQ No. 14-15-03

ALYCE ROBERTSON, EXECUTIVE DIRECTOR

**SUBMISSIONS ARE DUE NO LATER THAN
MONDAY, JULY 6, 2015 AT 5:00 P.M.**

AT

**MIAMI DOWNTOWN DEVELOPMENT AUTHORITY
200 SOUTH BISCAYNE BLVD.
SUITE 2929
MIAMI, FLORIDA 33131**

SUBMITTALS WILL BE OPENED AT THE TIME AND PLACE SPECIFIED. SUBMITTALS RECEIVED AFTER THE FIRST SUBMISSION HAS BEEN OPENED WILL NOT BE OPENED AND WILL NOT BE CONSIDERED. THE RESPONSIBILITY FOR SUBMITTING A PROPOSAL TO DDA ON OR BEFORE THE STATED TIME AND DATE IS SOLELY AND STRICTLY THE RESPONSIBILITY OF THE RESPONDENT. DDA IS NOT RESPONSIBLE FOR DELAYS CAUSED BY ANY MAIL, PACKAGE OR COURIER SERVICE, INCLUDING THE U.S. MAIL, OR CAUSED BY ANY OTHER OCCURRENCE. LATE OR MISDELIVERED PROPOSALS SHALL NOT BE CONSIDERED.

**MIAMI DOWNTOWN
DEVELOPMENT AUTHORITY**

**REQUEST FOR QUALIFICATIONS
FOR AUDITING SERVICES**

TABLE OF CONTENTS

SECTION	
	REGISTRATION
1.0	RFQ OVERVIEW
2.0	DESCRIPTION OF SERVICES/S
3.0	PROPOSALS SUBMITTAL
4.0	RFQ GENERAL CONDITIONS
5.0	INSTRUCTIONS TO PROPOSERS
6.0	EVALUATION PROCESS
7.0	RFQ RESPONSE FORMS AND PROPOSAL CHECK LIST

**REQUEST FOR QUALIFICATIONS
FOR AUDITING SERVICES**

REGISTRATION FORM

This form will be used to communicate information with respect to questions and addenda as needed. **Please fill out and fax to 305-371-2423, Attn.: Karry Maravilla or email at maravilla@miamidda.com.** If we do not receive a form, there is a risk that you will not receive important information.

Name of
Applicant: _____

Address: _____

Telephone: _____

Fax: _____

E-Mail: _____

Section 1.0 OVERVIEW

1.1 Objectives

Through this Request for Qualifications process the Miami Downtown Development Authority of the City of Miami, Florida (DDA) intends to review the proposals from interested parties who can assist the DDA in performing auditing services.

1.2 The Downtown Development Authority

Vision and Mission Statement

The Miami DDA, founded in 1965, is a public, independent agency of the City of Miami and a non-profit business organization that strives to develop Miami's downtown area as the most livable urban center in America, making it the preferred international destination for commerce, culture, tourism, and urban living.

The vision of the Miami DDA is to create a "new Downtown Experience" that will showcase all the quality of life advantages of urban living in an exciting Downtown Miami setting and community that has the diversity, sense of place, economic vitality, and "round the clock" activity that makes great cities.

Board of Directors

A 15 member Board of Directors composed of downtown business and property owners confirmed by the City of Miami Commission oversees DDA. A representative of the State of Florida Cabinet and a member of the Miami-Dade County Commission are included on the DDA's Board. A City of Miami Commissioner chairs the DDA Board.

Funding

DDA is principally funded by a 0.475 mil tax on private properties within its district, which currently generates approximately \$6 million to the DDA annually. The DDA also receives grants and inter-local government contracts, which provide additional funding for DDA projects.

Role & Services

DDA applies its internal resources and consultants, to undertake the program development and management required to lead or enable the execution of coordinated marketing, development, infrastructure, service delivery and program implementation strategies. In this role, DDA performs services and/or provides management oversight in the following areas:

- Strategic Planning
- Market and Economic Research
- Business Assistance and Recruitment
- Clean and Safe Programs
- Marketing and Community Outreach
- Land Use and Transportation Planning
- Economic Programming and Business Recruitment

Section 2.0 DESCRIPTION OF SERVICES/QUALIFICATIONS

The Miami DDA is seeking a certified public accounting firm to perform annual audits of Miami DDA's financial statements.

The selected firm will enter into a contract with the Miami DDA, which may be renewable on an annual basis for up to 3 years.

The DDA fiscal year runs from October 1st – September 30th and we typically conduct our annual audit during November and December. A certified audit must be finalized and submitted to the City of Miami in January.

We are seeking a firm with the capacity and availability to assign a dedicated CPA to assist us beginning this November.

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Section 3.0 – PROPOSALS SUBMITTALS

The DDA requests one (1) original and five (5) copies of a proposal. Please include the following information with your response.

3.1 Letter of Interest and Executive Summary

Attach a letter of interest, which explains your firm's interest in working on this project. Include an "Executive Summary" which explains your firm's qualifications and experience as they pertain to this particular endeavor. Also, include the names and titles of the persons who will be authorized to make representations for your firm.

3.2 Respondent Profile

Provide the following information regarding your firm. If you intend to subcontract some of the proposed work to another firm, similar information should be provided for each subcontractor.

- a) Indicate the year your firm was established, the names and curriculum vitae for your firm's principals and the project manager(s) and key personnel that will work on this project. Indicate the amount of involvement the principal(s) will have in the project.
- b) Provide an organizational chart.
- c) Provide a list, covering the past 5 years, of Professional Liability claims made involving your firm, a brief but concise description of the claim, and the outcome of the claim. Include claims made against the firm, principals of the firm for work performed while at the firm, and claims made against principals of the firm for work performed prior to joining your firm. Also, include claims paid by your professional liability carrier as well as claims paid by your firm.
- d) Has your firm, or any of its employees present or past, or anyone acting on its behalf, ever been convicted of any crime or offense arising directly or indirectly from the conduct of your firm's business, or has any of your firm's officers, director or persons exercising substantial policy discretion ever been convicted of any crime or offense involving business or financial misconduct or fraud? If so, please describe any such convictions and surrounding circumstances in detail.
- e) A description of any action, suit, proceeding, disciplinary action or investigation pending or threatened against your firm including, without limitation, any proceeding known to be contemplated by government authorities or private parties.
- f) Has your firm, or any of its employees, or anyone acting on its behalf, been indicted or otherwise charged in connection with any criminal matter arising directly or indirectly from the conduct of your firm's business which is still pending, or has any of your firm's officers, directors or persons exercising substantial policy discretion been indicted or otherwise charged in connection with any criminal matter involving business or financial misconduct or fraud which is still pending? If so, please describe any such indictments or charges and surrounding circumstances in detail.
- g) Describe in detail all current outstanding claims and litigations involving your firm and any of the principals involved.

3.3 Proposer's Experience and Past Performance

Provide a detailed description of comparable projects (similar in scope of services to those requested herein) which your firm has either ongoing or completed within the past three years. Please specify whether each project is completed or ongoing. The description should identify for each project: (i) the client, (ii) description of work, (iii) duration of project, (iv) contact person and phone number for reference, and (v) the results/deliverables of the project. Where possible, list and describe those projects performed for similar size public or private entities and any work performed for the DDA.

3.4 References

Provide names, addresses and phone numbers of up to 5 references that would be capable of explaining and confirming your firm's capacity to successfully complete the intent of your proposal.

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Section 4.0 RFQ GENERAL CONDITIONS

4.1 Acceptance/Rejection

The DDA reserves the right to accept or reject any or all Responses or to select the Proposer(s) that, in the opinion of the DDA, will be in the best interest of and/or the most advantageous to the DDA. The DDA also reserves the right to reject the Response of any Proposer(s) who has previously failed to properly perform under the terms and conditions of a contract, to deliver on time contracts of a similar nature, and who is not in a position to perform the requirements defined in this RFQ. The DDA reserves the right to waive any irregularities and technicalities and may, at its discretion, withdraw and/or re-advertise the RFQ.

4.2 DDA Not Liable for Delays

It is further expressly agreed that in no event shall the DDA be liable for, or responsible to, the Consultant, any sub-consultant, or to any other person for, or on account of, any stoppages or delay in the work herein provided for by injunction or other legal or equitable proceedings or on account of any delay for any cause over which the DDA has no control. The agreement will include a "no damage for delay" clause.

4.3 Contract Award and DDA's Rights

The DDA reserves the right to accept or reject any or all responses to this RFQ, waive informalities, and request re-bids on the services specified in the RFQ. The Selected Proposer(s) evaluated and ranked in accordance with the requirements of this RFQ, applicable City regulations and State Statute shall be awarded an opportunity to negotiate a contract ("Contract") with the DDA. The template for the standard DDA contract is attached as a word document. Proposers should review the contract and provide any comments as a marked redline word document. Submitted with proposal.

4.4 Cost Incurred By Proposers

All expenses involved with the preparation and submission of Responses to the DDA, or any work performed in connection therewith shall be borne by the Proposer(s).

4.5 Legal Requirements

This RFQ is subject to all applicable federal, state, county and local laws, ordinances, rules and regulations that in any manner affect any and all of the services covered herein. Lack of knowledge by the Proposer shall in no way be cause for relief from responsibility.

4.6 Non-Appropriation of Funds

In the event no funds or insufficient funds are appropriated and budgeted or funding is otherwise unavailable in any fiscal period for payments due under the Contract, then the DDA, upon written notice to the Consultant or his/her assignee of such occurrence, shall have the unqualified right to terminate the Contract without any penalty or expense to the DDA. No guarantee, warranty or representation is made that any particular or any project(s) will be awarded to any firm(s).

4.7 One Proposal

Only one (1) Proposal from an individual, firm, partnership, corporation or joint venture will be considered in response to this RFQ for each project and/or for each discipline for miscellaneous projects.

4.8 Minimum Qualification Requirements

Each firm interested in responding to this Request for Qualifications must provide the information on the firm's qualifications and experience, qualifications of the project team, Project Manager's experience, and previous similar projects. Submittals that do not respond completely to all requirements may be considered non-responsive and eliminated from the process.

4.9 Public Entity Crimes

A person or affiliate who has been placed on the convicted Proposer list following a conviction for a public entity crime may not submit a proposal on a contract to provide any goods or services to a public entity, may not submit a Response on a contract with a public entity for the construction or repair of a public building or public work's project, may not submit a response on a lease of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017 of Florida Statutes for Category Two for a period of 36 months from the date of being placed on the convicted Bidder / Proposer list.

4.10 Resolution of Protests

Any respondent who perceives itself aggrieved in connection to this RFQ solicitation or proposal award of the contract may protest to the Executive Director: (i) within three days of issuance of the RFQ (if a protest of the RFQ solicitation); or (ii) within two days of the recommendation of the award by the Executive Director is received or known by the Respondent. A protest is limited to deviations from established selection/negotiation procedures set forth in the City of Miami Procurement ordinance. A protest may not be based upon or challenge the relative weight of the evaluation criteria, the formula for assigning points or from a simple disagreement with the opinion(s) of the Selection/Negotiation Committee or the Executive Director. A protest may not be based upon a failure to recommend a particular Respondent for funding.

The written protest must be timely delivered to the Executive Director within the time frame set forth herein. Late or misdelivered protests cannot be considered.

The written protest shall state with particularity the specific facts and law upon which the protest of the solicitation or award is based, and shall include all pertinent documents and evidence.

4.11 Review of Responses for Responsiveness

Each Proposal will be reviewed to determine if it is responsive to the submission requirements outlined in the RFQ. A "responsive" Proposal is one which follows the requirements of the RFQ, includes all documentation, is submitted in the format outlined in the RFQ, is of timely submission, and has appropriate signatures as required on each document. Failure to comply with these requirements may deem a Proposal non-responsive. A responsible Proposer is one

that has the capability in all respects to fully perform the requirements set forth in the Proposal, and that has the integrity and reliability, which will assume good faith performance.

4.13 Collusion

The Proposer, by submitting a Proposal, certifies that its Proposal is made without previous understanding, agreement or connection either with any person, firm, or corporation submitting a Proposal for the same services, or with the DDA Purchasing. The Proposer certifies that its Proposal is fair, without control, collusion, fraud, or other illegal action. The Proposer further certifies that it is in compliance with the conflict of interest and code of ethics laws. The DDA will investigate all situations where collusion may have occurred and the DDA reserves the right to reject any and all Responses where collusion may have occurred.

(Intentionally left blank)

5.0 INSTRUCTIONS TO PROPOSERS

5.1 Obtaining the RFQ

Copies of this RFQ package can be obtained by visiting, phoning or writing Downtown Development Authority, 200 South Biscayne Blvd., Suite 2929, Miami, Florida 33131; telephone 305-579-6675. The RFQ is also available on DDA's website www.miamidda.com.

Proposers who obtain copies of this Solicitation from sources other than the DDA risk the potential of not receiving addenda, since their names will not be included on the list of firms participating in the process for this particular Solicitation. Such Proposers are solely responsible for those risks.

5.2 Communications

DDA staff will communicate with potential Proposers regarding this RFQ only with regard to matters of process and procedure already contained in this RFQ document. Except for public hearings and scheduled presentations, contact with the DDA regarding this RFQ or any aspect of a proposal by a respondent or any representative of a respondent shall be limited to written communications until such time that the consultants have been approved by the Board. All questions or requests for additional information must be asked and answered in writing by certified mail or fax. To ensure that your request or question has been received, contact Karry Maravilla at 305-579-6675 only to verify that the DDA is in receipt of your request. The request must contain the RFQ title, Proposer's name, contact person name, address, phone number, and fax number. Any responses to such questions or requests shall be furnished to all respondents in the form of an addendum to this RFQ.

Questions should be directed to:

Karry Maravilla
200 South Biscayne Boulevard, Suite 2929
Miami, Florida 33131
(305) 579-6675 Tel.
(305) 371-2423 Fax
maravilla@miamidda.com

5.3 Submittal Format

All submittals must be on 8 1/2" X 11" paper, neatly typed on one side only, with normal margins, and spacing. The original document package must not be bound and the document package copies should be individually bound. An unbound one-sided original and 5 bound copies (a total of 6) of the complete submittal must be received by the deadline specified in this RFQ Timetable. The original and all copies must be submitted in a sealed envelope or container stating on the outside the Respondent's name, address, telephone number, RFQ title, and submittal due date to:

Alyce M. Robertson
Executive Director
Downtown Development Authority
200 South Biscayne Boulevard, Suite 2929
Miami, FL 33131

5.4 Cover Sheet

The cover sheet should contain the Respondent's company name, address, telephone number, RFQ title and contact name.

5.5 Registration Sheet

Please fill out and return the registration sheet contained herein via fax to 305-371-2423 Attn. Karry Maravilla or by email to maravilla@miamidda.com. This allows DDA staff to log in Proposers accurately and communicate addenda, questions, and any other relevant information.

5.6 Delivery and Deadline

Hand carried submittals may be delivered to the above address **ONLY** between the hours of 9:00 A.M. and 5:00 P.M., Monday through Friday. However, note that submittals are due at the above address on the date and at the time indicated in the timetable below. Proposers are responsible for informing any commercial delivery service, if used, of all delivery requirements and for ensuring that the required address information appears on the outer wrapper or envelope used by such service. All submittals must be delivered to the DDA by 5:00 P.M. on **July 6, 2015**. Late and misdelivered submittals shall not be considered.

5.7 RFQ Timetable

RFQ Available to Public	June 18, 2015
Deadline for Receipt of Questions	June 26, 2015
Submittal Deadline	July 6, 2015
Evaluation of Proposals	Week of July 6, 2015
DDA Board Approval	July 17, 2015

5.8 Timetable for Services and Completion of Deliverables*

Contract Execution	Week of July 20, 2015
Begin Fieldwork	Week of November 9, 2015
Draft Audit Due / CPA meets with DDA staff	Week of November 30, 2015
CPA meets with DDA Finance / Executive Committee	December 7, 2015
CPA presents Final Audit to Board of Directors	December 18, 2015
Final Audit delivered to City of Miami	Week of December 21, 2015

*Dates are estimated and subject to change

Section 6.0 EVALUATION/SELECTION PROCESS

6.1 Introduction

Following the opening of the proposal packages, the proposals will be evaluated by an Evaluation Committee. The committee will be comprised of appropriate DDA personnel and/or members of the community.

Please note that proposals will be inspected by DDA staff for responsiveness prior to evaluation. A proposal may be deemed non-responsive if it is not submitted in the required format or is not complete. Only those proposals deemed responsive will receive further consideration.

The DDA reserves the right to accept or reject, any or all submittals. It also reserves the right to investigate the financial capability, reputation, integrity, skill and quality of performance under similar operations of each respondent.

6.2 Proposal Evaluation

The Evaluation Committee will first evaluate and rank responsive proposals on the criteria listed below. The maximum score per proposal is 100 points. Each Evaluation Committee member shall award up to 100 points per proposal. The final score will be an average (mean) of the scores awarded by all Evaluation Committee members. A Proposer may receive the maximum points or a portion of this score depending on the merit of its proposal as judged by the Evaluation Committee:

CRITERIA	POINTS
Letter of Interest/Quality of Submission	10
Respondent Capacity and Availability	30
Proposer's Experience with Similar Organizations	50
Price	10
TOTAL POINTS	100

7.0 RFQ RESPONSE FORMS AND PROPOSAL CHECK LIST

This checklist is provided to help you conform to all form/document requirements stipulated in this RFQ and attached herein.

CHECKLIST		<u>Submitted With Proposal</u>
7.1 RFQ Cover Sheet This form <i>must be completed, signed, and returned</i> with Proposal.		YES <input type="checkbox"/>
7.2 Certificate of Authority , to be completed, <i>signed</i> and returned with Proposal. <i>Complete applicable form only.</i> 7.2.1. Certificate of Authority (If Corporation) 7.2.2. Certificate of Authority (If Partnership) 7.2.3. Certificate of Authority (If Joint Venture) 7.2.4. Certificate of Authority (If Individual)		YES <input type="checkbox"/>
7.3 Insurance Requirements Acknowledgment of receipt of information on the insurance requirements for this RFQ (<i>must be signed</i>)		YES <input type="checkbox"/>
7.4 Debarment and Suspension Certificate (<i>must be signed</i>)		YES <input type="checkbox"/>
7.5 Conflict of Interest, if applicable		YES <input type="checkbox"/>
7.6 Complete Proposal with all required documentation		YES <input type="checkbox"/>
7.7 Marked redline of DDA Professional Services Agreement		YES <input type="checkbox"/>

Request for Qualifications For Auditing Services

Please make this the first page of your application.

COVER SHEET

Name of Applicant: _____

Address: _____

Telephone: _____

Fax: _____

E-Mail: _____

Website: _____

I certify that any and all information contained in this Proposal is true; and I further certify that this Proposal is made without prior understanding, agreement, or connections with any corporation, firm or person submitting a RFQ for the same materials, supplies, equipment, or services and is in all respects fair and without collusion or fraud. I agree to abide by all terms and conditions of the RFQ, and certify that I am authorized to sign for the Proposer. Please print the following and sign your name:

Signature

Print Name/Title

Date

FORM 7.2.1

**CERTIFICATE OF AUTHORITY
(IF CORPORATION)**

STATE OF)
) SS:
COUNTY OF)

I HEREBY CERTIFY that a meeting of the Board of Directors of the

_____,
a corporation existing under the laws of the State of _____, held a meeting _____ ,
20____, at which the following resolution was duly passed and adopted:

"RESOLVED, that, as President of the Corporation, be and is hereby authorized to execute the Proposal dated, _____, 20____, to the DDA and this corporation and that their execution thereof, attested by the Secretary of the Corporation, and with the Corporate Seal affixed, shall be the official act and deed of this Corporation."

I further certify that said resolution is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the corporation this
_____, day of _____, 20____.

Secretary: _____

(SEAL)

FAILURE TO COMPLETE, SIGN, AND RETURN THIS FORM MAY DISQUALIFY YOUR RESPONSE

**CERTIFICATE OF AUTHORITY
(IF PARTNERSHIP)**

STATE OF)
) SS:
COUNTY OF)

I HEREBY CERTIFY that a meeting of the Partners of the

organized and existing under the laws of the State of _____ , held on
_____, 20 _____ , the following resolution was duly passed and adopted:

"RESOLVED, that, _____, as _____ of the Partnership, be and is
hereby authorized to execute the Proposal dated, _____ 20 _____ , to the DDA and this
partnership and that his/her execution thereof, attested by the _____
shall be the official act and deed of this Partnership."

I further certify that said resolution is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20____

Secretary: _____

(SEAL)

**FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM MAY DISQUALIFY YOUR
RESPONSE**

7.2.3

**CERTIFICATE OF AUTHORITY
(IF JOINT VENTURE)**

STATE OF)
) SS:
COUNTY OF)

I HEREBY CERTIFY that a meeting of the Principals of the

_____ held a
organized and existing under the laws of the State of _____, held a
meeting on _____, 20____, at which the following resolution was duly passed and adopted:

"RESOLVED, that, _____ as _____ of the Joint
Venture be and is hereby authorized to execute the Proposal dated, _____ 20____, to the
DDA official act and deed of this Joint Venture."

I further certify that said resolution is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20____

Secretary: _____

(SEAL)

**FAILURE TO COMPLETE, SIGN, AND RETURN THIS FORM MAY DISQUALIFY YOUR
RESPONSE.**

7.2.4

**CERTIFICATE OF AUTHORITY
(IF INDIVIDUAL)**

STATE OF _____)
) SS:
COUNTY OF _____)

I HEREBY CERTIFY that as an individual, I _____
(Name of Individual)
_____ and as a d/b/a (doing business as) _____
(if applicable)
_____ exist under the laws of the State of Florida.

"RESOLVED, that, as an individual and/or d/b/a (if applicable), be and is hereby authorized to execute the Proposal dated, _____, 20____, to the DDA as an individual and/or d/b/a (if applicable) and that my execution thereof, attested by a Notary Public of the State, shall be the official act and deed of this attestation."

I further certify that said resolution is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Notary Public this _____, day of _____, 20____.

NOTARY PUBLIC: _____

Commission No.: _____

I personally know the individual/do not know the individual (Please Circle)

Driver's License # _____

(SEAL)

FAILURE TO COMPLETE, SIGN, AND RETURN THIS FORM MAY DISQUALIFY YOUR RESPONSE.

7.3 INDEMNIFICATION AND INSURANCE

INDEMNIFICATION

Successful Proposer(s) shall indemnify, defend and hold harmless the DDA and its officials, employees and agents (collectively referred to as “Indemnities”) and each of them from and against all loss, cost, penalties, fines, damages, claims, expenses (including attorney’s fees) or liabilities (collectively referred to as “Liabilities”) by reason of any injury to or death of any person or damage to or destruction or loss of any property arising out of, resulting from, or in connection with (i) the performance or non-performance of the services contemplated by the Contract which is or is alleged to be directly or indirectly caused, in whole or in part, by any act, omission, default or negligence (whether active or passive) of Successful Proposer(s) or its employees, agents, or subcontractors (collectively referred to as “Proposer”), regardless of whether it is, or is alleged to be, caused in whole or part (whether joint, concurrent, or contributing) by any act, omission, default or negligence (whether active or passive) of the Indemnities, or any of them or (ii) the failure of the Successful Proposer(s) to comply with any of the provisions in the Contract or the failure of the Successful Proposer(s) to conform to statutes, ordinances or other regulations or requirements of any governmental authority, federal or state, in connection with the performance of the Contract. Successful Proposer(s) expressly agrees to indemnify and hold harmless the Indemnities, or any of them, from and against all liabilities which may be asserted by an employee or former employee of Proposer, or any of its subcontractors, as provided above, for which the Successful Proposer(s)’s liability to such employee or former employee would otherwise be limited to payments under state Workers’ Compensation or similar laws.

Successful Proposer(s) further agrees to indemnify, defend and hold harmless the Indemnities from and against (i) any and all Liabilities imposed on account of the violation of any law, ordinance, order, rule, regulation, condition, or requirement, in any way related, directly or indirectly, to Successful Proposer(s)’s performance under the Contract, compliance with which is left by the Contract to the Proposer, and (ii) any and all claims, and/or suits for labor and materials furnished by the Successful Proposer(s) or utilized in the performance of the Contract or otherwise.

Where not specifically prohibited by law, Successful Proposer(s) further specifically agrees to indemnify, defend and hold harmless the Indemnities from all claims and suits for any liability, including, but not limited to, injury, death, or damage to any person or property whatsoever, caused by, arising from, incident to, connected with or growing out of the performance or non-performance of the Contract which is, or is alleged to be, caused in part (whether joint, concurrent or contributing) or in whole by any act, omission, default, or negligence (whether active or passive) of the Indemnities. The foregoing indemnity shall also include liability imposed by any doctrine of strict liability.

The Successful Proposer(s) shall furnish to DDA, Certificate(s) of Insurance prior to contract execution which indicate that insurance coverage has been obtained which meets the requirements as outlined below:

I. COMMERCIAL GENERAL LIABILITY

- A. Limits of Liability
 - Bodily Injury and Property
 - Combined Single Limit
 - Each Occurrence \$1,000,000
 - General Aggregate Limit \$2,000,000
 - Personal and Adv. Injury \$1,000,000
 - Products/Completed Operations \$1,000,000
- B. Endorsements Required
 - DDA included as an Additional Insured
 - Employees included as insured
 - Contractual Liability
 - Waiver of Subrogation
 - Premises/ Operations
 - Care, Custody and Control Exclusion Removed

II. AUTOMOBILE BUSINESS

- A. Limits of Liability
Bodily Injury and Property Damage Liability
Combined Single Limit
Any Auto
Including Hired, Borrowed or Non-Owned Autos
Any One Accident \$ 1,000,000
- B. Endorsements Required
DDA included as an Additional Insured
Employees included as insured
Waiver of Subrogation

III. WORKER'S COMPENSATION

- Limits of Liability
Statutory-State of Florida

IV. PROFESSIONAL LIABILITY/ERRORS AND OMISSIONS COVERAGE

- Combined Single Limit
- Each Occurrence \$2,000,000
- General Aggregate Limit \$2,000,000
- Deductible- not to exceed 10%

The DDA is required to be named as additional insured. **BINDERS ARE UNACCEPTABLE.**

The insurance coverage required shall include those classifications, as listed in standard liability insurance manuals, which most nearly reflect the operations of the Successful Proposer(s).

All insurance policies required above shall be issued by companies authorized to do business under the laws of the State of Florida, with the following qualifications:

The Company must be rated no less than "A" as to management, and no less than "Class X" as to financial strength, by the latest edition of Best's Key Rating Insurance Guide or acceptance of insurance company which holds a valid Florida Certificate of Authority issued by the State of Florida, Department of Insurance, and are members of the Florida Guarantee Fund.

Certificates will indicate no modification or change in insurance shall be made without thirty (30) days written advance notice to the certificate holder.

NOTE: DDA RFQ NUMBER AND/OR TITLE OF RFQ MUST APPEAR ON EACH CERTIFICATE.

Compliance with the foregoing requirements shall not relieve the Successful Proposer(s) of his liability and obligation under this section or under any other section of this Agreement.

The Successful Proposer(s) shall be responsible for assuring that the insurance certificates required in conjunction with this Section remain in force for the duration of the contractual period; including any and all option terms that may be granted to the Successful Proposer(s).

--If insurance certificates are scheduled to expire during the contractual period, the Successful Proposer(s) shall be responsible for submitting new or renewed insurance certificates to the DDA at a minimum of ten (10) calendar days in advance of such expiration.

--In the event that expired certificates are not replaced with new or renewed certificates which cover the contractual period, the DDA shall:

- A) Suspend the Contract until such time as the new or renewed certificates are received by the DDA in the manner prescribed in the RFQ.
- B) The DDA may, at its sole discretion, terminate the Contract for cause and seek re-procurement damages from the Successful Proposer(s) in conjunction with the violation of the terms and conditions of the Contract.

The undersigned Proposer acknowledges that they have read the above information and agrees to comply with all the above DDA requirements.

Proposer: _____ Signature: _____
(Company name)

Date: _____ Print Name: _____

FAILURE TO COMPLETE, SIGN, AND RETURN THIS FORM MAY DISQUALIFY YOUR RESPONSE.

7.4 DEBARMENT AND SUSPENSION

(a) Authority and requirement to debar and suspend:

After reasonable notice to an actual or prospective contractual party, and after reasonable opportunity to such party to be heard, the City Manager, after consultation with the Chief Procurement Officer and the City Attorney, shall have the authority to debar a contractual party for the causes listed below from consideration for award of city contracts. The debarment shall be for a period of not fewer than three (3) years. The City Manager shall also have the authority to suspend a contractor from consideration for award of city contracts if there is probable cause for debarment. Pending the debarment determination, the authority to debar and suspend contractors shall be exercised in accordance with regulations which shall be issued by the Chief Procurement Officer after approval by the City Manager, the City Attorney, and the City Commission.

(b) Causes for debarment or suspension include the following:

1. Conviction for commission of a criminal offense incident to obtaining or attempting to obtain a public or private contract or subcontract, or incident to the performance of such contract or subcontract;
2. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty;
3. Conviction under state or federal antitrust statutes arising out of the submission of bids or Responses;
4. Violation of contract provisions, which is regarded by the Chief Procurement Officer to be indicative of non-responsibility. Such violation may include failure without good cause to perform in accordance with the terms and conditions of a contract or to perform within the time limits provided in a contract, provided that failure to perform caused by acts beyond the control of a party shall not be considered a basis for debarment or suspension;
5. Debarment or suspension of the contractual party by any federal, state or other governmental entity;
6. False certification pursuant to paragraph (c) below; or
7. Any other cause judged by the City Manager to be so serious and compelling as to affect the responsibility of the contractual party performing city contracts.

(c) Certification:

All contracts for goods and services, sales, and leases by the City shall contain a certification that neither the contractual party nor any of its principal owners or personnel have been convicted of any of the violations set forth above or debarred or suspended as set forth in paragraph (b) (5).

The undersigned hereby certifies that neither the contractual party nor any of its principal owners or personnel have been convicted of any of the violations set forth above, or debarred or suspended as set forth in paragraph (b) (5).

Company name: _____

Signature: _____

Date: _____

FAILURE TO COMPLETE, SIGN, AND RETURN THIS FORM MAY DISQUALIFY YOUR RESPONSE

7.5 NO CONFLICT OF INTEREST, NON-COLLUSION CERTIFICATION

Submitted this _____ day of _____, 20____.

The undersigned, as Bidder/Proposer, declares that the only persons interested in this Bid/Proposal are named herein; that no other person has any interest in this Bid/Proposal or in the Contract to which this Bid/Proposal pertains; that this Bid/Proposal is made without connection or arrangement with any other person; and that this Bid/Proposal is in every respect fair and made in good faith, without collusion or fraud.

The Bidder/Proposer agrees if this Bid/Proposal is accepted, to execute an appropriate DDA document for the purpose of establishing a formal contractual relationship between the Bidder/Proposer and the DDA, for the performance of all requirements to which the Bid/Proposal pertains.

The Bidder/Proposer states that this Bid/Proposal is based upon the documents identified by the following number: Bid/RFQ No. _____.

The full names and residences of persons and firms interested in the foregoing bid/proposal, as principals, are as follows:

Name	Street Address	City	State	Zip

The Bidder/Proposer further certifies that this Bid/Proposal complies with Section 4(c) of the Charter of the City of Miami, Florida, that, to the best of its knowledge and belief, no Commissioner, Mayor, or other officer or employee of the City of Miami, Florida or the DDA, has an interest directly or indirectly in the profits or emoluments of the Contract, job, work or service to which the Bid/Proposal pertains.

SIGNATURE

PRINTED NAME

TITLE

Company Name

PROFESSIONAL SERVICES AGREEMENT

This Agreement is entered into this _____ day of _____, 20____ but effective as of _____, 20____ ("Effective Date") by and between the Downtown Development Authority of the City of Miami, an independent agency and instrumentality of the City of Miami ("DDA") and _____ ("Provider").

RECITALS:

A. WHEREAS, DDA requires the services of a certified public accounting firm to perform annual audits of Miami DDA's financial statements; and

B. WHEREAS, the DDA, through action of the DDA Executive Director and the DDA Board of Directors has selected Provider, in accordance with the applicable provisions of the City of Miami Procurement Ordinance, pursuant to Request for Qualifications ("RFQ) No. 14-15-03 issued on _____ to perform such services.; and

C. WHEREAS, the Miami DDA Board of Directors adopted Resolution No. _____ on the _____ day of _____ authorizing the Executive Director to execute an agreement with Provider to provide said Services.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, Provider and DDA agree as follows:

TERMS:

1. RECITALS: The recitals are true and correct and are hereby incorporated into and made a part of this Agreement.

2. TERM: The initial term of this Agreement shall commence on the Effective Date and shall continue until _____. The DDA Executive Director shall have the authority to extend this Agreement for two (2) additional one (1) year terms.

3. SCOPE OF SERVICE: Provider agrees to provide the Services as specifically described in Attachment “A” which by this reference is incorporated into and made a part of this Agreement.

Provider represents and warrants to DDA that: (i) it possesses all qualifications, licenses and expertise required for the performance of the Services; (ii) it is not delinquent in the payment of any sums due DDA or the City of Miami (“City”), including payment of permits fees, occupational licenses, etc., nor in the performance of any obligations to DDA, (iii) all personnel assigned to perform the Services are and shall be, at all times during the term hereof, fully qualified and trained to perform the tasks assigned to each; and (iv) the Services will be performed in the manner and in the time period described in Attachment “A”. The parties agree that Provider may perform certain services through other firms or entities, which have been engaged by the Provider as subcontractors to perform said Services. Provider agrees that all additional subcontractors shall first be approved by the DDA. Notwithstanding DDA’s approval rights hereunder, Provider acknowledges and covenants that it shall be responsible for all Services performed by its subcontractors to the same extent as Provider had provided said Services.

4. COMPENSATION:

A. The amount of compensation payable by DDA to Provider shall be based on the fee schedule described in Attachment “B” hereto, provided, however, that in no

event shall the amount of compensation exceed \$_____ for services, including reimbursable expenses approved in advance by the DDA.

B. Payment shall be made within (30) days after receipt of Provider's request for payment, which shall be certified as to the percentage of completion of the tasks identified in Attachment "A", and accompanied by sufficient supporting documentation and contain sufficient detail, to allow a proper audit of expenditures, should DDA require one to be performed. Provider shall not submit more than one (1) request for payment per month.

5. OWNERSHIP OF DOCUMENTS: Upon termination of this Agreement for any reason whatsoever, Provider shall promptly return to DDA all originals and all copies of any and all records, files, notes, contracts, memoranda, reports, work product and similar items and any manuals, drawings, sketches, plans, tape recordings, computer programs, disks, cassettes, and other physical representations of any information relating to DDA or to the business of DDA. Provider hereby acknowledges that any and all such items, physical representations and information that Provider has used, prepared or come into contact with, or shall use, prepare, or come into contact with while acting as a consultant of DDA are, and shall remain at all times, the sole property of DDA.

6. AUDIT AND INSPECTION RIGHTS:

A. DDA may, at reasonable times, and for a period of up to three (3) years following the date of final payment by DDA to Provider under this Agreement, audit, or cause to be audited, those books and records of Provider which are related to Provider's performance under this Agreement. Provider agrees to maintain all such books and records at its principal place of business for a period of three (3) years after final payment

is made under this Agreement.

B. DDA may, at reasonable times during the term hereof, inspect Provider's facilities and perform such tests, as DDA deems reasonably necessary to determine whether the goods or Services required to be provided by Provider under this Agreement conform to the terms hereof, if applicable. Provider shall make available to DDA all reasonable facilities and assistance to facilitate the performance of tests or inspections by DDA representatives. All tests and inspections shall be subject to, and made in accordance with, the provisions of Section 18-100 of the Code of the City of Miami, Florida, as same may be amended or supplemented, from time to time.

7. AWARD OF AGREEMENT: Provider represents and warrants to DDA that it has not employed or retained any person or company employed by DDA to solicit or secure this Agreement and that it has not offered to pay, paid, or agreed to pay any person any fee, commission, percentage, brokerage fee, or gift of any kind contingent upon or in connection with, the award of this Agreement.

8. PUBLIC RECORDS: Provider understands that the public shall have access, at all reasonable times, to all documents and information pertaining to DDA contracts, subject to the provisions of Chapter 119, Florida Statutes, and agrees to allow access by DDA and the public to all documents subject to disclosure under applicable law. Provider's failure or refusal to comply with the provisions of this section shall result in the immediate cancellation of this Agreement by DDA.

9. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS:

Provider understands that agreements between private entities and local governments are subject to certain laws and regulations, including laws pertaining to

public records, conflict of interest, record keeping, etc. DDA and Provider agree to comply with and observe all applicable federal, state and local laws, rules, regulations, codes and ordinances, as they may be amended from time to time.

10. INDEMNIFICATION: The Provider agrees to indemnify, defend and hold harmless DDA and its directors, officials, employees and agents (collectively referred to as “Indemnities”) and each of them from and against all loss, costs, penalties, fines, damages, claims, expenses (including attorney’s fees) or liabilities (collectively referred to as “Liabilities”), resulting from, or in connection with (i) the performance or non-performance of the Services contemplated by this Agreement which is or is alleged to be directly or indirectly caused, in whole or in part, by any act, omission, default or negligence (whether active or passive) of Provider or its employees, agents or subcontractors (collectively referred to as “Provider”), or (ii) the failure of the Provider to comply with any of the paragraphs herein or (iii) the failure of the Provider to conform to statutes, ordinances, or other regulations or requirements of any governmental authority, federal or state, in connection with the performance of this Agreement. Provider expressly agrees to indemnify and hold harmless the Indemnities, or any of them, from and against all liabilities which may be asserted by an employee or former employee of Provider, or any of its subcontractors, as provided above, for which the Provider’s liability to such employee or former employee would otherwise be limited to payment under state Workers’ Compensation or similar laws.

The DDA agrees to indemnify, defend and hold harmless the Provider and its officials, employees and agents (collectively referred to as “Indemnities”) and each of them from and against all loss, costs, penalties, fines, damages, claims, expenses

(including attorney's fees) or liabilities (collectively referred to as "Liabilities"), resulting from, or in connection with (i) the performance or non-performance of the Services contemplated by this Agreement which is or is alleged to be directly or indirectly caused, in whole or in part, by any act, omission, default or negligence (whether active or passive) of the DDA or its employees, agents or subcontractors, or (ii) the failure of the DDA to comply with any of the paragraphs herein or (iii) the failure of the DDA to conform to statutes, ordinances, or other regulations or requirements of any governmental authority, federal or state, in connection with the performance of this Agreement.

11. DEFAULT: If Provider fails to comply with any term or condition of the Agreement, or fails to perform any of its obligations hereunder, then Provider shall be in default. Upon the occurrence of a default hereunder DDA, in addition to all remedies available to it by law, may immediately, upon written notice to Provider, terminate this Agreement whereupon all payments, advances, or other compensation paid by DDA to Provider while Provider was in default shall be immediately returned to DDA. Provider understands and agrees that termination of this Agreement under this section shall not release Provider from any obligation accruing prior to the effective date of termination. Should Provider be unable or unwilling to commence to perform the Services within the time provided or contemplated herein, then, in addition to the foregoing, Provider shall be liable to DDA for all expenses incurred by DDA in preparation and negotiation of this Agreement, as well as all costs and expenses incurred by DDA in the re-procurement of the Services, including consequential and incidental damages.

12. DDA'S TERMINATION RIGHTS: DDA shall have the right to terminate this Agreement, in its sole discretion, at any time, by giving written notice to Provider at least

ten (10) calendar days prior to the effective date of such termination. In such event, DDA shall pay to Provider compensation for Services rendered and expenses incurred prior to the effective date of termination. Such payment shall be determined on the basis of the hours or the percentage of the total work performed by the Provider up to the time of termination certified in accordance with the provisions of this Agreement. In the event partial payment has been made for Services not performed, the Provider shall return such sums to the DDA within ten (10) days after receipt of written notice that said sums are due. In no event shall DDA be liable to Provider for any additional compensation, other than that provided herein, or for any consequential or incidental damages.

DDA shall have the right to terminate this Agreement, without notice or liability to Provider, upon the occurrence of an event of default hereunder. In such event, DDA shall not be obligated to pay any amounts to Provider and Provider shall reimburse to DDA all amounts received while Provider was in default under this Agreement.

13. INSURANCE: Provider shall, at all times during the term hereof, maintain Professional Liability Insurance in the amount of \$1,000,000. Provider shall ensure that all subcontractors retained by the Provider under this Agreement also maintain the required insurance coverage. All such insurance, including renewals, shall be subject to the approval of DDA for adequacy of protection and evidence of such coverage shall be furnished to DDA on Certificates of Insurance indicating such insurance to be in force and effect and providing that it will not be canceled during the performance of the services under this contract without thirty (30) calendar days prior written notice to DDA. Completed Certificates of Insurance shall be filed with DDA prior to the performance of services hereunder, provided, however, that Provider shall at any time upon request file

duplicate copies of the policies of such insurance with DDA. If, in the judgment of DDA, prevailing conditions warrant the provision by Provider of additional liability insurance coverage or coverage which is different in kind, DDA reserves the right to require the provision by Provider of an amount of coverage different from the amounts or kind previously required and shall afford written notice of such change in requirements thirty (30) days prior to the date on which the requirements shall take effect. Should the Provider fail or refuse to satisfy the requirement of changed coverage within thirty (30) days following DDA's written notice, this Contract shall be considered terminated on the date the required change in policy coverage would otherwise take effect.

14. NONDISCRIMINATION: Provider represents and warrants to DDA that Provider does not engage and will not engage in discriminatory practices and that there shall be no discrimination in connection with Provider's performance under this Agreement on account of race, color, sex, religion, age, handicap, marital status or national origin. Provider further covenants that no otherwise qualified individual shall, solely by reason of his/her race, color, sex, religion, age, handicap, marital status or national origin, be excluded from participation in, be denied services, or be subject to discrimination under any provision of this Agreement.

15. ASSIGNMENT: This Agreement shall not be assigned by Provider, in whole or in part, without the prior written consent of DDA's, which may be withheld or conditioned, in DDA's sole discretion.

16. NOTICES: All notices or other communications required under this Agreement shall be in writing and shall be given by hand-delivery or by registered or certified U.S. Mail, return receipt requested, addressed to the other party at the address

indicated here in or to such other address as a party may designate by notice given as herein provided. Notice shall be deemed given on the day on which personally delivered; or, if by mail, on the fifth day after being posted or the date of actual receipt, whichever is earlier.

TO PROVIDER:

TO MIAMI DDA:

Alyce M. Robertson
Executive Director
Miami Downtown Development Authority
200 S. Biscayne Blvd., Suite 2929
Miami, FL 33131

17. MISCELLANEOUS PROVISIONS: This Agreement shall be construed and enforced according to the laws of the State of Florida. Title and paragraph headings are for convenient reference and are not a part of this Agreement. No waiver or breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provision hereof, and no waive shall be effective unless made in writing. Should any provision, paragraph, sentence, word or phrase contained in this Agreement be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable under the laws of the State of Florida or the City of Miami, such provision, paragraph, sentence, word or phrase shall be deemed modified to the extent necessary in order to conform with such laws, or if not modifiable, then same shall be deemed severable, and in ether event, the remaining terms and provisions of this Agreement shall remain unmodified and in full force and effect or limitation of its use. This Agreement constitutes the sole and entire agreement

between the parties hereto. No modification or amendment hereto shall be valid unless in writing and executed by properly authorized representatives of the parties hereto.

18. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon the parties hereto, their heirs, executors, legal representatives, successors, or assigns.

19. INDEPENDENT CONTRACTOR: Provider has been procured and is being engaged to provide services to DDA as an independent contractor, and not as an agent or employee of DDA. Accordingly, Provider shall not attain, nor be entitled to, any rights or benefits under the Civil Service or Pension Ordinances of the City of Miami, nor any rights generally afforded classified or unclassified employees. Provider further understands that Florida Worker's Compensation benefits available to employees of the City are not available to Provider, and agrees to provide workers' compensation insurance for any employee or agent of Provider rendering services to DDA under this Agreement.

20. CONTINGENCY CLAUSE: Funding for this Agreement is contingent on the availability of funds and continued authorization for program activities and the Agreement is subject to amendment or termination due to lack of funds, reduction of funds and/or change in regulations, upon thirty (30) days notice.

21. ENTIRE AGREEMENT: This instrument and its attachments constitute the sole and only agreement of the parties relating to the subject matter hereof and correctly set forth the rights, duties, and obligations of each to the other as of its date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect.

22. COUNTERPARTS: This Agreement may be executed in two or more

counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute one and the same agreement.

23. TIME FOR COMPLETION: Any specific task related service described in Attachment “A” shall commence upon execution of this document by both parties.

24. FORCE MAJEURE: Force Majeure shall mean an act of God, epidemic, lighting, earthquake, fire, explosion, hurricane, flood or similar occurrence, strike, an act of public enemy, or blockade, insurrection, riot, civil disturbance or similar occurrence, which has a material effect adverse impact on the performance of this Agreement, and which cannot be avoided despite the exercise of due diligence. The term Force Majeure DOES NOT INCLUDE inclement weather (except as noted above) or the acts or omissions of subconsultants/subcontractors, third-party consultants/contractors materialmen, suppliers, or their subcontractors, unless such acts or omissions are otherwise encompassed by the definition set forth above.

No party hereto shall be liable for its failure to carry out its obligations under the Agreement during a period when such party is rendered unable, in whole or in part, by Force Majeure to carry out such obligations, but the obligation of the party or parties relying on such Force Majeure shall be suspended only during the continuance of any inability so caused and for no longer period of said unexpected or uncontrollable event, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

It is further agreed and stipulated that the right of any party hereto to excuse its failure to perform by reason of Force Majeure shall be conditioned upon such party giving, to the other party or parties, written notice of its assertion that a Force Majeure

delay has occurred as soon as practicable after the occurrence but not later than ten (10) working days after the occurrence, unless there exists good cause for failure to give such notice, in which event, failure to give such notice shall not prejudice any party's right to justify any nonperformance as caused by Force Majeure unless the failure to give timely notice causes material prejudice to the other party or parties.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective officials thereunto duly authorized, this the day and year above written.

Downtown Development Authority of the City of
Miami, an independent agency and instrumentality
of the City of Miami

ATTEST:

Madelyne Raybourn
Board Secretary

By: _____
Alyce M. Robertson
Executive Director

“PROVIDER”

By: _____

ATTEST:

Print

Signature

**Attachment “A”
Scope of Services**

Attachment “B”
Compensation and Payments

RFQ 14-15-03 Auditing Services
Questions / Documents Requested

Questions:

1. Are there any significant changes that would impact the FY2015 audit? [No](#)
2. Was a management letter issued? If so, may we obtain a copy? [Yes, included in the FY 13-14 audited Financial Statements PDF](#)
3. What was the prior year audit fee? [\\$25,000](#)
4. Has anything changed from the prior year? Growth, debt, new funding? [No](#)
5. Section 3.0 proposals submittals of the RFQ does not address submission of our price proposal. Should we submit a price proposal for extension years (9/30/2016 and 9/30/2017) in addition to the current year to be audited (9/30/2015)? [Yes](#)
6. Is the audit firm responsible for preparing and providing copies of the final audited financial statements, or is the Miami DDA responsible for it? [Audit firm is responsible](#)

Documents Requested

1. Management letter issued - [Included in PDF](#)
2. A copy of the prior year audited financial statements - [Included in PDF](#)
3. A copy of the prior year audit report - [Included in PDF](#)
4. A summary of the fees paid in the prior year for the financial statement audit- [Included in PDF](#)
5. A copy of the complete current year budget - [Included in PDF](#)

BUDGET SUMMARY

The Downtown Development Authority of the City of Miami, Florida
Fiscal Year 2014-2015

THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF MIAMI ARE 0.8% MORE THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES

	<u>GENERAL FUND</u>	<u>DRI</u>	<u>TOTAL ALL FUNDS</u>
Revenue Sources			
Ad Valorem Tax Levy	6,417,242		6,417,242
Other Revenue	1,500,000		1,500,000
Total Sources	<u>7,917,242</u>		<u>7,917,242</u>
 Fund Balances/Reserves	 1,535,980		 1,535,980
Downtown Development Regional Impact (DRI) Funds		315,000	315,000
Total Revenues and Balances	<u>9,453,222</u>	<u>315,000</u>	<u>9,768,222</u>
 Operating Expenditures			
Agency Operating Expenditures	1,152,860		1,152,860
Capital Improvements, Urban Design, Transp. & Services	2,690,435		2,690,435
Signage & Wayfinding Program	1,500,000		1,500,000
Economic Development, Marketing & Technology	2,363,461		2,363,461
Strategic Partnerships & Sponsorships	950,400		950,400
Total Operating Expenditures	<u>8,657,156</u>	<u>-</u>	<u>8,657,156</u>
 Fund Balances/Reserves	 796,066		 796,066
Downtown Development Regional Impact (DRI)		315,000	315,000
Total Expenditures, Reserves and Balances	<u><u>9,453,222</u></u>	<u><u>315,000</u></u>	<u><u>9,768,222</u></u>

DOWNTOWN DEVELOPMENT AUTHORITY
Of the City of Miami

(A COMPONENT UNIT OF THE CITY OF MIAMI, FLORIDA)

**FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT
THEREON, AND REPORTS ON COMPLIANCE AND INTERNAL CONTROLS
AS REQUIRED BY *GOVERNMENTAL AUDITING STANDARDS*
AND THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

DOWNTOWN DEVELOPMENT AUTHORITY
Of the City of Miami

(A COMPONENT UNIT OF THE CITY OF MIAMI, FLORIDA)

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)	3-7
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet	10
Statement of Revenues, Expenditures and Changes in Fund Balances (Governmental Funds)	11
Statement of Fiduciary Net Assets	12
Notes to Financial Statements	13-21
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	22
Note to the Budgetary Comparison Schedule – General Fund	23
COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	24-25
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	26-27



Independent Auditor's Report

The Members of
The Downtown Development Authority of the City of Miami
d/b/a Miami Downtown Development Authority and MDDA

Report on the Financial Statements

We have audited the accompanying financial statements of the Downtown Development Authority of the City of Miami ("MDDA"), a component unit of the City of Miami, Florida as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise MDDA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

MDDA's 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 audit. 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. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MDDA as of September 30, 2014, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 22-23, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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 to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 our report dated December 19, 2014 on our consideration of MDDA's internal control over 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 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 MDDA's internal control over financial reporting and compliance.

Miami, Florida
December 19, 2014

BCA Watson Rice LLP

Management's Discussion & Analysis

This section of the Downtown Development Authority of the City of Miami's ("the Authority") financial statement presents management's discussion and analysis (MD&A) of the financial performance during the fiscal year that ended September 30, 2014. The MD&A is designed to focus on the current year's activities, resulting changes and current facts and is designed to:

- a) assist the reader in focusing on significant financial issues
- b) provide an overview of the Authority's financial activity
- c) identify changes in Authority's financial position
- d) identify any material deviations from financial plan (the approved budget), and
- e) identify individual fund issues and concerns

Financial Highlights

The net position of the Authority exceeded its liabilities at the close of its most recent fiscal year by \$3,528,631. That is a decrease of \$97,449 compared to the prior year net position total of \$3,626,080. Of this amount, \$176,248 was the net investment in capital assets and none was restricted. This resulted in an excess of \$3,352,383 (unrestricted net position) available to meet the Authority's obligations to citizens and projects in the Downtown Miami district.

The Authority did not incur any debt during the current fiscal year.

The General Fund (the primary operating fund) reflected on a current financial resources basis a decrease of \$58,680 as a result of an excess of expenditures over revenues in the current fiscal year, compared to prior year's decrease of \$746,741.

Overview to the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components:

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

The government-wide financial statements may be found on pages 8 and 9 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Authority are categorized as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities presented in the government-wide financial statements.

The Authority maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The General Fund is the only fund of the Authority; thus, it is considered a major fund.

The Authority adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund on page 22 to demonstrate compliance with this budget.

Fund Financial Statements (Continued)

The Authority separates the components of the Fund Balance into five categories, which establish a hierarchy for spending constraints: Nonspendable, Restricted, Committed, Assigned and Unassigned. As of September 30, 2014, the Agency's Fund Balance was divided into the Nonspendable, Assigned and Unassigned categories.

The basic governmental fund financial statements can be found on pages 10 to 11 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 to 21 of this report.

Financial Analysis

Government-Wide Analysis

Our analysis of the Financial Statements of the Authority begins below. The Statement of Net Position and the Statement of Activities report information about the Authority's activities that will help answer questions about the position of the Authority. A comparative analysis of the Authority's government-wide financial statements is provided below.

Net Position

A summary of the Authority's Statement of Net Position is presented in Table A-1 and a summary of the Statement of Activities is presented in Table A-2.

Table A-1
Condensed statement of net position

	Fiscal Year 2014	Fiscal Year 2013
Cash and cash equivalents	\$ 4,306,207	\$ 4,220,278
Accounts receivable	155,492	161,720
Prepaid expense	51,848	55,074
Capital assets, net	<u>176,248</u>	<u>201,005</u>
Total assets	<u>4,689,795</u>	<u>4,638,077</u>
Accounts payable and other current liabilities	950,335	815,180
Accrued compensated absences – short term	2,694	16,402
Accrued compensated absences – long term	<u>208,135</u>	<u>180,415</u>
Total liabilities	<u>1,161,164</u>	<u>1,011,997</u>
Net investment in capital assets	176,248	201,005
Unrestricted	<u>3,352,383</u>	<u>3,425,075</u>
Total net position	<u>\$ 3,528,631</u>	<u>\$ 3,626,080</u>

Net Position (Continued)

The Authority's government wide financial statements reported an ending net position of \$3,528,631 and \$3,626,080 for the year ended, September 30, 2014 and 2013, respectively.

The decrease in net position is mainly a result of an increase in liabilities for accumulated compensated absences and in accrued expenses for continued support of the Improvement Grants Program, the expenditures for which are recognized in the fiscal year applicants are approved, but disbursements for which do not occur until subsequent periods.

Table A-2
Condensed statement of activities

	Fiscal Year 2014	Fiscal Year 2013
General revenues		
Ad valorem taxes	\$ 5,585,564	\$ 5,110,257
Interest	6,333	7,470
Inter-governmental revenues	13,500	15,000
Miscellaneous	109,045	97,025
Total general revenues	<u>5,714,442</u>	<u>5,229,752</u>
Total operating revenues	<u>5,714,442</u>	<u>5,229,752</u>
Downtown development expenses	<u>5,811,891</u>	<u>5,957,594</u>
Change in net position	<u>\$ (97,449)</u>	<u>\$ (727,842)</u>

During the fiscal year, ad valorem tax revenues increased by \$475,307, or 9.3% (compared to last year's increase of \$612,307 over the prior year).

Individual Fund Analysis

At September 30, 2014 the Authority's fund balance for the general fund decreased from \$3,621,892 to \$3,563,212 over the prior year as a result of expenditures exceeding revenues by \$58,680, due mainly to increased investment in various initiatives such as: sponsorships for community events (arts, sports, music, etc.), quality of life services (traffic management, etc.) and legal and advocacy professional services.

Under GASB Statement No. 54, a specific presentation of the fund balance is required. The Authority's fund balance is as follows:

- Non-spendable: \$51,848 for prepaid items.
- Assigned: \$981,830 total. \$241,916 for contractual obligations and \$739,914 for FY 2014-2015 operating deficit (next year operations).
- Unassigned: \$2,529,534. Available for use at the Authority's discretion.

Individual Fund Analysis (Continued)

Since the Authority only has governmental funds/activities, the explanations provided above for the Statement of Activities regarding changes in net assets also explain the change in fund balance.

General Fund Budgetary Highlights

An operating budget was adopted and maintained by the Board of Directors of the Downtown Development Authority. The budget is adopted using the same basis of accounting that is used in preparation of the financial statements.

The general fund actual revenues from ad valorem taxes were \$5,585,564. The amount is below the budgeted estimate of \$5,964,044 by \$378,480. The difference in revenue is due to a continued increase in property re-valuation claims approved by the Value Adjustment Board during the fiscal year, which resulted in cash refunds of property tax to owners, thus affecting the net amount of ad valorem taxes remitted to the Agency, as well as general overdue or uncollected taxes by the Tax Collector's office.

The actual expenditures of the general fund were \$5,773,122, which is below the budgeted estimate by \$3,062,111. The majority of the \$3,062,111, difference is due to less than anticipated expenditures in the areas of capital improvements (mainly Signage and Wayfinding); as well as an unused property valuation contingency line item implemented as part of the FY 13-14 operating budget.

Capital Assets

The Authority's investment in capital assets (mainly furniture and computer equipment) amounted to \$176,248 and \$201,005 during 2014 and 2013, respectively.

Economic Factors and Next Year's Budget

The Authority's Board of Directors and management considered many factors when setting the fiscal 2013-2014 budget. These factors included the expected demand for projects or services in the area.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, 200 South Biscayne Boulevard, Suite 2929, Miami, Florida 33131.

**Downtown Development Authority
of the City of Miami
Statement of Net Position
September 30, 2014**

ASSETS

Cash and cash equivalents	\$ 4,306,207
Taxes and other receivables	155,492
Prepaid expenses	51,848
Capital assets (net of accumulated depreciation):	
Furniture, equipment and leasehold improvements	176,248
Total assets	<u>4,689,795</u>

LIABILITIES

Accounts payable and other current liabilities	950,335
Accrued compensated absences - current	2,694
Accrued compensated absences - long term	208,135
Total liabilities	<u>1,161,164</u>

NET POSITION

Net investment in capital assets	176,248
Unrestricted	3,352,383
Total net position	<u><u>\$ 3,528,631</u></u>

The accompanying notes are an integral part of the financial statements.

**Downtown Development Authority
of the City of Miami
Statement of Activities
For the Fiscal Year Ended September 30, 2014**

Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants	Capital Grants	
Economic development	\$ 5,811,891	\$ -	\$ -	\$ -	\$ (5,811,891)
Total	\$ 5,811,891	\$ -	\$ -	\$ -	(5,811,891)
General revenues:					
Ad valorem taxes					5,585,564
Interest					6,333
Inter-governmental revenues					13,500
Miscellaneous					109,045
Total general revenues					5,714,442
Change in net assets					(97,449)
Net position - beginning					3,626,080
Net position - ending					\$ 3,528,631

The accompanying notes are an integral part of the financial statements.

**Downtown Development Authority
of the City of Miami
Balance Sheet
Governmental Funds
For the Fiscal Year Ended September 30, 2014**

	Total Governmental Fund (General Fund)
ASSETS	
Cash and cash equivalents	\$ 4,306,207
Other receivables	155,492
Prepaid expense	51,848
Total assets	<u>\$ 4,513,547</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and other current liabilities	\$ 950,335
Total liabilities	<u>950,335</u>
Fund Balances:	
Nonspendable:	
Prepaid items	51,848
Assigned:	
Contractual obligations	241,916
Next year operations	739,914
Unassigned	2,529,534
Total fund balances	<u>3,563,212</u>
Total liabilities and fund balances	<u>\$ 4,513,547</u>
 Total fund balances - Governmental Fund	 \$ 3,563,212
Amounts reported for governmental activities in the statement of net position consist of:	
Fixed assets in the general fund (net of accumulated depreciation)	176,248
Current portion of accrued compensated absences	(2,694)
Long term portion of accrued compensated absences	<u>(208,135)</u>
Net position of governmental activities	<u>\$ 3,528,631</u>

The accompanying notes are an integral part of the financial statements.

**Downtown Development Authority
of the City of Miami
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2014**

	Total Governmental Funds (General Fund)
REVENUES:	
Ad valorem taxes	\$ 5,585,564
Interest	6,333
Inter-governmental revenues	13,500
Miscellaneous	109,045
Total revenues	<u>5,714,442</u>
EXPENDITURES	
Current:	
Economic development	4,745,432
Capital outlay	
General and administrative	1,027,690
Total expenditures	<u>5,773,122</u>
Excess of expenditures over revenues	(58,680)
Fund balance - beginning	3,621,892
Fund balance - ending	<u>\$ 3,563,212</u>

Amounts reported for governmental activities in the statement of activities consist of:

Net change in fund balances - total governmental funds	\$ (58,680)
Fixed asset additions capitalized	16,723
Changes in compensated absences	(14,012)
Depreciation expense	<u>(41,480)</u>
Change in net position of governmental activities	<u>\$ (97,449)</u>

The accompanying notes are an integral part of the financial statements.

**Downtown Development Authority
of the City of Miami
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2014**

Agency Fund

ASSETS

Cash and cash equivalents	\$	315,925
Total assets	\$	<u>315,925</u>

LIABILITIES

Due to other governmental units	\$	315,925
Total liabilities	\$	<u>315,925</u>

The accompanying notes are an integral part of the financial statements.

**DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF MIAMI
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the Downtown Development Authority of the City of Miami's (the "Authority"), significant accounting policies is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should be read in conjunction with the basic financial statements.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

a. Financial Reporting Entity

The Authority is a governmental agency of the City of Miami, Florida (the City), created pursuant to Chapter 65-1090 of the General Laws of the State of Florida for the purpose of enhancing the development of the downtown Miami area by promoting economic growth in the region and strengthening downtown's appeal as a livable city as well as a regional, national, and international center for commerce and culture. For financial reporting purposes, the Authority is a component unit of the City of Miami and is thus included in the City's comprehensive annual financial report.

The basic criteria for determining whether another organization should be included in the Authority's reporting entity's basic financial statements is financial accountability. Financial accountability includes (1) the appointment of a voting majority of the organization's governing body, (2) the ability of the Authority to impose its will on the organization, or (3) if there is a financial benefit/burden relationship. In addition, an organization, which is fiscally dependent on the Authority, should be included in its reporting entity. A blended component unit, although a legally separate entity, is, in substance, part of the Authority's operations and so data from this unit is combined with data of the Authority. Based upon the application of these criteria, there were no organizations that met the criteria described above.

b. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Authority does not have any *business-type activities* or non major funds. The general fund is the Authority's operating and only fund and is reported as a major fund. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

c. ***Measurement focus, basis of accounting, and financial statement presentation.***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. The receivable is recorded net of an estimated uncollectible, which is based on past collection experience. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers ad valorem taxes revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Authority reports the following major governmental fund:

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

Amounts reported as *program revenues* include 1) operating grants and contributions and 2) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fiduciary Fund Type:

Agency funds are used to account for and report resources that the Authority holds in trust. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. When both restricted and unrestricted resources are

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources, as they are needed.

d. Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

e. Property Taxes

The Authority's principal source of revenue is special levy of ad valorem taxes, not to exceed one-half mill, on the dollar valuation of all real and personal property in the downtown district (the boundaries of which are defined in Chapter 14 of the Code of the City of Miami). The purpose of this special levy is to finance the operation of the Authority.

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the City of Miami, including the Authority, by Miami-Dade County (the County) on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the real or personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 - \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 became effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which became effective on January 1, 2009.

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$10 per \$1,000 of assessed valuation (10 mills) for general governmental services other than the payment of principal and interest on general obligation long-term debt.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

With the passage of the Truth in Millage Bill (TRIM) in 1983, the millage levied to support the Authority was included within the City's 10-mill cap as a dependent district of the City. Beginning in fiscal 1987, Section 200.001 of the Florida Statutes was amended and the Authority was deemed a permanent independent special district for millage purposes and, therefore, not limited by the City's millage cap. Accordingly, the fiscal year 2013-2014 millage for the Authority is 0.478 mills without regard to the 10-millage cap for the City.

f. Capital Assets

Capital assets are defined by the Authority as property and equipment with a cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed assets are recorded at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all depreciable assets is provided on the straight-line basis over the estimated useful life of 5 to 7 years for furniture and equipment, and 3 years for software. Leasehold improvements are amortized over the remaining life of the premise's operating lease.

g. Fund Balance Reporting

The Authority classifies amounts in its Fund Balance pursuant to GASB Statement No. 54, *Fund Balance Reporting Governmental Fund-type Definitions*, which establishes a hierarchy depicting the relative strength of the constraints that control how specific amounts can be spent:

- **Nonspendable** fund balance includes amounts associated with inventories, prepaids, long-term loans and notes receivable, or are required to be maintained intact.
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (e.g. grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restriction may be changed or lifted only with the consent of resource providers. As of September 30, 2014, the Authority had no restricted funds.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the Authority's highest level of decision-making authority), or contractual obligations, which can be entered into by the Executive Director (official to whom the Board of Directors has delegated such authority). Commitments may be changed or lifted by the Authority taking the same formal action that imposed the constraint originally. Action must be taken prior to the fiscal year-end. As of September 30, 2014, the Authority had no committed funds.
- **Assigned** fund balance comprises amounts intended to be used by the Authority for specific purposes. Intent can be expressed by the Board of Directors, or by the Executive Director (official to whom the Board of Directors has delegated such authority). As of September 30, 2014, the Authority had \$981,830 in assigned funds.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

It is the Authority's policy to spend restricted funds first when both restricted and unrestricted funds are available for expenditure, unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last; unless commitments specify otherwise.

h. Compensated Absences

The Authority accrues all employees' accumulated vacation time and unused sick leave. Unused vacation and sick leave can be carried to the following year and both can be subjected to cumulative limitations of 300 hours. Upon termination, employees are paid for accumulated unused vacation time and unused sick time only to the extent that it has been converted to vacation time. All vacation pay is accrued when incurred in the fund financial statements. A liability is recorded in the government wide financial statements when these amounts are earned.

i. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

2. **CASH AND CASH EQUIVALENTS**

The Authority does not have a written investment policy; however, follows Florida Statutes 218.415(17) which allows local governments electing not to adopt a written investment policy to invest or reinvest any surplus public funds in their control or possession in:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a national recognized rating agency
- Interest-bearing time deposits or savings accounts in qualified public depositories
- Direct obligations of the U.S. Treasury

During the year the Authority's general fund bank balance was held in qualified depositories and invested business high performance money market accounts paying interest rates ranging from 0.01% through 0.15% per annum. At September 30, 2014, the carrying amount of the Authority's bank deposits was \$4,306,207 while the bank balances of such deposits were \$3,852,263. In addition to insurance provided by the Federal Deposit Insurance Corporation ("FDIC"), all cash in the bank is held in banking institutions approved by the State of Florida, State Treasurer to hold public funds.

2. CASH AND CASH EQUIVALENTS (CONTINUED)

Under the Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to a determined percentage of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held.

The percentage of eligible collateral (generally, U.S. Government and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting in losses. Since the Authority uses only authorized public depositories, all funds deposited with financial institution are FDIC insured and/or are fully collateralized and treated as insured.

The money market investments are considered cash but are not categorized as to level of risk since they are deemed to be fully collateralized under the Florida Security for Public Deposit Act or partially covered under the FDIC insurance.

3. ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable and accruals in the General Fund consisted of \$438,263 due to vendors, \$435,386 of accrued expenditures and \$77,469 of accrued payroll.

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2014 was as follows:

	Balance September 30, 2013	Additions	Deletions	Balance September 30, 2014
DOWNTOWN DEVELOPMENT AUTHORITY				
Capital assets - Furniture and Equipment:	\$ 574,140	\$ 16,723	\$(29,135)	\$ 561,728
Less accumulated depreciation for: Furniture and Equipment	<u>(373,135)</u>	<u>(41,480)</u>	<u>29,135</u>	<u>(385,480)</u>
Total capital assets, net	<u>\$ 201,005</u>	<u>\$ (24,757)</u>	<u>\$ -</u>	<u>\$ 176,248</u>

In the current year the depreciation expense of \$41,480 was charged to economic development expense.

5. DEFINED CONTRIBUTION PLAN

The Authority sponsors two separate retirement plans. One, an employer defined contribution retirement plan for all Authority employees created in accordance with Internal Revenue Service Code Section 401(a) and Resolution Number 01-31. Authority employees do not contribute to the Plan. The Authority's required contribution is seven (7%) percent of the plan member's gross salary. Employees become 25 percent vested after one year of service, increasing to 100

5. DEFINED CONTRIBUTION PLAN (CONTINUED)

percent at four years. Retirement is at age 55, provided there have been at least 10 years of service.

Pension expense related to the current year covered payroll was \$102,917. Required pension contributions are reduced by forfeiture credits resulting from termination of non-vested employees.

Additionally, the Authority sponsors an employee defined contribution type plan, created in accordance with the Internal Revenue Service Code Section 457(b). Authority employees are the sole contributors to this plan, at their discretion. The Authority does not match contributions to this plan.

If a participant separates from service and subsequently becomes employed with another unit of a state or local government, then the participant may rollover his vested benefits into his new employer's pension plan providing said plan permits rollovers. At September 30, 2014, there were nineteen (19) plan members.

Both plans are held in a group annuity contract administered by the insurance carrier for the exclusive benefit of the participants and their beneficiaries; consequently, the Authority has no fiduciary responsibility. Therefore, the net assets of these plans are not included in the Authority's financial statements.

6. AGENCY FUND

The amounts recorded in the Agency Fund represent amounts received from the City to administer the funds of two projects, DRI Miami Update and DRI Recovery Fee. These funds are held by the Authority in a fiduciary capacity. Under governmental accounting principles, Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Schedule of Changes in Assets and Liabilities for the Agency Fund is as follows:

	September 30, 2013	Deposits	Disbursements	September 30, 2014
Assets				
Cash				
DRI Recovery Fee	\$ 315,468	\$ 457	\$ -	\$ 315,925
Total assets	<u>\$ 315,468</u>	<u>\$ 457</u>	<u>\$ -</u>	<u>\$ 315,925</u>
Liabilities				
Due to the City of Miami	\$ 315,468	\$ 457	\$ -	\$ 315,925
Total Liabilities	<u>\$ 315,468</u>	<u>\$ 457</u>	<u>\$ -</u>	<u>\$ 315,925</u>

7. COMMITMENTS AND CONTINGENCIES

Operating Lease

The Authority has a current lease agreement for office space, which was amended effective March 1, 2012 and extended through July 31, 2020. The total non-cancelable minimum lease payments under the Authority's operating lease are as follows:

September 30,	
2015	\$ 244,379
2016	255,941
2017	267,694
2018	280,128
2019	292,653
2020	<u>277,190</u>
	<u>\$ 1,617,985</u>

Rent expenditures totaled approximately \$216,184 for office space and \$1,800 for storage space for the fiscal year ended September 30, 2014.

Potential Liability

The Authority is involved from time to time in litigation in the ordinary course of operations. In the opinion of management, none of the litigations in which the Authority is presently involved will have a material adverse effect upon the financial position of the Authority.

A putative class-action lawsuit was filed by a taxpayer against the City of Miami and the Authority, in order to obtain refunds of ad valorem taxes paid to the Authority, alleging the illegal operation of the Authority since its creation in 1965. It has been an ongoing case, originally dismissed in 2009, with the plaintiff filing subsequent appeals. Upon the Motion of the City, the case was transferred to the trial judge presiding over the earlier cases, with the same claims, filed in 2008, 2011 and 2012. The Authority has joined the City's motion for summary judgment, which it filed on the grounds that the putative class members did not follow the state's jurisdictional requirements for ad valorem tax suits. These are the same grounds used in prior motions filed by the City. Currently, the plaintiff has requested an extension of time to file the initial brief on its latest appeal. The City and Authority's answer brief will be due by January 2, 2015.

8. ACCRUED COMPENSATED ABSENCES

Changes in accrued compensated absences were as follows:

Balance at October 1, 2013	\$ 196,817
Net change	<u>14,012</u>
Balance at September 30, 2014	<u>\$ 210,829</u>

9. RISK MANAGEMENT

The Authority is exposed to various risks of loss related torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the Authority carries property and liability insurance. The Authority has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

10. SUBSEQUENT EVENTS

We have evaluated subsequent events through December 19, 2014, the date the financial statements were available to be issued. There are no items requiring disclosure in the financial statements.

**Downtown Development Authority
of the City of Miami
Required Supplementary Information -
Budgetary Comparison Schedule
For the Fiscal Year Ended September 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Ad valorem taxes	\$ 5,964,044	\$ 5,964,044	\$ 5,585,564	\$ (378,480)
Interest	-	-	6,333	6,333
Inter-governmental revenue	-	-	13,500	13,500
Miscellaneous	1,000,000	1,000,000	109,045	(890,955)
Prior year's fund balance	1,871,189	1,871,189	-	(1,871,189)
Total revenues	<u>8,835,233</u>	<u>8,835,233</u>	<u>5,714,442</u>	<u>(3,120,791)</u>
EXPENDITURES				
Current:				
Agency Operating Expenditures	1,086,588	1,086,588	1,027,690	58,898
Capital Improvements, Urban Design, Transportation and Services	2,761,920	2,761,920	2,128,528	633,392
Signage & Wayfinding Program	1,500,000	1,500,000	24,742	1,475,258
Economic Development, Marketing & PR	2,291,325	2,291,325	1,914,544	376,781
Strategic Partnerships & Sponsorships	945,400	945,400	677,618	267,782
Contingency Reserve	250,000	250,000	-	250,000
Total expenditures	<u>\$ 8,835,233</u>	<u>\$ 8,835,233</u>	<u>5,773,122</u>	<u>\$ 3,062,111</u>
Excess of expenditures over revenues			(58,680)	
Fund balance - beginning			3,621,892	
Fund balance - ending			<u>\$ 3,563,212</u>	

See accompanying note to the Budgetary Comparison Schedule

**DOWNTOWN DEVELOPMENT AUTHORITY
NOTE TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Budgets and Budgetary Information

The Authority follows the procedures below in establishing the budgetary data reflected in the accompanying financial statements.

- a. Annually, the Authority's Board of Directors submits to the City Commission a proposed operating budget for the ensuing fiscal year, commencing October 1. The operating budget includes proposed expenditures and the means of funding them.
- b. Public hearings are conducted by the City Commission to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. The Authority's Board of Directors may transfer; by resolution, at any time, any part of an unencumbered balance of an appropriation within a department. The legal level of control is at the Board of Directors level.
- e. Annual appropriated budgets are adopted for the General Fund on a basis consistent with accounting principles generally accepted in the United States of America.



**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***

Independent Auditor's Report

The Members of
The Downtown Development Authority of the City of Miami
d/b/a Miami Downtown Development Authority and MDDA

We have audited, 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, the financial statements of the governmental activities and each major fund of Miami Downtown Development Authority of the City of Miami ("MDDA") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise MDDA's basic financial statements, and have issued our report thereon dated December 19, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered MDDA'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 MDDA's internal control. Accordingly, we do not express an opinion on the effectiveness of MDDA'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 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 MDDA'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.

Miami, Florida
December 19, 2014

BCA Watson Rice LLP



MANAGEMENT LETTER

The Members of
The Downtown Development Authority of the City of Miami
d/b/a Miami Downtown Development Authority and MDDA

Report on the Financial Statements

We have audited the financial statements of the Miami Downtown Development Authority of the City of Miami ("MDDA"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated December 19, 2014.

Auditor's Responsibility

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.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with "*Government Auditing Standards*"; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated December 19, 2014, 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 determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such information is disclosed in the notes to the financial statements.

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 MDDA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the MDDA 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 condition assessment procedures. It is management's responsibility to monitor MDDA's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by 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 MDDA for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that MDDA provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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.

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, the City of Miami, the Board of Directors, Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida
December 19, 2014

BCA Watson Rice LLP