January 6, 2012

To the Panel Members of
The City of Miami Civilian Investigative Panel
Miami, Florida

We have audited the financial statements of the governmental activities and the major fund of the City of Miami Civilian Investigative Panel, a component unit of the City of Miami, Florida, as of and for the year ended September 30, 2011, and have issued our report thereon dated January 6, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated November 16, 2011, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the City of Miami Civilian Investigative Panel. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City of Miami Civilian Investigative Panel's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to the City of Miami Civilian Investigative Panel our initial meeting about planning matters on November 21, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Miami Civilian Investigative Panel are described in Note 1 to the financial statements. GASB 54 is a new accounting policy that was adopted in fiscal year 2011 and the application of existing policies was not changed during fiscal year 2011. We noted no transactions entered into by the City of

Miami Civilian Investigative Panel during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 6, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Miami Civilian Investigative Panel's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Miami Civilian Investigative Panel. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Panel and Management of the City of Miami Civilian Investigative Panel and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Harvey, Livingston & Thomas, L.L.C.

CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL

(A Component Unit of the City of Miami, Florida)

Audited Financial Statements
For the Year Ended September 30, 2011

HCT

HARVEY, COVINGTON & THOMAS, LLC

3816 Hollywood Boulevard, Suite 203
Hollywood, Florida 33021
Telephone: (954) 966-4435
Facsimile: (954) 962-7747
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CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL

(A Component Unit of the City of Miami, Florida)

Audited Financial Statements
For the Year Ended September 30, 2011

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CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL

(A Component Unit of the City of Miami, Florida)

Table of Contents

	PAGE
Independent Auditor's Report	1
Management's Discussion & Analysis	3
Basic Financial Statements	
Governmental Fund Balance Sheet/Statement of Net Assets	10
Statement of Governmental Fund Revenue, Expenditures And Changes in Fund Balance/Statement of Activities	11
Notes to the Financial Statements	12
Required Supplementary Information	
Budgetary Comparison Schedule	17
Notes to the Budgetary Comparison Schedule	18
Compliance Reports	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	19
Status of Prior Year Findings and Corrective Action Plan	21
Schedule of Findings and Corrective Action Plan	22
Independent Auditor's Letter to Management in Accordance With the Rules of the Auditor General of the State of Florida	23

Independent Auditor's Report

To the Panel Members of
The City of Miami Civilian Investigative Panel
Miami, Florida

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Miami Civilian Investigative Panel, a component unit of the City of Miami, Florida, as of and for the year ended September 30, 2011, which collectively comprise the City of Miami Civilian Investigative Panel's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Miami Civilian Investigative Panel's management. Our responsibility is to express opinions 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the City of Miami Civilian Investigative Panel, as of September 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2012, on our consideration of the City of Miami Civilian Investigative Panel's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

West Palm Beach (561) 655-2664 Phone
Central Florida (407) 475-1000 Phone
West Florida (813) 413-7627 Phone
South Florida (954) 966-4435 Phone

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3 through 9 and 17 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.

Harvey, Livingston & Thomas, L.L.L.

Hollywood, Florida
January 6, 2012

CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL
(A Component Unit of the City of Miami, Florida)

MANAGEMENT'S DISCUSSION & ANALYSIS
SEPTEMBER 30, 2011

The Management's Discussion and Analysis (MD&A) of the City of Miami Civilian Investigative Panel (the "CIP") is designed to provide an objective and easy to read analysis of the financial activities based on currently known facts, decisions, and conditions. The MD&A provides a broad overview and short- and long-term analysis of the CIP's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the CIP's financial activity and identify changes in the CIP's financial position and its ability to address the next year's challenges. Finally, the MD&A will identify any material deviations from the approved budget.

The CIP is an independent agency reported as discretely presented component unit of the City of Miami, Florida (the "City"). The CIP has presented its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and uses an alternative financial statement presentation which is approved for a single program government.

The information contained in this MD&A is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the footnotes and required supplementary information provided.

FINANCIAL HIGHLIGHTS

- The CIP receives funding from the City of Miami through a separate account of the general fund. The CIP has no other revenues beyond that which is appropriated at the beginning of the fiscal year through approval by the City Commission.

- The CIP's total appropriated budget for fiscal year 2011 was $464,000. The CIP had total expenditures for the year of $339,481. Unused funds do not carry over to the next fiscal year, but are returned to the City of Miami's general fund. Overall, the CIP stayed within the budget set by the City of Miami for the fiscal year ended September 30, 2011, for both revenues and expenditures.

- The CIP began the fiscal year with a net assets balance of $80,646. The CIP's total net revenues for the year ended September 30, 2011, were equal to the appropriated amount of $464,000. With total expenditures of $339,481, net assets increased by $124,524.

- At September 30, 2011, the CIP's total assets of $236,666 (Equity in pooled cash) increased by approximately $120,724, or about 104%, from the September 30, 2010 reported balance of $115,942. However, any remaining cash balances are reverted to the City's general fund at fiscal year end.

OVERVIEW OF THE FINANCIAL STATEMENTS

The CIP's basic financial statements are comprised of the Governmental Fund Balance Sheet/Statement of Net Assets and the Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements columns provide readers with a broad overview of the CIP's finances, in a manner similar to a private-sector business. In addition, the government-wide statements are prepared using the accrual basis of accounting. The *Statement of Net Assets* (balance sheet) presents information on the CIP's assets and liabilities, with the difference between the two reported as net assets.

The *Statement of Activities* column presents information showing how the CIP's net assets changed during the fiscal year. All changes in revenues are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statement columns present functions of the CIP that are principally supported by tax revenues (governmental activities). The governmental activities of the CIP include general government activities. Thus, the CIP has no business-type activities.

The government-wide financial statements are found beginning on page 10 of this report, in the appropriate columns (Statement of Net Assets and Statement of Activities columns).

Fund Financial Statements

The governmental fund financial statement columns provide readers with an overview of each fund and its related function in a traditional format. A fund is a grouping of related accounts that maintain control over resources that are segregated for specific activities or objectives. The CIP, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The CIP utilized one governmental fund for the fiscal year ending September 30, 2011; the *General Fund*, which accounts for the operating activities of the CIP.

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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental fund column is narrower than government-wide financial statement columns, and it is therefore useful to compare the information presented for governmental fund with similar information presented for governmental activities in the government-wide financial statement columns.

By comparing and contrasting, readers may better understand the long-term impact of the CIP's near term financing decisions. The "Governmental Fund Balance Sheet/Statement of Net Assets" and "Statement of Revenues, Expenditures, and Change in Fund Balance/Statement of Activities" governmental fund columns are reconciled as shown in the adjustments columns in the statements to facilitate the comparison between the *governmental funds* and *governmental activities.* The basic financial statements can be found beginning on page 10 of this report.

The CIP adopts an annual appropriated budget for its general fund. The "Budgetary Comparison Schedule", which constitutes Required Supplementary Information pursuant to the Governmental Accounting Standards Board (the "GASB"), is provided to demonstrate compliance with this budget and can be found on page 17 of this report.

Notes to the Financial Statements

The Notes to the Financial Statements 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 beginning on page 12 of this report.

Budgetary Highlights

The City of Miami adopts a budget for the CIP annually. A budgetary comparison schedule has been provided to demonstrate compliance within the designated budget. This schedule can be found on page 17 of this report.

The CIP did not have budget modifications during fiscal year ending September 30, 2011.

Financial Analysis

Government-Wide/ Individual Fund Analysis

Our analysis of the financial statements of the CIP begins below. The Statement of Net Assets and the Statement of Activities columns of the basic financial statements report information about the CIP's activities that will help answer questions about the position of the CIP. A summary is provided below.

CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL
(A Component Unit of the City of Miami, Florida)

MANAGEMENT'S DISCUSSION & ANALYSIS
SEPTEMBER 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Assets and Liabilities

Statement of Net Assets
September 30,

Assets	2011	2010	Dollar Increase / (Decrease)	Percentage Increase / (Decrease)
Equity in Pooled Cash	$ 236,666	$ 115,942	$ 120,724	104%
Total Assets	236,666	115,942	120,724	104%
Liabilities				
Current Liabilities	31,496	35,296	(3,800)	(11%)
Total Liabilities	31,496	35,296	(3,800)	(11%)
Net assets				
Unrestricted	205,170	80,646	$ 124,524	154%
Total Net Assets	**$ 205,170**	**$ 80,646**	**$ 124,524**	154%

As previously noted, over time, net assets may serve as a useful indicator of a government's financial position. The CIP's assets exceeded liabilities by $205,170 at the close of fiscal year 2011.

Governmental Activities

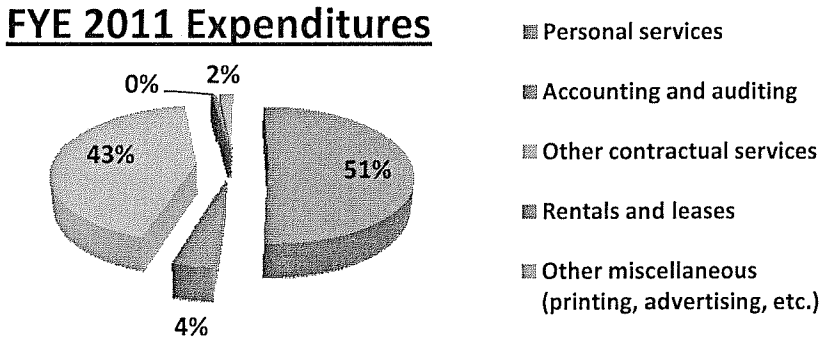
Governmental activities increased the CIP's net assets by $124,524. Key elements of the increase in net assets are as follows:

Summary of Change in Net Assets
Fiscal Year Ended Septermber 30,

	2011	2010	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Revenue				
Contribution from the City	$ 464,000	$ 464,000	$ -	0%
Other income	5	-	5	0%
Total revenue	464,005	464,000	5	0%
Expenditures				
General government	339,481	461,151	(121,670)	(26%)
Total expenditures	339,481	461,151	(121,670)	(26%)
Change in Net Assets	124,524	2,849	121,675	4271%
Net assets at beginning of year	80,646	77,797	2,849	4%
Net assets at end of year	**$ 205,170**	**$ 80,646**	**$ 124,524**	154%

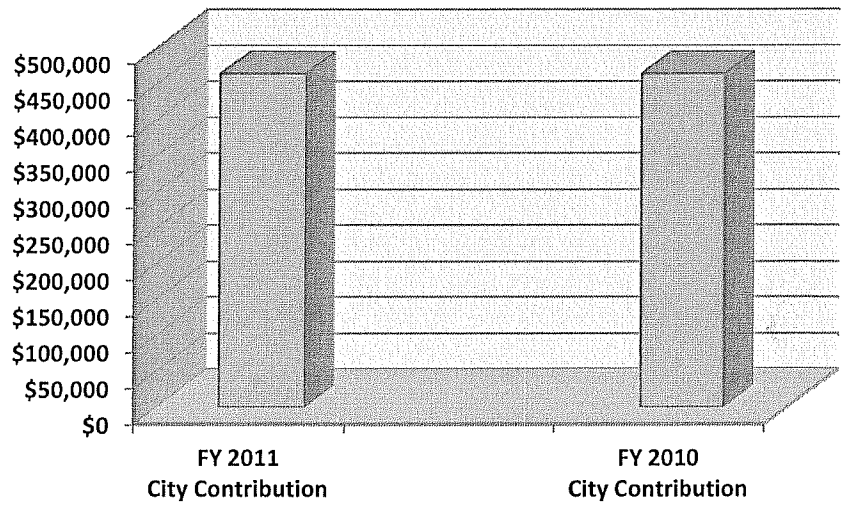
Total expenditures of $339,481 in fiscal year 2011 represent a decrease of $121,670 from fiscal year 2010 expenditures of $461,151. The reduction in expenditures is primarily a result of a decrease in salaries and contractual services due to City-wide budget cuts.

The chart below demonstrates the composition of expenditures of the CIP for the fiscal year ended September 30, 2011:



ECONOMIC FACTORS

As with all governmental organizations, the down-turn in the economy has affected the operations of the CIP. Funding between fiscal years 2010 and 2011 remained consistent. For fiscal year ending September 30, 2012, the City Commission approved a budget equal to the fiscal year ended 2011. The graph below depicts the change in funding between fiscal years 2010 and 2011:



Budgetary Highlights

The CIP's general fund performed favorably compared with budgeted expenditures. There was a positive variance in annual expenditures as actual expenditures were $124,524 less than budgeted expenditures.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the CIP's finances and to show accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to Carol Abia, Interim Executive Director, at (305) 960-4952 or visit our office at Manuel Artime Center, 970 South West 1st Street, Suite 305, Miami, Florida 33130. Information is also provided at our website at www.miamigov.com/cip.

CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL
(A Component Unit of The City of Miami, Florida)

GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	Governmental Fund		
ASSETS	**General Fund**	**Adjustments**	**Statement of Net Assets**
Equity in pooled cash	$ 236,666	$ -	$ 236,666
Total assets	236,666	-	236,666
LIABILITIES			
Accounts payable	8,859	-	8,859
Salaries payable	22,637	-	22,637
Total liabilities	31,496	-	31,496
FUND BALANCE/NET ASSETS			
Fund balance:			
Unassigned	205,170	(205,170)	-
Total fund balance	205,170	(205,170)	-
Total liabilities and fund balance	$ 236,666		
Net assets:			
Unrestricted		205,170	205,170
Total Net Assets		$ 205,170	$ 205,170

See Accompanying Notes to the Financial Statements

CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL
(A Component Unit of The City of Miami, Florida)

STATEMENT OF GOVERNMENTAL FUND REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Governmental Fund		
	General Fund	Adjustments	Statement of Activities
Revenue			
Contribution from other government	$ 464,000	$ -	$ 464,000
Other income	5	-	5
Total revenue	464,005	-	464,005
Expenditures			
General government			
Personal services	171,188	-	171,188
Contracted Services	157,216	-	157,216
Lease	2,022	-	2,022
Other General Government Expenditures	9,055	-	9,055
Total expenditures	339,481	-	339,481
Excess of revenues over expenditures	124,524	-	124,524
Change in net assets	-	-	124,524
Fund balances/net assets			
Beginning of the year	80,646	-	80,646
End of the year	$ 205,170	$ -	$ 205,170

See Accompanying Notes to the Financial Statements

CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL
(A Component Unit of the City of Miami, Florida)
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overview of Organization

The City of Miami Civilian Investigative Panel (the "CIP") was established on February 14, 2002 by the City of Miami Commission Ordinance Number 12188, re-codified as §§11.5-25 – 11.5-37, based on a voter approved referendum. The purpose and voter intent was to create an independent and impartial citizen's oversight panel to conduct investigations related to allegations of police misconduct; review policies, practices and procedures of the police department; and, perform community outreach programs. The CIP Panel, the body charged with governance of the CIP, consists of thirteen members who were originally appointed as follows: a) the Miami City Commission selects and appoints nine members; b) the Mayor selects three members whose names are ratified and appointed by the City Commission; and, c) the Chief of Police of the City of Miami appoints one member, who serves at the will of the Chief of Police. The CIP prepares and submits an annual budget request to the City Commission for its approval for each fiscal year and is solely funded by the City of Miami. Because the City of Miami is financially accountable for the Organization, the CIP is included as a discretely presented component unit in the City's financial statements.

Significant Accounting Policies

The accounting policies of the City of Miami Civilian Investigative Panel 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:

Reporting entity

The CIP follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, to define the reporting entity. The financial statements include all operations over which the CIP is financially accountable. The CIP has not identified any component units and is not a participant in any joint venture. The CIP is a component unit of The City of Miami, Florida (the "City"). The City approves the CIP's budget and provides funding for programs.

Government-Wide financial statements

The government-wide financial statements, i.e., the statement of net assets and the statement of activities columns, report information on all of the financial activities of the CIP. Governmental activities, which normally are supported by contributions, are reported separately from business-types activities, which rely to a significant extent on fees and charges for support. The CIP does not have any business-types activities and has only one governmental activity. The accounts of the CIP are reported as a general fund. The general fund is the CIP's only fund and thus the CIP's only major fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities column demonstrates program revenues offset by direct expenses of given functions. Direct expenses are those that are clearly identifiable with a specific function or segment. Revenue is comprised of contributions from the City of Miami, Florida, which are used to meet the operational requirements of the Organization.

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statement columns are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statement columns are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. Revenue is considered to be available when collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CIP considers revenue available if collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

The CIP's only fund is the General Fund. The General Fund is reported as a major governmental fund and accounts for all financial resources of the CIP, including general operations.

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.

New Pronouncement

The GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) effective for reporting periods beginning after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of nonspendable and spendable resources. The CIP has implemented GASB 54 in its current fiscal year financial statements and has disclosed information about fund balance reporting in a subsequent Note 6.

NOTE 2 – EQUITY IN POOLED CASH

The City of Miami Civilian Investigative Panel's cash is recorded in the City of Miami accounting records as "equity in pooled cash". The CIP does not maintain a separate bank account nor hold any currency, bank balances or negotiable instruments. All cash balances are a function of accounting entries affecting the equity in pooled cash account.

NOTE 3 – OPERATING LEASE

The City of Miami and Columbus Properties, Inc., entered into an amended five (5) year lease agreement for premises at 155 S. Miami Avenue, Miami, Fl. 33130, for the use and benefit of the City of Miami Civilian Investigative Panel (CIP), which was to expire in May 2013. As a result of Fiscal Year 2010 budget reductions, and in accordance with the consultation and advice of the City Manager and City Attorney, the CIP moved from the leased premises in May 2010. Settlement negotiations were initiated between the City of Miami and Columbus Properties, Inc. After an agreement was reached, the City Commission on February 10, 2011, adopted a Resolution authorizing installment payments totaling $195,000 to Columbus Properties, Inc., in full and complete settlement of all claims and demands relating to the lease.

For the Fiscal Year 2011, the CIP budgeted funds in the amount of $106,000 as its contribution to the settlement. The budgeted amount of $106,000 plus any other CIP remaining cash balances at the end of Fiscal Year 2011 were returned to the City. No further contribution from the CIP to the settlement between the City of Miami and Columbus Properties Inc., is required.

NOTE 4 – CONTRIBUTION FROM OTHER GOVERNMENT

The CIP receives 100% of its funding from the City of Miami general fund based on a budget approved by the Miami City Commission. Budget appropriations lapse if not used as of the end of the fiscal year. As the CIP's cash is recorded as "equity in pooled cash" in the City records, there is no actual exchange of monies, but rather an accounting entry to record the transactions into a separate general fund account code. Because the CIP does not designate fund balance/net assets for future liabilities, all fund balances/net assets are considered unassigned.

NOTE 5 – RELATED PARTY TRANSACTIONS

Risk Management

The City of Miami Civilian Investigative Panel is exposed to various risks and losses, including injuries to employees, group health, and natural disaster. The CIP's risk management policy is to participate in the City of Miami's self-insurance program. For the fiscal year ended September 30, 2011, the CIP did not contribute to the City of Miami's self-insurance program nor does the CIP account for self-insurance liability.

NOTE 6 - FUND BALANCE REPORTING

The CIP has adopted GASB 54 as part of its 2010–11 fiscal year reporting. Implementation of GASB 54 is required for fiscal years beginning after June 15, 2010. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the CIP's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The CIP does not have any prepaid items, inventories, or nonspendable funds related to endowments.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- *Non –spendable* – not in spendable form; e.g., inventories, prepaid amounts
- *Restricted* – constraints imposed by external sources (debt covenants, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.
- *Committed* – fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- *Assigned* – fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- *Unassigned* – fund balance of the general fund that is not constrained for any particular purpose.

NOTE 7 – SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 6, 2012, the date the financial statements were available to be issued. There were no significant events that Management believes require disclosure.

NOTE 8 – BUDGETARY COMPARISON SCHEDULE

The following budgetary information is presented as part of the required supplementary information as mandated by GASB Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments.* (See page 17)

CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL
(A Component Unit of The City of Miami, Florida)
BUDGETARY COMPARISON SCHEDULE
(REQUIRED SUPPLEMENTARY INFORMATION)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	General Fund Actual Budgetary Basis	Variance Positive (Negative)
Revenue			
Contribution from the City of Miami	$ 464,000	$ 464,000	$ -
Other income	-	5	5
Total Revenue	$ 464,000	$ 464,005	$ 5
Expenditures			
Salaries and Benefits	$ 178,810	$ 171,188	$ 7,622
Accounting & Auditing	12,500	12,500	-
Other Contractual Services	146,550	144,716	1,834
Machinery & Equipment	-	1,098	(1,098)
Training & Parking	4,172	3,989	183
Communications & Related Services	300	138	162
Postage	650	304	346
Rentals and Leases	109,200	2,022	107,178
Advertising Related Costs	6,102	1,444	4,658
Memberships	450	450	-
Office Supplies	1,016	1,016	-
Outreach	4,250	616	3,634
Total Expenditures	$ 464,000	$ 339,481	$ 124,519

See Accompanying Notes to the Budgetary Comaprison Schedule

CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL
(A Component Unit of the City of Miami, Florida)
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

1. Prior to April 1, the Executive Director of The City of Miami Civilian Investigative Panel (the "CIP") submits a budget estimate of expenditures to the City Manager of the City of Miami for the fiscal year commencing the following October 1.

2. Upon receipt of the annual budget estimate, the Miami City Commission holds various budget workshops to review and amend the proposed budget.

3. Public hearings are held to obtain taxpayers' comments.

4. The budget is legally required to be enacted prior to October 1 through passage of a City ordinance.

5. The CIP is not legally allowed to expend or contract to expend amounts in excess of the amount appropriated.

6. The adopted budget may be amended as follows:

    a) The CIP Executive Director requests line item adjustments within the budget and forwards the request to the City of Miami Chief of Strategic Planning, Budgeting & Performance for approval.

    b) The Miami City Commission approves supplemental appropriations. There were no supplemental appropriations for the CIP during the fiscal year ended September 30, 2011.

7. The CIP did not report a negative fund balance at September 30, 2011.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Panel Members of
The City of Miami Civilian Investigative Panel
Miami, Florida

We have audited the financial statements of the governmental activities and the major fund of the City of Miami Civilian Investigative Panel, a component unit of the City of Miami, Florida, as of and for the year ended September 30, 2011, and have issued our report thereon dated January 6, 2012. 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.

Internal Control over Financial Reporting

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

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies. 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Miami Civilian Investigative Panel's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

This report is intended solely for the information and use of management, the Panel of the CIP, the City of Miami, Florida, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Harvey, Covington & Thomas, L.L.C.

Harvey, Covington & Thomas, LLC
January 6, 2012

CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL
(A Component Unit of the City of Miami, Florida)
STATUS OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Matters that are not repeated in the accompanying schedule of findings

- 2010-01 – Legally Enacted Budget
- 2010-02 – Year-End Financial Close
- 2010-03 – Outstanding Liabilities

CITY OF MIAMI CIVILIAN INVESTIGATIVE PANEL
(A Component Unit of the City of Miami, Florida)
SCHEDULE OF FINDINGS AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2011

There were no findings reported in fiscal year ended September 30, 2011.

INDEPENDENT AUDITOR'S LETTER TO MANAGEMENT IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Panel Members of
The City of Miami Civilian Investigative Panel
Miami, Florida

We have audited the financial statements of the City of Miami Civilian Investigative Panel (a component unit of the City of Miami, Florida) as of and for the year ended September 30, 2011, and have issued our report thereon dated January 6, 2012.

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. We have issued our Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which is dated January 6, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report:

- 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 recommendations made in the preceding annual financial audit report.

- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the CIP complied with Section 218.415, Florida Statutes.

- Section 10.554(1)(i)3., 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)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreement, 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 not more than inconsequential. In connection with our audit, we did not have any such findings.

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- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

- Section 10.554(1)(i)6., 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. The legal authority is disclosed in the notes to the financial statements.

- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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 CIP did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the fiscal year ended September 30, 2011, 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, 2011. In connection with our audit, we determined that the CIP is included in the basic financial statements of the City of Miami, Florida for the fiscal year ended September 30, 2011.

- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2011. It is management's responsibility to monitor the CIP'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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, the Panel of the CIP, the City of Miami, and the State of Florida Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

Harvey, Lovington & Thomas, L.L.C.

Hollywood, Florida
January 6, 2012