

**THE SCHOOL BOARD
OF MIAMI-DADE COUNTY, FLORIDA
EDUCATIONAL FACILITIES
IMPACT FEE FUND**

Special-Purpose Financial Statements
As of and for the Years Ended June 30, 2015 and 2014



C Borders-Byrd, CPA LLC
Accountants and Consultants

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Special-Purpose Financial Statements

June 30, 2015 and 2014

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Report of Independent Certified Public Accountants

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

Report on Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of The School Board of Miami-Dade County, Florida, Educational Facilities Impact Fee Fund (the "Fund," an individual fund of The School Board of Miami-Dade County, Florida) which comprise the special-purpose balance sheets as of June 30, 2015 and 2014, and the related special-purpose statements of revenues, expenditures and changes in fund balance for the years then ended, and the related notes to the special-purpose financial statements as listed in the table of contents.

Management's Responsibility for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with accounting principles generally accepted in the United States of America and the financial reporting provisions of Section 11 of the Interlocal Agreement dated May 1995, as amended, between The School Board of Miami-Dade County, Florida and Miami Dade County, Florida; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose 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 special-purpose financial statements based on our audits. We conducted our audits 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 special-purpose financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose 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 special-purpose 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 estimates made by management, as well as evaluating the overall presentation of the special-purpose 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 special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Educational Facilities Impact Fee Fund of The School Board of Miami-Dade County, Florida, as of June 30, 2015 and 2014, and the results of its operations for the years then ended, on the basis of accounting described in Note 1.



Other Matters

We draw attention to Note 1 of the special-purpose financial statements, which describes the basis of accounting. As described in Note 1, these special-purpose financial statements were prepared in conformity and for the purpose of complying with financial reporting provisions of Section 11 of the Interlocal Agreement between The School Board of Miami-Dade County, Florida, and Miami-Dade County, Florida, which present only the financial position of the Educational Facilities Impact Fee Fund as of June 30, 2015 and 2014 and the results of operations for the years then ended and is not intended to present fairly the financial position and results of operations of The School Board of Miami-Dade County, Florida. Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements. The accompanying Combining Financial Statements on pages 14 and 15 are presented for purposes of additional analysis and are not a required part of the special-purpose financial statements. The combining special-purpose financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

The information listed as required supplementary information in the table of contents is not a required part of the special-purpose financial statements, but is supplementary information required by the Interlocal Agreement between The School Board of Miami-Dade County, Florida, and Miami-Dade County, Florida. We have applied certain limited procedures, 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 special-purpose financial statements, and other knowledge we obtained during our audit of the special-purpose 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 October 6, 2015, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and 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* in considering the Fund's internal control over financial reporting and compliance.

Restriction of Use

This report is intended solely for the information and use of the Honorable Chairperson and members of The School Board of Miami-Dade County, Florida and the Honorable Mayor and members of the Miami-Dade County Board of County Commissioners and management and is not intended to be and should not be used by anyone other than these specified parties.

C. Sanders-Byrd, CPA LLC

Miami, Florida
October 6, 2015

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Balance Sheets

As of June 30,

	<u>2015</u>	<u>2014</u>
Assets		
Cash and investments	\$ 9,804,403	\$ 3,034,659
Interest and dividends receivable	4,682	329
Due from Miami-Dade County	<u>6,819,326</u>	<u>10,274,440</u>
Total assets	<u>\$ 16,628,411</u>	<u>\$ 13,309,428</u>
 Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued expenses	\$ 10,768	\$ -
Due to other funds	-	7,807,252
Deposits payable	<u>729,596</u>	<u>405,474</u>
Total liabilities	<u>740,364</u>	<u>8,212,726</u>
 Fund balance:		
Restricted for:		
Capital projects	<u>15,888,047</u>	<u>5,096,702</u>
Total fund balance	<u>15,888,047</u>	<u>5,096,702</u>
Total liabilities and fund balance	<u>\$ 16,628,411</u>	<u>\$ 13,309,428</u>

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

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

For the Years Ended June 30,

	2015	2014
Revenues:		
Impact fees	\$ 34,930,191	\$ 21,041,443
Investment income	11,116	8,462
Total revenues	34,941,307	21,049,905
Expenditures:		
Capital outlay	7,071,003	-
Administrative	-	99,254
Total expenditures	7,071,003	99,254
Excess of revenues over expenditures	27,870,304	20,950,651
Other financing (uses):		
Operating transfers out - debt service fund	(17,078,959)	(17,711,053)
Operating transfers out - capital project fund	-	(2,697,386)
Total other financing (uses)	(17,078,959)	(20,408,439)
Net change in fund balance	10,791,345	542,212
Beginning fund balance	5,096,702	4,554,490
Ending fund balance	\$ 15,888,047	\$ 5,096,702

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

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Notes to Special-Purpose Financial Statements

As of and for the Years Ended June 30, 2015 and 2014

1. Summary of Significant Accounting Policies and Reporting Practices

Reporting Entity

The Educational Facilities Impact Fee Fund (the "Fund") of The School Board of Miami-Dade County, Florida, (the "School Board") was established pursuant to Section 235.19 of the Florida Statutes and Ordinance 95-79 of Miami-Dade County, Florida, (the "Ordinance") in May of 1995. The Ordinance was passed by the Miami-Dade County Board of County Commissioners for the express purpose of levying impact fees on new residential developments and additions to residences. These fees provide resources for the construction of educational facilities necessitated by residential development. The Educational Facilities Impact Fee is collected and accounted for based on one of three Benefit Districts created under the Ordinance. Monies collected are required to be expended for the development and/or acquisition of educational facilities or the repayment of debt service within the Benefit District where the monies were collected.

The administration of the Fund is governed by Ordinance 95-79 of Miami-Dade County, Florida, the Educational Facilities Impact Fee Administration Manual and the Interlocal Agreement between The School Board of Miami-Dade County, Florida, and Miami-Dade County, Florida.

The School Board accounts for the impact fee activities in separately identifiable funds within the Capital Projects Funds. The special-purpose financial statements present the financial operations of the Impact Fee Fund only and do not include the assets, liabilities, fund balances and the revenues and expenditures of The School Board of Miami-Dade County, Florida.

For financial reporting purposes, the Fund is a fund of The School Board of Miami-Dade County, Florida, and is thus included in the School Board's comprehensive annual financial report.

Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Fund are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The Educational Facilities Impact Fee Fund is reported as the following fund type:

Governmental funds are used to account for the government's general government activities. Government fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose the government considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments are recorded only when payment is due.

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Notes to Special-Purpose Financial Statements - Continued

As of and for the Years Ended June 30, 2015 and 2014

1. Summary of Significant Accounting Policies and Reporting Practices - Continued

Investments

Investments are carried at fair value and include primarily U.S. Agency obligations, commercial paper, time deposits and money market mutual funds.

Accounting 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 reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

Fund Balances

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* establish accounting and financial reporting standards for governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based upon the extent to which the government is bound to honor constraints on the uses of those resources.

GASB Statement No. 54 requires the fund balance to be properly reported within one of the fund balance categories listed below:

Nonspendable – Fund balance amounts that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to be maintained intact.

Spendable Fund Balance

Restricted – Fund balance amounts on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions or enabling legislation.

Committed – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the highest level of decision-making authority (The School Board). The amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same formal action it employed to commit the amounts.

Assigned – Fund balance amounts intended to be used for specific purpose but are neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by actions of The School Board or Superintendent and not included in other categories.

Unassigned – Includes negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Notes to Special-Purpose Financial Statements - Continued

As of and for the Years Ended June 30, 2015 and 2014

1. Summary of Significant Accounting Policies and Reporting Practices - Continued

The Fund considers restricted or unrestricted amounts spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

New Pronouncements – Adopted and Unadopted

The GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* in January 2013. The District adopted GASB 69 in 2014-15 fiscal year financial statements. The adoption of the provisions of this statement did not have a material impact on the financial position or results of operations of the Fund.

The GASB issued Statement No. 72, *Fair Value Measurement and Application* in February 2015. This statement is effective for fiscal years beginning after June 15, 2015. The impact on the Fund's financial position or results of operations has not yet been determined.

2. Cash and Investments

The Fund's surplus funds are invested directly by the District's Office of Treasury Management. The District maintains a common cash and investment pool for certain of the School Board Funds. The Fund's cash and investments are included in the District's pooled cash.

As authorized under State Statutes, the School Board has adopted Board Policy 6144, *Investments*, as its formal Investment Policy for all surplus funds, including the Supplemental Early Retirement Funds, that are part of Board Policy 6535, Supplemental Early Retirement Plan. Board Policy 6144, Investment policies permits the following investments and is structured to place the highest priority on the safety of principal and liquidity of funds:

- Demand and Time Deposits – School Board and State approved designated depository.
- U.S. Government direct obligations.
- Revolving Repurchase Agreements or similar investment vehicles for the investment of funds awaiting clearance with financial institutions.
- Commercial Paper rated A1/P1/F1 or better.
- Bankers Acceptances with the 100 largest banks in the world.
- State Board of Administration Local Government Investment Pool.
- Obligations of the Federal Farm Credit Banks.
- Obligations of the Federal Home Loan Bank.
- Obligations of the Federal Home Loan Mortgage Corporation.
- Obligations guaranteed by the Government National Mortgage Association.
- Obligations of the Federal National Mortgage Association.
- Securities of any investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C.

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Notes to Special-Purpose Financial Statements - Continued

As of and for the Years Ended June 30, 2015 and 2014

2. Cash and Investments - Continued

Interest Rate Risk: In accordance with its investment policy under Board Policy 6144, the School Board manages its exposure to declines in fair values by substantially limiting the weighted average maturity on all investments to one year or less. U.S. Government Agency Securities of the Fund include approximately \$158,149 in 2015 and \$106,518 in 2014 in callable securities that are assumed to be called on the next call date, and as such, the weighted average maturity reflects the call date as the maturity date for these securities.

Credit Risk: In accordance with Board Policy 6144 the School Board manages its exposure to credit risk by limiting bonds investment to the highest rated Government Agency securities, Commercial Paper rated A-1 or better, and Money Market Mutual Funds rated AAAM. In addition, all Time Deposits must be issued by Board approved banks that are fully collateralized with the State of Florida Qualified Public Depositories program.

Investment Type	Rating*	Percentage of Investments as of June 30,	
		2015	2014
Federal Home Loan Mortgage Corporation Agency	AA+	27.56%	1.78%
Federal Home Loan Bank Agency	AA+	12.79%	44.74%
Federal Farm Credit Banks Agency	AA+	8.75%	17.84%
Commercial Paper	A-1+ to A-1	50.90%	35.64%

* Standard & Poor's rating as of June 30, 2015 and 2014

Concentration Risks: In accordance with Board Policy 6144, the District permits investments of up to 7.5% of the total portfolio in Commercial Paper with a single issuer and 60% in total, 30% in Federal Farm Credit Bank, 30% in Federal Home Loan Bank, 30% in Federal Home Loan Mortgage Corporation, 30% in Federal National Mortgage Association agency securities, 10% in Time Deposits with a single issuer, and unlimited U.S. Treasury Notes as well as Government Obligations and Money Market Mutual Funds. Although all the investments were purchased within the established percentage threshold, when compared to the entire portfolio including cash equivalents as permitted by the policy, certain investments exceeded the limits of the policy due to the normal decrease of the portfolio's total value as other investments matured during the course of the year.

Custodial Risk: All securities in accordance with the District's investment policy under Policy 6144, with the exception of time deposits, are held by a third party custodian in an account separate and apart from the assets of the custodian designated as assets of the District.

Cash Deposits: The Fund's cash deposits include money market/savings, demand deposits and petty cash. All bank balances of the Fund are fully insured or collateralized as required by Florida Statutes, Chapter 280. At June 30, 2015 and 2014, the deposit's fair value and book balances were \$3,023,281 and \$716,450, respectively.

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Notes to Special-Purpose Financial Statements - Continued

As of and for the Years Ended June 30, 2015 and 2014

2. Cash and Investments - Continued

Cash and investments for the Fund as of June 30, 2015, were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>
Cash Deposits	\$ 3,023,281	
U.S. Government Agency	3,329,660	.30
Commercial Paper	3,451,462	.11
Total cash and investments	<u>\$ 9,804,403</u>	

Cash and investments for the Fund as of June 30, 2014, were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash Deposits	\$ 716,450	-
U.S. Government Agency	1,492,054	.33
Commercial Paper	826,155	.27
Total cash and investments	<u>\$ 3,034,659</u>	

3. Credits and Contributions In-Lieu-Of Impact Fees

Credits or contributions in-lieu-of impact fees up to the full amount of the fee (excluding the administrative charge) are available, subject to certain provisions, for land or monetary contributions provided by the fee payer prior to October 1, 1995 (credit) or negotiated after October 1, 1995 (contributions in-lieu-of impact fees). As of June 30, 2015 and 2014, the County has reported approximately \$1,579,173 and \$11,098,000, respectively of approved and unapplied credits and contributions in-lieu-of impact fees which remain available to be applied in future years. Approximately \$6,576,554 and \$740,639 were approved and applied during the years ended June 30, 2015 and 2014, respectively.

4. Letters of Credit

Fee payers are permitted to secure their impact fee obligation by letter of credit payable to Miami-Dade County, Florida, upon completion of the development project. The fees associated with these letters of credit are not currently available and as such have not been reported within the special-purpose financial statements. Approximately \$1,023,554 and \$1,056,374 in letters of credit were payable to Miami-Dade County, Florida, at June 30, 2015 and 2014, respectively.

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Notes to Special-Purpose Financial Statements - Continued

As of and for the Years Ended June 30, 2015 and 2014

5. Intergovernmental Transactions

Due from Miami-Dade County

At June 30, 2015 and 2014 Miami-Dade County owed the Fund approximately \$6,819,326 and \$10,274,440, respectively, in impact fees collected from the Benefit Districts.

Operating Transfers Out/Due to Other Funds

For the fiscal years ended June 30, 2015 and 2014, the Fund transferred approximately \$17,078,959 and \$17,711,053, respectively, to The School Board of Miami-Dade County, Florida, debt service fund to cover principal and interest payments on the Series 2004A, Series 2005A, Series 2006C, Series 2006D, Series 2012B-1, Series 2012B-2 and 2014B-04 Certificates of Participation. Additionally, during fiscal year ended June 30, 2014, the Fund transferred \$2,697,386 to a capital project fund, which in prior years funded debt service which was eligible to be paid by the Fund. The Interlocal Agreement allows for the School Board to be reimbursed for the shortfall payments from subsequent year impact fee revenues when multi-year financing lease/debt payments were paid from other School Board revenue. Under this option the reimbursement is allowed to be retroactive and is recorded as a transfer from the Fund to the fund that funded the lease/debt payments. Approximately, \$7,807,252 of the operating transfers were funded by advances from other funds which resulted in an outstanding liability at June 30, 2014, and is included in Due to other funds on the Balance Sheets.

Administrative Expenditures

The School Board provides certain personnel services and other administrative costs to the Fund. Actual costs reimbursed to the School Board totaled approximately \$99,254 for fiscal year ended June 30, 2014.

6. Commitments

The Interlocal Agreement requires the School Board to expend or encumber impact fee revenues within six years from the date of collection. Impact fees have been restricted for the schools and COPS debt service payments.

In accordance with the provisions of the 2000 First Amended Interlocal Agreement between Miami-Dade County and The School Board of Miami-Dade County, Florida, the School Board has issued Certificates of Participation ("COPS"). As of June 30, 2015 and 2014, there is approximately \$120,761,673 and \$141,808,650 of impact fee COPS total debt service requirements outstanding, respectively.

The School Board has available the non-voted millage known as the "Local Option Millage Levy" as a primary source of funding for the COPS debt service. Additionally, the agreement provides that the School Board is entitled to be reimbursed from future impact fee revenues for COPS debt service payments from non-impact fee revenues.

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Notes to Special-Purpose Financial Statements - Continued

As of and for the Years Ended June 30, 2015 and 2014

6. Commitments - Continued

The current Educational Facilities Impact Fee Ordinance (Impact Fees) was adopted in 1995 and recommended revisions to the Impact Fees methodology and increase in fees completed in January 2006 were not adopted by Miami-Dade County (County). While the proposed amendments to the impact fees were approved on first reading by the Board of County Commissioners (BCC) on February 20, 2007 and subsequently scheduled for a public hearing before the BCC Government, Operations & Environment (GOE) Committee on July 11, 2007, the item was tabled at the time and has not been rescheduled.

On May 10, 2006, the School Board issued \$53,665,000 in COPS Series 2006C. The Series 2006C COPS mature on October 1, 2021 and will pay interest ranging from 3.875% to 5%.

The total obligation under the series 2006C COPS is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2016	\$ 3,630,000	\$ 1,392,250	\$ 5,022,250
2017	3,815,000	1,206,125	5,021,125
2018	4,010,000	1,010,500	5,020,500
2019	4,215,000	804,875	5,019,875
2019	4,430,000	588,750	5,018,750
Thereafter	9,560,000	484,000	10,044,000
Total	<u>\$ 29,660,000</u>	<u>\$ 5,486,500</u>	<u>\$ 35,146,500</u>

On December 21, 2006, the School Board issued \$10,570,000 in COPS Series 2006D. The Series partially refunded COPS 2001C. The Series 2006D mature on October 1, 2021 and will pay interest ranging from 3.625% and 5.00%.

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Notes to Special-Purpose Financial Statements - Continued

As of and for the Years Ended June 30, 2015 and 2014

6. Commitments – Continued

The total obligation under the series 2006D COPS is as follows:

Year Ending June 30	Principal	Interest	Total Requirements
2016	\$ 50,000	\$ 456,438	\$ 506,438
2017	-	455,500	455,500
2018	-	455,500	455,500
2019	-	455,500	455,500
2020	2,885,000	383,375	3,268,375
Thereafter	6,225,000	315,125	6,540,125
Total	\$ 9,160,000	\$ 2,521,438	\$ 11,681,438

On July 5, 2012, the School Board issued \$13,765,000 in COPS Series 2012B-1. The Series partially refunded COPS 2004A. The Series 2012B-1 mature on October 1, 2020 and pay interest of 5%.

The total obligation under the series 2012B-1 is as follows:

Year Ending June 30	Principal	Interest	Total Requirements
2016	\$ -	\$ 688,250	\$ 688,250
2017	-	688,250	688,250
2018	-	688,250	688,250
2019	-	688,250	688,250
2020	6,715,000	520,375	7,235,375
2021	7,050,000	176,250	7,226,250
Total	\$ 13,765,000	\$ 3,449,625	\$ 17,214,625

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Notes to Special-Purpose Financial Statements - Continued

As of and for the Years Ended June 30, 2015 and 2014

On July 5, 2012, the School Board issued \$15,655,000 in COPS Series 2012B-2. The Series partially refunded COPS 2005A. The Series 2012B-2 mature on April 1, 2020 and pay interest of 4%.

The total obligation under the series 2012B-2 is as follows:

Year Ending June 30	Principal	Interest	Total Requirements
2016	\$ 3,395,000	\$ 626,200	\$ 4,021,200
2017	3,060,000	490,400	3,550,400
2018	3,095,000	368,000	3,463,000
2019	3,150,000	244,200	3,394,200
2020	2,955,000	118,200	3,073,200
Total	<u>\$ 15,655,000</u>	<u>\$ 1,847,000</u>	<u>\$ 17,502,000</u>

On July 3, 2014, the School Board issued \$38,130,000 in COPS Series 2014B-04. The Series fully refunded COPS 2004A. The Series 2014B-04 matures on October 1, 2018 and pay interest of 1.41%.

The total obligation under the series 2014B-04 is as follows:

Year Ending June 30	Principal	Interest	Total Requirements
2016	\$ 9,250,000	\$ 472,420	\$ 9,722,420
2017	9,490,000	340,304	9,830,304
2018	9,625,000	205,543	9,830,543
2019	9,765,000	68,843	9,833,843
Total	<u>\$ 38,130,000</u>	<u>\$ 1,087,110</u>	<u>\$ 39,217,110</u>

7. Subsequent Event

Management has evaluated subsequent events through October 6, 2015, which is the date these special-purpose financial statements were available to be issued.

Combining Financial Statements

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Combining Balance Sheets
(By Benefit District and Administrative Activity)

As of June 30, 2015
(With Comparative Totals for June 30, 2014)

	<u>East District</u>	<u>Northwest District</u>	<u>Southwest District</u>	<u>Administrative</u>	<u>2015 Total</u>	<u>2014 Total</u>
Assets						
Cash and investments	\$ 3,373,095	\$ 5,817,374	\$ 529,474	\$ 84,460	\$ 9,804,403	\$ 3,034,659
Interest and dividends receivable	2,313	1,829	372	168	4,682	329
Due from Miami-Dade County	4,482,649	1,455,781	797,530	83,366	6,819,326	10,274,440
Total assets	<u>\$ 7,858,057</u>	<u>\$ 7,274,984</u>	<u>\$ 1,327,376</u>	<u>\$ 167,994</u>	<u>\$ 16,628,411</u>	<u>\$ 13,309,428</u>
Liabilities and fund balance						
Liabilities:						
Accounts payable and accrued expenses	\$ -	\$ -	\$ 10,768	\$ -	\$ 10,768	\$ -
Due to other funds	-	-	-	-	-	7,807,252
Deposits payable	-	-	729,596	-	729,596	405,474
Total liabilities	<u>-</u>	<u>-</u>	<u>740,364</u>	<u>-</u>	<u>740,364</u>	<u>8,212,726</u>
Fund balance:						
Restricted for:						
Capital projects	7,858,057	7,274,984	587,012	167,994	15,888,047	5,096,702
Total fund balance	<u>7,858,057</u>	<u>7,274,984</u>	<u>587,012</u>	<u>167,994</u>	<u>15,888,047</u>	<u>5,096,702</u>
Total liabilities and fund balance	<u>\$ 7,858,057</u>	<u>\$ 7,274,984</u>	<u>\$ 1,327,376</u>	<u>\$ 167,994</u>	<u>\$ 16,628,411</u>	<u>\$ 13,309,428</u>

The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Combining Statements of Revenues, Expenditures and Changes in Fund Balance
(By Benefit District and Administrative Activity)

For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	<u>East District</u>	<u>Northwest District</u>	<u>Southwest District</u>	<u>Administrative</u>	<u>2015 Total</u>	<u>2014 Total</u>
Revenues:						
Impact fees	\$ 23,101,423	\$ 4,173,471	\$ 7,281,599	\$ 373,698	\$ 34,930,191	\$ 21,041,443
Investment income	4,908	4,187	1,608	413	11,116	8,462
Total revenues	<u>23,106,331</u>	<u>4,177,658</u>	<u>7,283,207</u>	<u>374,111</u>	<u>34,941,307</u>	<u>21,049,905</u>
Expenditures:						
Administrative	-	-	-	-	-	99,254
Capital Outlay	2,625,000	-	3,865,373	580,630	7,071,003	-
Total expenditures	<u>2,625,000</u>	<u>-</u>	<u>3,865,373</u>	<u>580,630</u>	<u>7,071,003</u>	<u>99,254</u>
Excess of revenues over expenditures	20,481,331	4,177,658	3,417,834	(206,519)	27,870,304	20,950,651
Other financing (uses):						
Operating transfers out - debt service fund	(12,628,138)	(1,619,999)	(2,830,822)	-	(17,078,959)	(17,711,053)
Operating transfers out - capital project fund	-	-	-	-	-	(2,697,386)
Total other financing (uses)	<u>(12,628,138)</u>	<u>(1,619,999)</u>	<u>(2,830,822)</u>	<u>-</u>	<u>(17,078,959)</u>	<u>(20,408,439)</u>
Net change in fund balance	<u>7,853,193</u>	<u>2,557,659</u>	<u>587,012</u>	<u>(206,519)</u>	<u>10,791,345</u>	<u>542,212</u>
Beginning fund balance	4,864	4,717,325	-	374,513	5,096,702	4,554,490
Ending fund balance	<u>\$ 7,858,057</u>	<u>\$ 7,274,984</u>	<u>\$ 587,012</u>	<u>\$ 167,994</u>	<u>\$ 15,888,047</u>	<u>\$ 5,096,702</u>

Required Supplementary Information

The School Board of Miami-Dade County, Florida
 Educational Facilities Impact Fee Fund

Schedule of Construction in Progress and COPS Debt Service Commitments (Unaudited)
 (Annual Activity by Benefit District)

June 30, 2015

<u>Project Name</u>	<u>Project Description</u>	<u>East District</u>	<u>Northwest District</u>	<u>Southwest District</u>	<u>Total</u>
None		-	-	-	-
	Total construction in progress	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COPS debt service commitments					
	2006C COPS	\$ 31,305,598	\$ -	\$ 3,840,902	\$ 35,146,500
	2006D COPS	9,575,275	2,106,163	-	11,681,438
	2012B-1 COPS	10,206,551	2,869,678	4,138,396	17,214,625
	2012B-2 COPS	17,502,000	-	-	17,502,000
	2014B-04 COPS	<u>18,890,882</u>	<u>6,274,738</u>	<u>14,051,490</u>	<u>39,217,110</u>
	Total COPS debt service commitments	<u>\$ 87,480,306</u>	<u>\$11,250,579</u>	<u>\$22,030,788</u>	<u>\$120,761,673</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of The School Board of Miami-Dade County, Florida, Educational Facilities Impact Fee Fund (the “Fund”), which comprise the special-purpose balance sheets as of June 30, 2015 and 2014, and the related special-purpose statements of revenues, expenditures and changes in fund balance for the years then ended, and the related notes to the special-purpose financial statements, and have issued our report thereon dated October 6, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund’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.

C. Borders-Byrd, CPA LLC

**Miami, Florida
October 6, 2015**



The School Board of Miami-Dade County, Florida
Educational Facilities Impact Fee Fund

Schedule of Comments and Recommendations

June 30, 2015

Current Year Comments and Recommendations - None.

Prior Year Comments and Recommendations

Observation

The current Educational Facilities Impact Fee Ordinance (Impact Fees) was adopted in 1995 and recommended revisions to the Impact Fees methodology and increase in fees completed in January 2006 were not adopted by Miami-Dade County (County). While the proposed amendments to the impact fees were approved on first reading by the Board of County Commissioners (BCC) on February 20, 2007 and subsequently scheduled for a public hearing before the BCC Government, Operations & Environment (GOE) Committee on July 11, 2007, the item was tabled at the time and has not been rescheduled.

Management should continue its efforts to update the current impact fee structure.

Current Status

Since the real estate market seems to be stabilizing, a full review of the ordinance would seem appropriate within the next year to eighteen months.