

**SINGLE AUDIT REPORTS**

**The School Board of Miami-Dade County, Florida  
Year Ended June 30, 2006**

The School Board of Miami-Dade County, Florida

Single Audit Reports

Year Ended June 30, 2006

**Contents**

Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With *Government Auditing Standards* .....1

Report of Independent Certified Public Accountants on Compliance With Requirements Applicable to Each Major Federal Awards Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.....3

Schedule of Expenditures of Federal Awards.....5

Notes to Schedule of Expenditures of Federal Awards .....10

Schedule of Findings and Questioned Costs.....11

Summary Schedule of Prior Audit Findings.....17

Report of Independent Certified Public Accountants 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*

Chairperson and Members of  
The School Board of Miami-Dade County, Florida

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of The School Board of Miami-Dade County, Florida (the School Board) as of and for the year ended June 30, 2006, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated October 20, 2006. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the aggregate discretely presented component units. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Board's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the School Board in a separate letter dated October 20, 2006.

This report is intended solely for the information and use of the Chairperson and Members of the School Board, the Audit Committee, School Board management, the Auditor General of the State of Florida and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst + Young LLP*

October 20, 2006

Report of Independent Certified Public Accountants on Compliance  
With Requirements Applicable to Each Major Federal Awards  
Program and on Internal Control Over Compliance in  
Accordance With OMB Circular A-133

Chairperson and Members of  
The School Board of Miami-Dade County, Florida

### Compliance

We have audited the compliance of The School Board of Miami-Dade County, Florida (the School Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal awards programs for the year ended June 30, 2006. The School Board's major federal awards programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal awards programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal awards program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 06-F1 and 06-F2.

## **Internal Control Over Compliance**

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal awards programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal awards program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal awards program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

## **Schedule of Expenditures of Federal Awards**

We have audited the basic financial statements of the School Board as of and for the year ended June 30, 2006, and have issued our report thereon dated October 20, 2006, which referred to our use of the reports of other auditors. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Ernst + Young LLP*

December 15, 2006

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2006

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Catalog of Federal Domestic Assistance Number</b>	<b>Pass - Through Grantor Number</b>	<b>Expenditures</b>
<b>United States Department of Agriculture:</b>			
Indirect:			
Florida Department of Agriculture and Consumer Services:			
Food Donation	10.550	None	\$ 5,139,666
Florida Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	321	19,366,801
National School Lunch Program	10.555	300	64,295,630
Summer Food Service Program for Children	10.559	323-325	1,971,288
<b>Total Child Nutrition Cluster</b>			<b>85,633,719</b>
<b>Total Indirect</b>			<b>90,773,385</b>
<b>Total United States Department of Agriculture</b>			<b>90,773,385</b>
<b>United States Department of Justice:</b>			
Direct:			
Gang-Free Schools & Communities -			
Community-Based Gang Intervention	16.544	None	178,630
Public Safety Partnership and Community Policing Grants	16.710	None	676,206
<b>Total United States Department of Justice</b>			<b>854,836</b>
<b>National Aeronautics and Space Administration:</b>			
Direct:			
NASA Explorers School Program	None	N/A	2,992
Indirect:			
Science, Engineering, Mathematics & Aerospace Agency			
Aerospace Academy	None	NAS3-02123	102,274

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards (continued)

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Catalog of Federal Domestic Assistance Number</b>	<b>Pass - Through Grantor Number</b>	<b>Expenditures</b>
<b>National Endowment For The Arts:</b>			
Direct:			
Promotion of the Arts - Grants to Organizations & Individuals	45.024	04-5100-8065	\$ 24,660
<b>National Science Foundation:</b>			
Direct:			
Education and Human Resources	47.076	ESR-0084898	431,483
Indirect:			
University of Miami			
Promoting Science Among English Language Learners	47.076	ESI-0353331	98,507
<b>United States Environmental Protection Agency:</b>			
Direct:			
Surveys Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	XA-96424505	44,326
<b>United State Department of Homeland Security:</b>			
Indirect:			
Department of Community Affairs			
Public Assistance Grants	97.036	06-KT-B&-11-23-03-576	2,840,360
	97.036	06-WL-&K-11-23-00-736	22,830,897
Hazard Mitigation Grants	97.039	03-HM-6L-11-23-03-001	29,229
<b>Total Department of Community Affairs</b>			<b>25,700,486</b>
<b>United States Department of Education:</b>			
Direct:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grants	84.007	None	92,863
Federal Pell Grant Program	84.063	None	1,869,148
<b>Total Student Financial Aid Cluster</b>			<b>1,962,011</b>



The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Expenditures
Impact Aid	84.041	None	\$ 6,860
Magnet Schools Assistance	84.165	None	2,865,646
Emergency Response And Crisis Management Discretionary Grant	84.184E	None	454,007
Safe Schools - Healthy Students Initiative	84.184L	None	546,120
Fund for the Improvement of Education	84.215	None	1,694,508
Bilingual Education - Comprehensive School Grants	84.290	None	128
Voluntary Public School Choice	84.361	None	3,144,210
School Leadership	84.363	None	420,827
<b>Total Direct</b>			<b>11,094,317</b>
Indirect:			
Florida Department of Education:			
Special Education Cluster:			
Special Education - Grants to States	84.027	262, 263	70,200,396
Special Education - Preschool Grants	84.173	266, 267	1,576,017
<b>Total Special Education Cluster</b>			<b>71,776,413</b>
Workforce Investment Act Incentive Grants - Section 503	17.267	590	15,203
Adult Education - State Grant Program	84.002	191,193,194	4,335,046
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	123,584,729
Migrant Education - State Grant Program	84.011	215, 217	1,364,328
Vocational Education - Basic Grants to States	84.048	151	7,117,994
Safe and Drug-Free Schools and Communities - National Programs	84.184	107	111,330
Safe and Drug-Free Schools & Communities - State Grants	84.186	103	2,653,890
Education for Homeless Children and Youth	84.196	127, 130	123,116
Even Start - State Educational Agencies	84.213	219	957,642
Tech-Prep Education	84.243	157	392,911
Charter Schools	84.282	298	5,705,374
21st Century Community Learning Centers	84.287	244	2,267,999
State Grants for Innovative Programs	84.298	112, 113	2,798,249
Education Technology State Grants	84.318	121, 122	3,730,354

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Expenditures
Advanced Placement Program	84.330	160	\$ 20,078
Comprehensive School Reform Demonstration	84.332	128, 129	1,615,232
Reading First State Grants	84.357	211	6,311,870
Voluntary Public School Choice	84.361	299	79,870
English Language Acquisition Grants	84.365	102	11,053,290
Mathematics and Science Partnerships	84.366	235	179,774
Improving Teacher Quality State Grants	84.367	224	26,674,627
State Domestic Preparedness Equipment	97.004	532	128,981
Homeland Security Grant Program	97.067	532	64,994
South Florida Workforce Board, Inc.:			
WIA Youth Activities	17.259	Interlocal Agreement	367
University of Miami - Rosenstiel:			
Teacher Quality Enhancement Grants	84.336	P336B990062	1,003
Biological Response To Environmental Health Hazards	93.113	R25ES10713	78,896
University of Miami - School of Education:			
Bilingual Education - Professional Development	84.195	T195N020106	105,933
Barry University:			
Even Start - State Educational Agencies	84.213	Subcontract	268,505
Florida International Univesity:			
Gaining Early Awareness & Readiness for Undergraduate Programs	84.334	541425250-01C	14,064
Florida Department of Law Enforcement:			
State Domestic Preparedness Equipment	97.004	05-CJ-L2-07-23-23-151	194,613
<b>Total Indirect</b>			<u>273,726,675</u>

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Expenditures
<b>Total United States Department of Education</b>			\$ 284,820,992
<b>United States Department of Health and Human Services:</b>			
Direct:			
Physical Education Study For Disabled Youth	None	None	17,451
Substance Abuse and Mental Health Services Administration:			
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance	93.243	None	126,770
Center For Disease Control:			
Cooperative Agreements to Support Comprehensive School Health			
Programs to Prevent the Spread of HIV & Other Important			
Health Problems	93.938	None	327,964
<b>Total Direct</b>			<u>472,185</u>
Indirect:			
South Florida Employment and Training Consortium:			
Temporary Assistance for Needy Families	93.558	ENABL / WAGES	158,534
Florida Department of Children & Families:			
Refugee and Entrant Assistance - Discretionary Grants	93.576	LK404, LK604	3,351,023
Miami-Dade Community Action Agency:			
Head Start	93.600	None	106,684
<b>Total Indirect</b>			<u>3,616,241</u>
<b>Total United States Department of Health and Human Services</b>			<u>4,088,426</u>
<b>Corporation for National and Community Service:</b>			
Indirect:			
Florida Department of Education:			
Learn and Serve America - School and Community			
Based Programs	94.004	232, 233, 234	136,686
<b>United States Department of Defense:</b>			
Direct:			
Army Junior Reserve Officers Training Corps	None	None	2,356,224
<b>Total Federal Financial Assistance</b>			<u>\$ 409,435,277</u>

The School Board of Miami-Dade County, Florida

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2006

**1. General**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards programs of The School Board of Miami-Dade County, Florida (the School Board) for the year ended June 30, 2006. The School Board's structure is described in Note 1 to the School Board's basic financial statements. Federal awards programs received directly as well as passed through other government agencies are included on the Schedule.

**2. Basis of Accounting**

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, preparation of the basic financial statements.

**3. Program Clusters**

OMB Circular A-133 defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. According to this definition, similar programs deemed to be a cluster of programs are presented accordingly.

**4. Contingency**

The grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the School Board. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs

Year Ended June 30, 2006

**Section I—Summary of Auditors' Results**

**Financial Statements Section**

Type of auditors' report issued (unqualified, qualified, adverse, or disclaimer):

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

       **Yes**        X   **No**

Reportable condition(s) identified that are not considered to be material weaknesses?

       **Yes**        X   **None reported**

Noncompliance material to financial statements noted?

       **Yes**        X   **No**

**Federal Awards Section**

Internal control over major programs:

Material weakness(es) identified?

       **Yes**        X   **No**

Reportable condition(s) identified that are not considered to be material weaknesses?

       **Yes**        X   **None reported**

Type of auditor's report issued on compliance for major programs (unqualified, qualified, adverse, or disclaimer):

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?

  X   **Yes**             **No**

Identification of major programs:

The School Board of Miami-Dade County, Florida  
 Schedule of Findings and Questioned Costs (continued)

<u>Federal Agency/Program</u>	<u>CFDA No.</u>
United States Department of Agriculture:	
Indirect:	
Florida Department of Agriculture and Consumer Services:	
Food Donation	10.550
Florida Department of Education:	
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
United States Department of Education:	
Direct:	
Voluntary Public School Choice	84.361
Indirect:	
Charter Schools	84.282
Reading First State Grants	84.357
English Language Acquisition Grants	84.365
Improving Teacher Quality State Grants	84.367
United States Department of Health and Human Services:	
Indirect:	
Florida Department of Children & Families:	
Refugee and Entrant Assistance - Discretionary Grants	93.576
United States Department of Homeland Security	
Indirect:	
Department of Community Affairs:	
Public Assistance Grants	97.036

The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs (continued)

**Section I—Summary of Auditors’ Results (continued)**

Dollar threshold used to distinguish between  
Type A and Type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee?  X  Yes   No

**Section II—Financial Statement Findings Section**

This section identifies the reportable conditions, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

There were no financial statement findings required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

**Section III—Federal Awards Program Findings and Questioned Costs Section**

<b><u>Finding #</u></b>	<b>06-F1</b>
<u>Federal program information:</u>	CFDA # 93.576 Refugee and Entrant Assistance - Discretionary Grants
<u>Compliance requirement:</u>	Level of Effort
<u>Criteria or specific requirement (including statutory, regulatory, or other citation):</u>	To provide reasonable assurance as to whether the School Board met its Earmarking requirement in accordance with its grant agreement.

The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs (continued)

<u>Condition:</u>	The Refugee and Entrant Assistance - Discretionary Grant agreement requires the School Board to meet certain performance requirements. These performance standards are reported each trimester to the grantor.
<u>Questioned costs:</u>	None
<u>Context:</u>	<p>The School Board did not meet two out of four of the performance standards required by the grant for the year ended June 30, 2006. The performance standards not met were:</p> <ul style="list-style-type: none"><li>• 60% of all enrolled students will have a cumulative average of 80% classroom attendance for all courses on a term basis.</li><li>• 40% of all courses attempted per term will result in documented progress validated by standardized assessment instructions.</li></ul>
<u>Effect:</u>	The School Board did not meet its Level of Effort requirement in accordance with its grant agreement for the above performance standards. This could result in the School Board losing future funding under the grant agreement.
<u>Recommendation:</u>	The School Board should review its program objectives and requirements for this grant and make revisions as necessary to ensure that the grants performance requirements are met.
<u>Grantee response/Corrective Action Plan:</u>	Management concurs with the observation. The District reports only courses and performances that are reported to the State of Florida as part of the Workforce Education System. This requirement ensures courses offered are state approved and performance benchmarks are backed by state and federally approved standardized tests. More importantly, it ensures the student is receiving the most rigorous instruction available. The performance benchmarks set by DCF (Department of Children and Families) are unrealistically high compared to state averages for similar students.



The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs (continued)

SAVES staff are actively working with SAVES school sites to improve both performance and retention by developing strategies for better tracking of case management activities with clients in order to ensure all clients receive significant assistance in the areas of tutoring and career counseling. A training session is planned for the April district meeting of SAVES contacts.

**Finding #**

**06-F2**

Federal program information:

CFDA # 93.576  
Refugee and Entrant Assistance - Discretionary Grants

Compliance requirement:

Allowable Costs/Cost Principles

Criteria or specific requirement (including statutory, regulatory, or other citation):

To provide reasonable assurance as to whether the School Board met its Allowable Costs/Cost Principles requirement in accordance with its grant agreement.

Condition:

The grant agreement and federal law requires that proper supporting documentation for grant expenditures be maintained for a minimum of six years after the completion of the contract.

Questioned costs:

Less than reportable amount.

Context:

One out of 24 applicant files selected for testing could not be located during our testing.

Effect:

The School Board did not meet its Allowable Costs/Cost Principles requirement in accordance with its grant agreement for retention of supporting documentation for amounts billed. This could result in the School Board losing future funding under the grant agreement.

Recommendation:

The School Board should review its current procedures and implement necessary changes to ensure that amounts billed are properly supported and maintained in its files.

The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs (continued)

Grantee response/Corrective Action Plan:

Management concurs with the observation. As a result of a data entry clerical error, a non-eligible student was inadvertently entered as eligible for the SAVES program. When the District Data staff for SAVES queried the MIS system for eligible SAVES client records, the ineligible client was generated as part of the pool.

District SAVES staff provides locations with currently enrolled eligible SAVES clients in the MIS system that are to be reconciled with the records at the respective school sites. The following steps will be implemented to ensure that procedures are properly followed: 1) The enrollment reports will now be made available online and will be refreshed daily. 2) A presentation at the next SAVES District Meeting on February 14<sup>th</sup> will remind staff of the importance of proper reconciliation of the data entry systems and client files. 3) SAVES staff will also provide training to Assistant Principals at each location in the monitoring of staff to ensure that the reconciliation process is being performed. 4) District SAVES staff who are assigned five SAVES centers each will follow-up that the contacts have received the enrollment lists and are matching records during each site visit.

The School Board of Miami-Dade County, Florida

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2006

There were no prior audit findings related to federal programs.