

The School Board of Miami-Dade County, Florida

Single Audit Reports in Accordance
with OMB Circular A-133
Fiscal Year Ended June 30, 2014

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**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**

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 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, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated November 21, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board'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 School Board'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.

McGladrey LLP

Miami, Florida
November 21, 2014

**Independent Auditor's Report
on Compliance for Each Major
Federal Program; Report on Internal Control
Over Compliance; and Report on the Schedule
of Expenditures of Federal Awards
Required by OMB Circular A-133**

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

Report on Compliance for Each Major Federal Program

We have audited The School Board of Miami-Dade County, Florida's (the School Board) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2014. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements. We issued our report thereon dated November 21, 2014 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Miami, Florida
November 21, 2014, except for our report on the
Schedule of Expenditures of Federal Awards for
which the date is January 16, 2015

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Florida Department of Agriculture and Consumer Services:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	321	\$ 24,752,141	\$ -
National School Lunch Program	10.555	300	103,641,863	-
Summer Food Service Program for Children	10.559	323, 324, 325	1,531,885	-
Total Child Nutrition Cluster			<u>129,925,889</u>	<u>-</u>
Fresh Fruit and Vegetables Program	10.582	None	1,621,803	-
Florida Department of Health:				
Child and Adult Care Food Program	10.558	I-1591	57,051	-
Child and Adult Care Food Program	10.558	I-1592	54,140	-
Child and Adult Care Food Program	10.558	I-790	8,181	-
Child and Adult Care Food Program	10.558	A-4091	13,493,772	-
Total Child and Adult Care Food Program			<u>13,613,144</u>	<u>-</u>
Total United States Department of Agriculture			<u>145,160,836</u>	<u>-</u>
United States Department of Commerce:				
Direct:				
ARRA – Broadband Technology Opportunity Program (BTOP)	11.557	not applicable	114,647	-
United States Department of Justice:				
Direct:				
Public Safety Partnership and Community Policy Grants	16.710	not applicable	191,832	-
Indirect:				
Miami-Dade Board of County Commissioners:				
Edward Byrne Memorial Formula Grant Program	16.579	None	69,546	-
Total United States Department of Justice			<u>261,378</u>	<u>-</u>
United States Department of Transportation:				
Direct:				
Highway Training and Education	20.215	not applicable	62,469	-
National Endowment of the Arts:				
Direct:				
Promotion of the Arts – Grants to Organizations and Individuals	45.024	not applicable	38,997	-
National Science Foundation:				
Indirect:				
University of Miami:				
Education and Human Resources	47.076	None	50	-
United States Department of Education:				
Direct:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	not applicable	152,538	-
Federal Pell Grant Program	84.063	not applicable	5,748,559	-
Total Student Financial Assistance Cluster			<u>5,901,097</u>	<u>-</u>
Impact Aid	84.041	not applicable	9,479	-
Magnet Schools Assistance	84.165	not applicable	677,844	-
Fund for the Improvement of Education	84.215	not applicable	806,620	-
Arts in Education	84.351	not applicable	208,726	-
Voluntary Public School Choice	84.361	not applicable	284,911	-
School Leadership	84.363	not applicable	816,624	-
Teacher Incentive Fund	84.374	not applicable	6,322,045	-
ARRA – State Fiscal Stabilization Fund (SFSF) – Investing in Innovation (I3) Fund, Recovery Act	84.396	not applicable	737,702	-
Race to the Top – District Grants	84.416	not applicable	12,303,066	-
Total Direct			<u>28,068,114</u>	<u>-</u>

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards (Continued)
Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass - Through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
United States Department of Education (continued):				
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education – Grants to States	84.027	262, 263	80,069,525	-
Special Education – Preschool Grants	84.173	266, 267	1,504,178	-
University of South Florida:				
Special Education – Grants to States	84.027	None	1,738	-
Total Special Education Cluster			<u>81,575,441</u>	<u>-</u>
Florida Department of Education:				
Adult Education – Basic Grants to States	84.002	191, 193	7,783,875	-
Title I Grants to Educational Agencies	84.010	212, 223, 226	139,099,343	7,458,881
Migrant Education – State Grant Program	84.011	217	1,079,262	-
Career and Technical Education – Basic Grants to States	84.048	161	4,641,717	-
Education for Homeless Children and Youth	84.196	127	117,854	-
Charter Schools	84.282	298	2,528,880	2,501,037
Twenty-First Century Community Learning Centers	84.287	244	2,600,346	380,639
English Language Acquisition Grants	84.365	102	11,174,618	102,035
Improving Teacher Quality State Grants	84.367	224	20,615,231	-
School Improvement Grants	84.377	126	5,975,820	-
ARRA – State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act	84.395	RL1, RA2, RS1, RS6, RS9, RG3, RG4	34,631,654	875,810
Baptist Health of South Florida:				
Funds for the Improvement of Education	84.215	None	16,822	-
Florida International University:				
Improving Teacher Quality State Grants	84.367	None	152,933	-
Big Brothers Big Sisters of Greater Miami:				
Race-to-the-Top Incentive Grants, Recovery Act	84.395	None	93,621	-
Southern Regional Education Board:				
Race-to-the-Top Incentive Grants, Recovery Act	84.395	None	189,879	-
University of Florida:				
Race-to-the-Top Incentive Grants, Recovery Act	84.395	None	156,231	1,215
Total Indirect			<u>312,433,527</u>	<u>11,319,617</u>
Total United States Department of Education			<u>340,501,641</u>	<u>11,319,617</u>
United States Department of Health and Human Services:				
Direct:				
Affordable Care Act (ACA) Grants for School-Based Health Center Capital Expenditures	93.501	not applicable	1,610	-
PPHF 2012: Community Transformation Grants – Small Communities Program Financed Solely by 2012 Public Prevention and Health Cooperative Agreement to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important He	93.737	not applicable	1,238,524	-
Total Direct	93.938	not applicable	<u>290,578</u>	<u>-</u>
			<u>1,530,712</u>	<u>-</u>
Indirect:				
Florida Department of Children and Families:				
Refugee and Entrant Assistant – State Administered Programs	93.566	XK020, XK040	3,898,147	-
Miami Dade Board of County Commissioners:				
Head Start	93.600	None	14,047,200	-
University of South Florida:				
Children Health Insurance Program	93.767	6414-1072-00-H and 6414-1078-00-D	40,963	-
Total Indirect			<u>17,986,310</u>	<u>-</u>
Total United States Department of Health and Human Services			<u>19,517,022</u>	<u>-</u>
Corporation for National and Community Service				
Direct:				
Americorps VISTA Volunteers in Service to America	94.013	not applicable	1,128	-
United States Department of Homeland Security:				
Direct:				
Citizenship Education and Training	97.010	not applicable	87,269	-
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	12.Unknown	not applicable	1,792,906	-
Total Expenditures of Federal Awards			<u>\$ 507,538,343</u>	<u>\$ 11,319,617</u>

The School Board of Miami-Dade County, Florida

**Notes to Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2014**

Note 1. General and Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the expenditure activity of all federal awards of The School Board of Miami-Dade County, Florida (the School Board), for the year ended June 30, 2014. The School Board's reporting entity is defined in Note 1 of the School Board's basic financial statements. All federal awards received directly from federal and indirectly through state agencies, as well as amounts passed through other government agencies are included in the accompanying Schedule of Expenditures of Federal Awards. Because the Schedule presents only a selected portion of the expenditures of the School Board, it is not intended to and does not present the financial position, changes in net position or cash flows of the School Board.

Note 2. Basis of Accounting and Noncash Assistance – Food Donation

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The information in the Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and follows the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Commodities represent the amount of donated food received during the 2013-2014 fiscal year. Commodities are valued at fair value as determined at the time of donation.

The School Board of Miami-Dade County, Florida

**Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2014**

I – Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ X No	
Significant deficiency(ies) identified?	_____ Yes	_____ X None Reported	
Noncompliance material to financial statements noted?	_____ Yes	_____ X No	

Federal Awards

Internal control over major program:

Material weakness(es) identified?	_____ Yes	_____ X No	
Significant deficiency(ies) identified?	_____ Yes	_____ X None Reported	

Type of auditor's report issued on compliance for major programs: Unmodified

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

	_____ Yes	_____ X No	
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Identification of major programs:

CFDA Number(s)	Name of Federal Program:
10.553/10.555/10.556/10.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program
84.002	Adult Education - Basic Grants to States
84.367	Improving Teacher Quality State Grants
84.396	ARRA - State Fiscal Stabilization Fund (SFSF) - Investing in Innovation (I3) Fund, Recovery Act

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

Auditee qualified as low-risk auditee? _____ X Yes _____ No

(Continued)

The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended June 30, 2014

Section II – Financial Statements Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

The School Board of Miami-Dade County, Florida

**Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2014**

Section I – Federal Award Findings and Questioned Costs

None reported

Section II – Financial Statements Findings

Finding No.	Finding Title / Condition	Prior Explanation	Current Year Status
2013-01	The District's capital assets – specifically construction in progress (CIP) was materially adjusted in the government-wide statements to properly state the year-end CIP balance.	During the 2012 – 13 fiscal year, the District evaluated and revised processes and methodologies, as well as enhanced the system used to track and record capital expenditures specifically as it relates to construction. During this process, the District noted that capital assets specifically construction in progress was understated due to a misclassification in the recording of capital expenditure accruals in the government-wide statements. With the implementation of SAP and the availability of a period 13 to record accruals in the system, manual entries are no longer needed, avoiding a re-occurrence of this issue.	Corrected