MEMORANDUM

June 18, 2014
JFM 2013-2014/M084
JFM 305-995-1436

TO: The Honorable Chair and Members of The School Board of Miami-Dade County, Florida

Members of The School Board Audit and Budget Advisory Committee

Mr. Alberto M. Carvalho, Superintendent of Schools

FROM: José F. Montes de Oca, Chief Auditor
Office of Management and Compliance Audits

SUBJECT: STATE OF FLORIDA AUDITOR GENERAL AUDIT REPORT: THE MIAMI-DADE COUNTY DISTRICT SCHOOL BOARD – FINANCIAL AND FEDERAL SINGLE AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

The State of Florida Office of the Auditor General has published the above-captioned report, which is attached for your review. In a continued effort to manage and control cost, the District has leveraged the resources available to it by using the State of Florida Auditor General to perform the subject audit, at no cost, rather than retaining a private audit firm to perform these audits, thus saving the District $45,000.

We are happy to communicate that the report contains no audit findings or recommendations for the first time in recent history. The administration should be highly commended for such achievement.

This report completes the annual reporting cycle on the District's financial statements for the fiscal year ended June 30, 2013.

JFM:em
Attachment

cc: Mr. Walter J. Harvey
Ms. Iraida Mendez-Cartaya
Ms. Judith M. Marte
Ms. Connie Pou

REPORT NO. 2014-146
MARCH 2014

MIAMI-DADE COUNTY DISTRICT SCHOOL BOARD

Financial and Federal Single Audit

For the Fiscal Year Ended
June 30, 2013

STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

BOARD MEMBERS AND SUPERINTENDENT

Board members and the Superintendent who served during the 2012-13 fiscal year are listed below:

	District No.
Dr. Wilbert "Tee" Holloway	1
Dr. Dorothy Bendross-Mindingall	2
Dr. Martin S. Karp, Vice Chair from 11-20-12	3
Ms. Perla Tabares Hantman, Chair	4
Mr. Renier Diaz de la Portilla to 11-19-12	5
Ms. Susie V. Castillo from 11-20-12	5
Ms. Raquel A. Regalado	6
Mr. Carlos L. Curbelo	7
Dr. Martha Perez	8
Dr. Lawrence S. Feldman, Vice Chair to 11-19-12	9

Mr. Alberto M. Carvalho, Superintendent

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The audit team leader was Hector J. Quevedo, CPA, and the audit was supervised by Ramon A. Gonzalez, CPA. For the information technology portion of this audit, the audit team leader was Shawn McCormick, CPA, CISA, and the supervisor was Heidi G. Burns, CPA, CISA. Please address inquiries regarding this report to Gregory L. Centers, CPA, Audit Director, by e-mail at gregcenters@aud.state.fl.us or by telephone at (850) 412-2863.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

MIAMI-DADE COUNTY DISTRICT SCHOOL BOARD
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EXECUTIVE SUMMARY

Summary of Report on Financial Statements

Our audit disclosed that the District's basic financial statements were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

Summary of Report on Internal Control and Compliance

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, issued by the Comptroller General of the United States.

Summary of Report on Federal Awards

We audited the District's Federal awards for compliance with applicable Federal requirements. The ARRA – Broadband Technical Opportunity; Title I; Career and Technical Education; Charter Schools; English Language; Teacher Incentive Fund; School Improvement Grants; Race to the Top, Recovery Act; Race to the Top – District Grants; Refugee and Entrant Assistant; and Head Start programs were audited as major Federal programs. The results of our audit indicated that the District materially complied with the requirements that could have a direct and material effect on each of its major Federal programs.

Audit Objectives and Scope

Our audit objectives were to determine whether the Miami-Dade County District School Board and its officers with administrative and stewardship responsibilities for District operations had:

- **Presented the District's basic financial statements in accordance with generally accepted accounting principles;**
- **Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements or on a major Federal program;**
- **Established internal controls that promote and encourage: 1) compliance with applicable laws, rules, regulations, contracts, and grant agreements; 2) the economic and efficient operation of the District; 3) the reliability of records and reports; and 4) the safeguarding of District assets;**
- **Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements, and those applicable to the District's major Federal programs; and**
- **Taken corrective actions for findings included in previous financial audit reports.**

The scope of this audit included an examination of the District's basic financial statements and the Schedule of Expenditures of Federal Awards as of and for the fiscal year ended June 30, 2013. We obtained an understanding of the District's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements and Federal awards. We also examined various transactions to determine whether they were executed, both in manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

Audit Methodology

The methodology used to develop the findings in this report included the examination of pertinent District records in connection with the application of procedures required by auditing standards generally accepted in the United States of America; applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133.

AUDITOR GENERAL
STATE OF FLORIDA

G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

DAVID W. MARTIN, CPA
AUDITOR GENERAL

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Miami-Dade County District School Board, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, as described in note 1 to the financial statements, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors.

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the Miami-Dade County District School Board as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS, BUDGETARY COMPARISON SCHEDULE - GENERAL AND MAJOR SPECIAL REVENUE FUNDS, SCHEDULE OF FUNDING PROGRESS – EARLY RETIREMENT PENSION TRUST, SCHEDULE OF EMPLOYER CONTRIBUTIONS – EARLY RETIREMENT PENSION TRUST, SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS PLAN**, and **SCHEDULE OF EMPLOYER CONTRIBUTIONS – OTHER POSTEMPLOYMENT PLAN**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL** AWARDS is presented for purposes of additional analysis as required by the United States Office of Management and Budget (OMB) Circular A-133*, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** 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. Such information has been subjected to the auditing procedures applied in the audit of the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Miami-Dade County District School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT 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***. 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 District's internal control over financial reporting and compliance.

Respectfully submitted,

David W. Martin, CPA
Tallahassee, Florida
March 14, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of The School Board of Miami-Dade County, Florida (the District) is intended to provide an overview of the District's financial position and changes in financial position for the fiscal year ended June 30, 2013.

Since the focus of the Management's Discussion and Analysis (MD&A) is on the current year activities, resulting changes and currently known facts, it should be read in conjunction with the District's financial statements, including the accompanying notes. Additionally, as a required part of the MD&A, comparative information for the current year and the prior year is presented for financial analysis to enhance the understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

At June 30, 2013, the General Fund had a total fund balance of $84.4 million. This fund balance was comprised of $7.1 million of non-spendable funds, $1.5 million of restricted funds, $17.8 million of assigned funds and $58.0 million of unassigned funds.

General Fund fund balance decreased by $59.8 million or 41.5% from the previous year primarily due to a shortfall in property tax revenues and increases in costs.

Capital Projects funds ended the year with a fund balance of $68.8 million, a decrease of $66.2 million or 49% from the previous year primarily due to declining revenues as a result of a lower tax roll and debt capacity limitations.

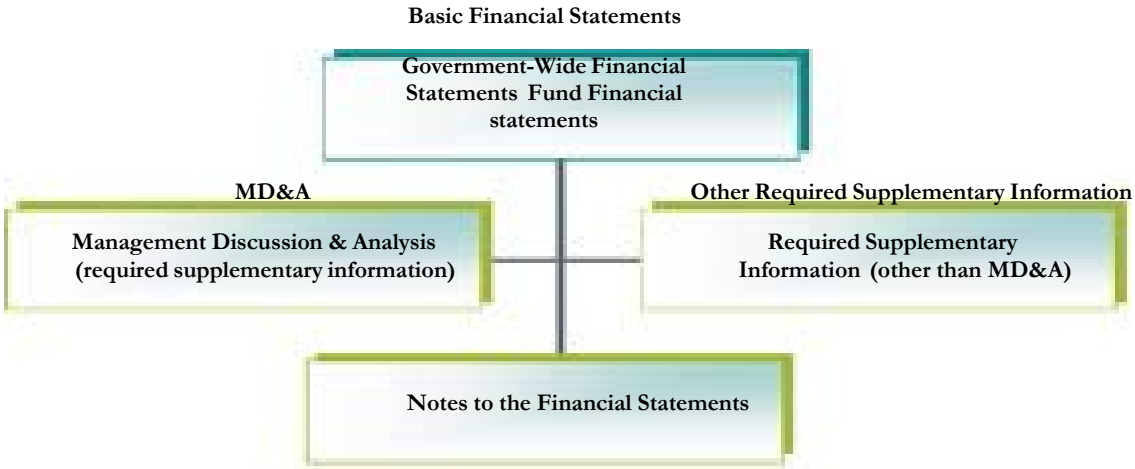
Debt Service funds ended the year with a fund balance of $77.6 million, a decrease of $2.1 million or 2.6% from the previous year primarily due to funds used to refund previously issued debt.

Special Revenue funds ended the year with a fund balance of $18.1 million, an increase of $804 thousand or 4.6% from the previous year primarily due to slight increases in revenue in the Food Service fund.

Both Moody's Investor Services and Standard & Poor's maintained the District's stable outlook and cited the District's notable gradual financial improvement with a strong management team and future ability to fund capital improvements with general obligation debt of $1.2 billion approved by the voters on November 6, 2012.

USING THIS REPORT

This comprehensive annual financial report is comprised of different sections. The following graphic is provided to facilitate the understanding of the format and its components:



OVERVIEW OF THE FINANCIAL STATEMENTS

The District's Annual Financial Report consists of a series of financial statements and accompanying notes, with the primary focus being on the District as a whole. The Statement of Net Position and the Statement of Activities are government-wide financial statements that provide both short-term and long-term information about the District's overall financial position. The fund financial statements report the District's operations in more detail by providing information as to how services are financed in the short-term, as well as the remaining available resources for future spending. Additionally, the fund financial statements focus on Major Funds rather than fund types. The proprietary fund statements offer short-term and long-term financial information about the activities of the District as it relates to the group health insurance program. The remaining statements, the Fiduciary Funds Statements, provide financial information for those activities in which the District acts solely as a trustee or agent for the benefit of others. The accompanying notes provide essential information that is not disclosed on the face of the financial statements. Consequently, the notes are an integral part of the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities - Most of the activities of the District are reported in these statements, including instruction, instructional support services, operations and maintenance, school administration, general administration, pupil transportation, and food service. Additionally, all state and federal grants, as well as capital and debt financing activities are reported in these statements.

The Statement of Net Position and the Statement of Activities present a view of the District's financial operations as a whole, reflect all financial transactions and provide information helpful in determining whether the District's financial position has improved or deteriorated as a result of the current year's activities. Both of these statements are prepared using the accrual basis of accounting similar to that used by most private-sector companies. The Statement of Net Position includes assets plus deferred outflows of resources, and liabilities, less deferred inflows of resources, both short and long term.

The Statement of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid. The two government-wide statements report the District's Net Position and the changes that resulted from the District's operations. The relationship between revenues and expenses indicates the District's operating results. Over time, increases and decreases in the District's Net Position are an indicator of whether the District's financial position is improving or deteriorating. However, as a governmental entity, the District's activities are not geared towards generating profits as are the activities of commercial entities. Other factors, such as the safety of schools and quality of education, must be considered in order to reasonably assess the District's overall performance, particularly because of the limited resources available.

Fund Financial Statements

The District's fund financial statements provide a detailed short-term view of the District's operations, focusing on its most significant or "major" funds. Certain funds are required by law while others are created by legal agreements, such as bond covenants. The District establishes other funds to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. The District has three kinds of funds - governmental funds, a proprietary fund and fiduciary funds.

Governmental Funds - The accounting for most of the District's basic services is included in the governmental funds. The measurement focus and basis of accounting continue to be reported using the modified accrual basis of accounting, which measures inflows and outflows of current financial resources and the remaining balances at year-end that are available for spending. Furthermore, under this basis of accounting, changes in net spendable assets

normally are recognized only to the extent that they are expected to have a near-term impact. Inflows of financial resources are recognized only if they are available to liquidate liabilities of the current period. Similarly, future outflows are typically recognized only if they represent a depletion of current financial resources. The District's major governmental funds are the General Fund, Other Federal Programs Fund, Federal Economic Stimulus Funds, American Recovery and Reinvestment Act (ARRA) Economic Stimulus Debt Service Fund, Capital Improvement-Local Optional Millage Levy (LOML) Funds, Certificates of Participation (COPs) Funds, and American Recovery and Reinvestment Act (ARRA) Economic Stimulus Capital Projects Funds. The differences in the amounts reported between the fund statements and the government-wide financial statements are explained in the reconciliations provided on Pages 26 and 30.

Proprietary Fund - The District maintains an Internal Service Fund as its only proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses the internal service fund to report the activities of the group health self-insurance program. Since these services predominantly benefit governmental rather than business-type functions, the internal service fund has been included within governmental activities in the government-wide financial statements. The District's proprietary fund activity is reported in the Statement of Net Position, the Statement of Revenues Expenses and Changes in Net Position, and the Statement of Cash Flows - Proprietary Funds on Pages 31 through 33.

Fiduciary Funds - The District is the trustee, or fiduciary, for resources held for the benefit of others, such as the student activities fund and the pension trust fund. The District's fiduciary activities are reported in the Statement of Fiduciary Net Position on Page 34 and the Statement of Changes in Fiduciary Net Position on Page 35. The resources accounted for in these funds are excluded from the government-wide financial statements because these funds are not available to finance the District's operations. Consequently, the District is responsible for ensuring that these resources are used only for their intended purposes.

Notes to the Financial Statements

The notes provide disclosures and additional information that are essential to a full understanding of the financial information presented in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information beginning on Page 90.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The following table provides a comparative analysis of the District's Net Position for the fiscal years ended June 30, 2013 and 2012.

CONDENSED STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2013 and 2012
($ in millions)

Categories	2012/13	2011/12	Difference Increase (Decrease)	% Increase (Decrease)
Current and Other Assets	$ 509.7	$ 697.2	$ (187.5)	-26.9%
Capital Assets	4,663.8	4,724.9	(61.1)	-1.3%
Total Assets	$ 5,173.5	$ 5,422.1	$ (248.6)	-4.6%
Deferred Outflows of Resources				
Accumulated decrease in fair value hedging derivatives	$ 28.9	$ 41.2	$ (12.3)	-29.9%
Current Liabilities	$ 399.7	$ 445.3	$ (45.6)	-10.2%
Long-Term Liabilities	3,407.3	3,529.5	(122.2)	-3.5%
Total Liabilities	3,807.0	3,974.8	(167.8)	-4.2%
Net Position:				
Net Investment in Capital Assets	$ 1,550.2	$ 1,626.4	$ (76.2)	-4.7%
Restricted	104.2	120.5	(16.3)	-13.5%
Unrestricted (deficit)	(259.0)	(258.4)	(0.6)	0.2%
Total Net Position	$ 1,395.4	$ 1,488.5	$ (93.1)	-6.3%

The District's total assets plus deferred outflows of resources were $5.2 billion and total liabilities were $3.8 billion as of June 30, 2013. Both assets and liabilities declined as result of the use of resources to reduce liabilities.

The District's net position totaled approximately $1.4 billion. Most of this amount represents the District's investment in capital assets (land, buildings, furniture, fixtures & equipment), net of depreciation, and less any outstanding debt used to construct or acquire those assets. Restricted net positions in the amount of $104.2 million are reported separately to show legal constraints, from debt covenants and grantor and legal restrictions. The $(259.0) million unrestricted deficit in net position reflects the shortfall the District would face in the event it would have to liquidate all of its noncapital liabilities, including insurance claims payable, compensated absences, and other post employment benefits, at June 30, 2013. A deficit in unrestricted net position should not be considered, solely, as evidence of economic financial difficulties.

The District is required to include all of its capital assets, net of accumulated depreciation, and of related debt, as well as all of its long term liabilities. Consequently, these long term considerations have a significant impact on the resulting Net Position.

Statement of Activities

The following table summarizes the changes in the District's Net Position from its activities for the fiscal years ended June 30, 2013 and 2012.

CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES
For the Fiscal Years Ended June 30, 2013 and 2012
($ in millions)

	2012/13	2011/12	Difference Increase (Decrease)	% Increase (Decrease)
Program Revenues:				
Charges for Services	$ 54.5	$ 60.7	$ (6.2)	-10.2%
Operating Grants and Contributions	132.5	121.7	10.8	8.9%
Capital Grants and Contributions	50.7	38.2	12.5	32.7%
Total Program Revenues	237.7	220.6	17.1	7.8%
General Revenues:				
Ad Valorem Taxes	1,525.0	1,537.6	(12.6)	-0.8%
Grants and Contributions Not Restricted to Specific Programs	1,495.7	1,415.4	80.3	5.7%
Investment Earnings	3.2	3.7	(0.5)	-13.5%
Miscellaneous	47.0	33.4	13.6	40.7%
Total General Revenues	3,070.9	2,990.1	80.8	2.7%
Total Revenues	**3,308.6**	**3,210.7**	**97.9**	**3.0%**
Expenses:				
Instructional Services	1,960.1	1,918.3	41.8	2.2%
Instructional Support Services	284.4	277.4	7.0	2.5%
Pupil Transportation	82.5	81.5	1.0	1.2%
Operations & Maintenance of Plant	342.7	344.3	(1.6)	-0.5%
Food Services	150.3	145.1	5.2	3.6%
School Administration	153.6	154.6	(1.0)	-0.6%
General Administration	13.8	11.3	2.5	22.1%
Business/Central Services	67.0	69.7	(2.7)	-3.9%
Facilities Acquisition and Construction	26.6	77.9	(51.3)	-65.9%
Administrative Technology Services	3.2	2.9	0.3	10.3%
Interest on Long-Term Debt	129.3	136.3	(7.0)	-5.1%
Community Services	31.0	30.3	0.7	2.3%
Unallocated Depreciation	157.2	155.6	1.6	1.0%
Total Expenses	**3,401.7**	**3,405.2**	**(3.5)**	**-0.1%**
Increase (Decrease) in Net Position	**(93.1)**	**(194.5)**	**101.4**	**-52.1%**
Net Position Beginning	**$ 1,488.5**	**$ 1,683.0**	**$ (194.5)**	**-11.6%**
Net Position Ending	**$ 1,395.4**	**$ 1,488.5**	**$ (93.1)**	**-6.3%**

General Revenues for Ad Valorem Taxes decreased by $12.6 million or 0.8% from the previous fiscal year as a result of decreases in property values. Grants & Contributions Not Restricted to Specific Programs increased by $80.3 million or 5.7% primarily attributed to increases in state revenues, as well as other federal and local grants.

Governmental Activities

The Statement of Activities reports gross expenses, offsetting program revenues and the resulting net expense (cost) by functions for the current year. The net cost of each of the District's functions represents the expenses that must be subsidized by general revenues, including tax dollars. As reflected in the Statement of Activities, total expenses for governmental activities totaled $3,244.5 million, excluding unallocated depreciation expense, of which $237.7 million were financed by charges for services and other program revenues. The resulting net costs of $3,006.8 million, excluding unallocated depreciation expense, were financed primarily by Florida Education Finance Program (FEFP) dollars and property taxes.

The table below, presents a comparative analysis of the cost and the net cost of each of the District's functions: School Level Services include Instruction, Student Services (counselors, psychologists, and visiting teachers), Transportation, Custodial and Maintenance (including utilities), School Administration and Community Services; Instructional Support Services include Curriculum Development and Staff Training; Business/Central Services include Accounting, Budget, Payroll, Accounts Payable, Cash and Debt Management, Purchasing, Personnel, Data Processing, Risk Management, and Warehousing; General Administration; and Facilities Acquisition & Construction.

NET COST OF GOVERNMENTAL ACTIVITIES
For Fiscal Years Ended June 30, 2013 and 2012
($ in millions)

	2012/13	2011/12	Difference Increase (Decrease)	% Increase (Decrease)
Total Cost of Services				
School Level Services	$ 2,720.2	$ 2,674.1	$ 46.1	1.7%
Instructional Support Services	284.4	277.4	7.0	2.5%
Business/Central Services	199.5	208.9	(9.4)	-4.5%
General Administration	13.8	11.3	2.5	22.1%
Facilities Acquisition & Construction	26.6	77.9	(51.3)	-65.9%
Total Cost of Services *	**$ 3,244.5**	**$ 3,249.6**	**$ (5.1)**	**-0.2%**
Net Cost of Services				
School Level Services	$ 2,518.8	$ 2,477.2	$ 41.6	1.7%
Instructional Support Services	284.4	277.4	7.0	2.5%
Business/Central Services	185.9	195.3	(9.4)	-4.8%
General Administration	13.8	11.3	2.5	22.1%
Facilities Acquisition & Construction	3.9	67.8	(63.9)	-94.2%
Net Cost of Services *	**$ 3,006.8**	**$ 3,029.0**	**$ (22.2)**	**-0.7%**

* Excluding unallocated depreciation expense

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Financial information is presented separately in the Balance Sheet, and in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the District's major funds: General Fund, Other Federal Programs Fund, Federal Economic Stimulus Funds, ARRA Economic Stimulus Debt Service Fund, Capital Improvement-Local Optional Millage Levy (LOML) Funds, Certificates of Participation (COPs) Funds, and ARRA Economic Stimulus Capital Projects Funds. Financial information for the non-major governmental funds is aggregated and presented in a single column.

GENERAL FUND

The General Fund is the primary operating fund for the District. Presented below is an overall analysis of the General Fund as compared to the prior year.

CHANGES IN GENERAL FUND ACTIVITY
For Fiscal Years Ended June 30, 2013 and 2012
($ in thousands)

Categories	2012/13	2011/12	Difference Increase (Decrease)	% Increase (Decrease)
Revenues	$ 2,396,992	$ 2,343,309	$ 53,683	2.3%
Other Financing Sources	150,828	164,518	(13,690)	-8.3%
Beginning Fund Balance	144,143	221,712	(77,569)	-35.0%
Total	**$ 2,691,963**	**$ 2,729,539**	**$ (37,576)**	**-1.4%**
Expenditures	$ 2,606,809	$ 2,573,396	$ 33,413	1.3%
Other Financing Uses	804	12,000	(11,196)	-93.3%
Ending Fund balance	84,350	144,143	(59,793)	-41.5%
Total	**$ 2,691,963**	**$ 2,729,539**	**$ (37,576)**	**-1.4%**

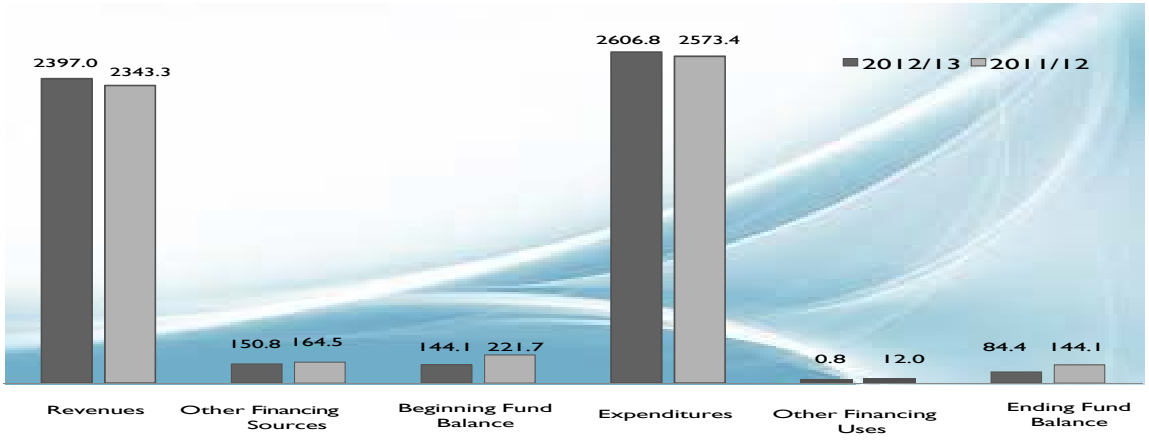
The General Fund is the chief operating fund of the District. Revenues increased by $53.7 million or 2.3% from the previous year. The increase is primarily due to a slight increase in the FEFP Base Student Allocation (BSA) and other State Categoricals.

Expenditures increased by $33.4 million or 1.3% from the previous year. The increase in expenditures can be attributed to the increases in health insurance costs and increased payments to the growing number of charter schools.

Ending Fund Balance decreased by $59.8 million or 41.5% primarily due to a shortfall in the collection of property tax revenues and increased costs.

CHANGES IN GENERAL FUND ACTIVITY

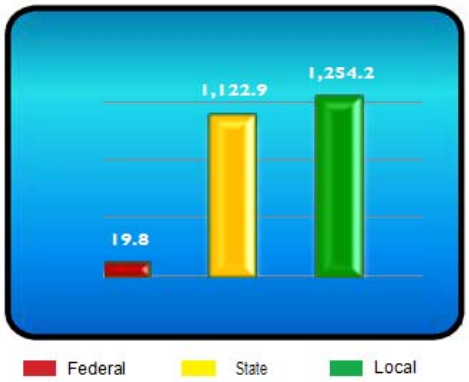
For Fiscal Years 2012/13 and 2011/12
($ in millions)



GENERAL FUND (CONTINUED)

Revenues By Source

Revenues - Overall revenues increased by $53.7 million or 2.3% as follows:



REVENUE BY SOURCE
For Fiscal Years Ended 2012/13 and 2011/12
($ in thousands)

Sources	2012/13	2011/12	Difference Increase (Decrease)	% Increase (Decrease)
Federal	$ 19,815	$ 19,121	$ 694	3.6%
State	1,122,937	1,063,385	59,552	5.6%
Local	1,254,240	1,260,803	(6,563)	-0.5%
Total	**$ 2,396,992**	**$ 2,343,309**	**$ 53,683**	**2.3%**

Federal sources increased slightly by $.7 million or 3.6% from the prior year. This increase was primarily due to an increase in Medicaid reimbursement.

State sources increased by $59.6 million or 5.6% from the prior year. This increase was primarily due to increases in FEFP funding and other State Categoricals.

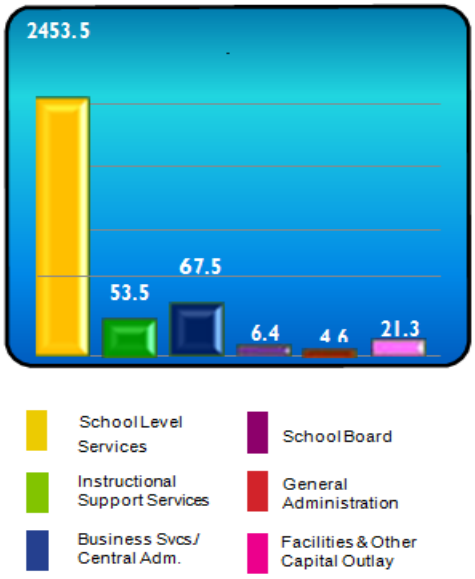
Local sources decreased by $6.6 million or 0.5% from the prior year. This decrease was primarily due to a reduction in property taxes due to a lower tax roll resulting from the real estate market decline together with reductions in investment interest revenue. These declines were partially offset by increases in other local revenues.

Expenditures By Function

Expenditures - Overall expenditures increased by $33.4 million, or 1.3% as follows:

EXPENDITURES BY FUNCTION
For Fiscal Years Ended 2012/13 and 2011/12
($ in thousands)

Functions	2012/13	2011/12	Difference Increase (Decrease)	% Increase (Decrease)
School- Level Service	$ 2,453,509	$ 2,428,682	$ 24,827	1.0%
Instructional Support Services	53,502	50,437	3,065	6.1%
Business Services/ Central Adm.	67,534	71,175	(3,641)	-5.1%
School Board	6,362	6,210	152	2.4%
General Administration	4,570	5,007	(437)	-8.7%
Facilities & Other Capital Outlay	21,332	11,885	9,447	79.5%
Total	**$ 2,606,809**	**$ 2,573,396**	**$ 33,413**	**1.3%**



Salaries and fringe benefits represent the most significant expenditures of the District, specifically as they relate to school-level expenditures. During the 2012-13 fiscal year, the administration continued its efforts to meet the financial challenges of revenue losses and increased costs by creating efficiencies that reduced administration costs, and continued the moratorium on the purchases of items deemed non-essential.

OTHER FEDERAL PROGRAMS FUND

While the primary sources of revenue for this fund are Federal grants, some State and local grants are included. Grants included in this fund, both entitlement and competitive, have restrictions on how the grant proceeds may be used. These restrictions are established by the grantor agencies or organizations. As a result, in compliance with generally accepted accounting principles, revenues in this fund are recognized only to the extent that eligible expenditures have been incurred. Therefore, no fund balance is recognized.

FEDERAL ECONOMIC STIMULUS FUNDS

For the fiscal year ended June 30, 2013, the District received $45.1 million in Federal Economic Stimulus Funds. Of this amount $30.1 million was in Race-to-the-Top (RTTT) grants. RTTT is a program designed to spur reforms in state and local district K-12 education.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) ECONOMIC STIMULUS DEBT SERVICE FUND

The American Recovery and Reinvestment Act (ARRA) Economic Stimulus Debt Service Fund was established for Debt Services for ARRA Qualified School Construction Bonds and Build America Bonds.

CAPITAL IMPROVEMENT-LOCAL OPTIONAL MILLAGE LEVY (LOML) FUNDS

Capital Improvement - Local Optional Millage Levy (LOML) Funds constitute the primary source of revenue in the Capital Budget. The Florida Legislature decreased the maximum allowable millage to be used for capital purposes from 1.75 mills to 1.50 mills in the 2009-10 fiscal year, with the flexibility of shifting 0.25 mills from the operating budget. For the 2012-13 fiscal year, the District availed itself of 0.061 of the 0.25 mills flexibility provided by law. Total fund balance of $34.5 million represents a reduction of $22.1 million or 39.0% from the previous year related to the reduction in property tax revenues. The total $34.5 million fund balance is restricted for capital projects.

CERTIFICATES OF PARTICIPATION (COPS) FUNDS

Certificates of participation (COPs) are a funding mechanism that provides funds for the construction of new facilities or for the purchase of motor vehicles and furniture, fixtures, and equipment. Ending fund balances in the 2012-13 fiscal year totaled 15.8 million compared to 30.9 million in the previous fiscal year, representing a reduction of $15.1 million or 48.9%, primarily due to a significant reduction in the construction program, resulting from decreased revenues and debt limitations. Total fund balance is restricted for capital projects according to legal restrictions imposed by the COPs Master Lease Agreement and Trust Indenture.

BUDGETARY HIGHLIGHTS

Most District operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature. The purpose is to substantially equalize educational funding among the sixty-seven school districts in Florida, irrespective of differences in wealth among the districts.

Each school district retains its local property taxes, which are reported as local revenues. However, the required local effort portion is deducted from the district revenue generated by the State FEFP formulas. The resulting net revenue is reported as state revenue.

Total General Fund revenues and other financing sources during the 2012-13 fiscal year were $81.1 million less than the originally adopted budget as follows:

Federal funds were $3 million higher than anticipated, due primarily to an increase in the Medicaid reimbursements of $3.5 million, and small decreases in Impact Aid, R.O.T.C., and Community Schools.

State funds were $40.7 million less than the originally adopted budget primarily due to the elimination of McKay Scholarships of $35.2 million, a decrease in the FEFP funds received due to changes in enrollment of $6.5 million, and miscellaneous small adjustments totaling an increase of $1 million.

Local revenues were $64.4 million lower than the originally adopted budget. The decrease in local revenues from the originally adopted budget is primarily due to reductions in net property taxes $71.3 million, and increases in Community School Programs of $1 million, and in other accounts by $5.9 million.

Other Financing Services increased by $21 million, primarily due to the increase in transfers from other funds.

Ending fund balance as of June 30, 2013, was $84.4 million comprised of nonspendable fund balances totaling $7.1 million, representing inventories and prepaid items, restricted fund balance totaling $1.5 million in state categorical programs, assigned fund balance of $17.8 million, which included rebudgets and outstanding purchase orders, and unassigned fund balance totaling $58 million.

In the fiscal year 2012-13 tentative budget, the District made budgetary reductions to manage increases in costs that exceed $64.0 million. In the future the District will continue to review the budget, focusing on maintaining essential educational services as we anticipate continuing revenue shortfalls and cost increases.

CAPITAL ASSETS AND DEBT ADMINISTRATION

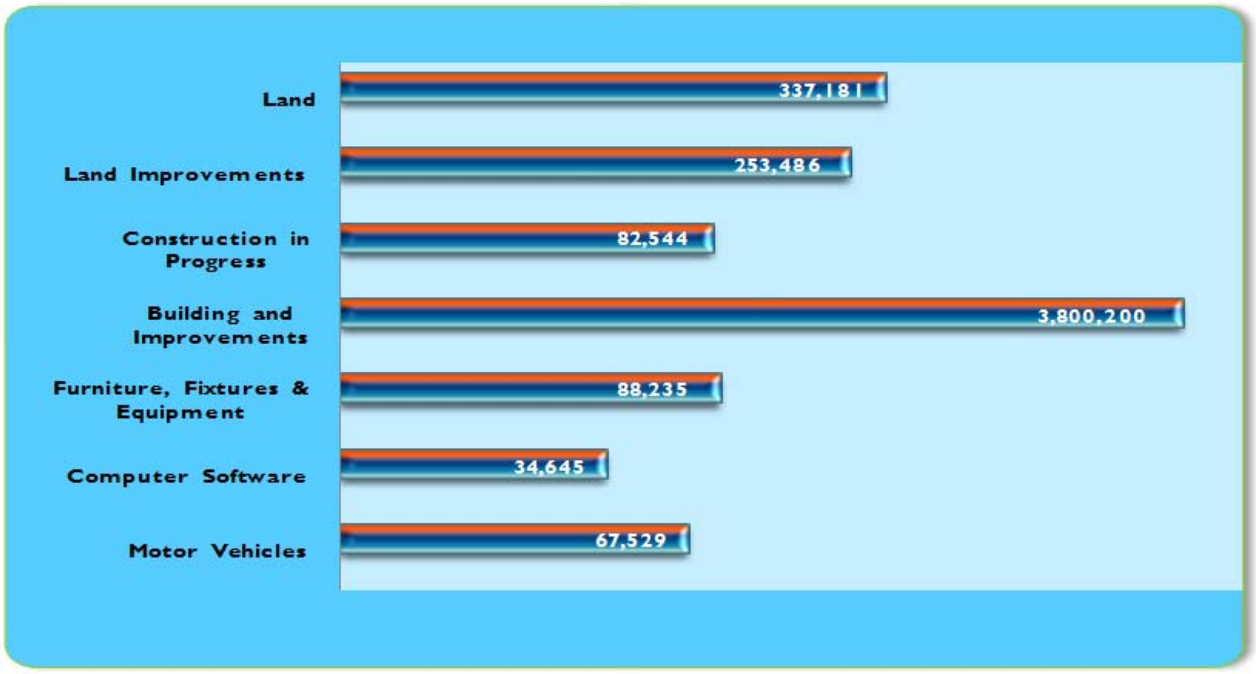
Capital Assets - At June 30, 2013, the District had $4.7 billion invested in different categories of capital assets, net of accumulated depreciation, as shown in the table below.

CAPITAL ASSETS
At June 30, 2013 and 2012
($ in thousands)

Categories	2012/13	2011/12	Difference Increase (Decrease)	% Increase (Decrease)
Land	$ 337,181	$ 336,502	$ 679	0.2%
Land Improvements	253,486	239,922	13,564	5.7%
Construction in Progress	82,544	61,939	20,605	33.3%
Building and Improvements	3,800,200	3,889,545	(89,345)	-2.3%
Furniture, Fixtures & Equipment	88,235	86,377	1,858	2.2%
Computer Software	34,645	51,317	(16,672)	-32.5%
Motor Vehicles	67,529	59,326	8,203	13.8%
Total	**$ 4,663,820**	**$ 4,724,928**	**$ (61,108)**	**-1.3%**

Detailed information reflecting the District's capital asset balances and activity for the fiscal year ended June 30, 2013, is provided in Note 4 to the Financial Statements.

CAPITAL ASSETS
At June 30, 2013
($ in thousands)



CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration - The following table represents the changes in the District's outstanding long-term liabilities at fiscal year end.

LONG TERM LIABILITIES
At June 30, 2013 and 2012
($ in thousands)

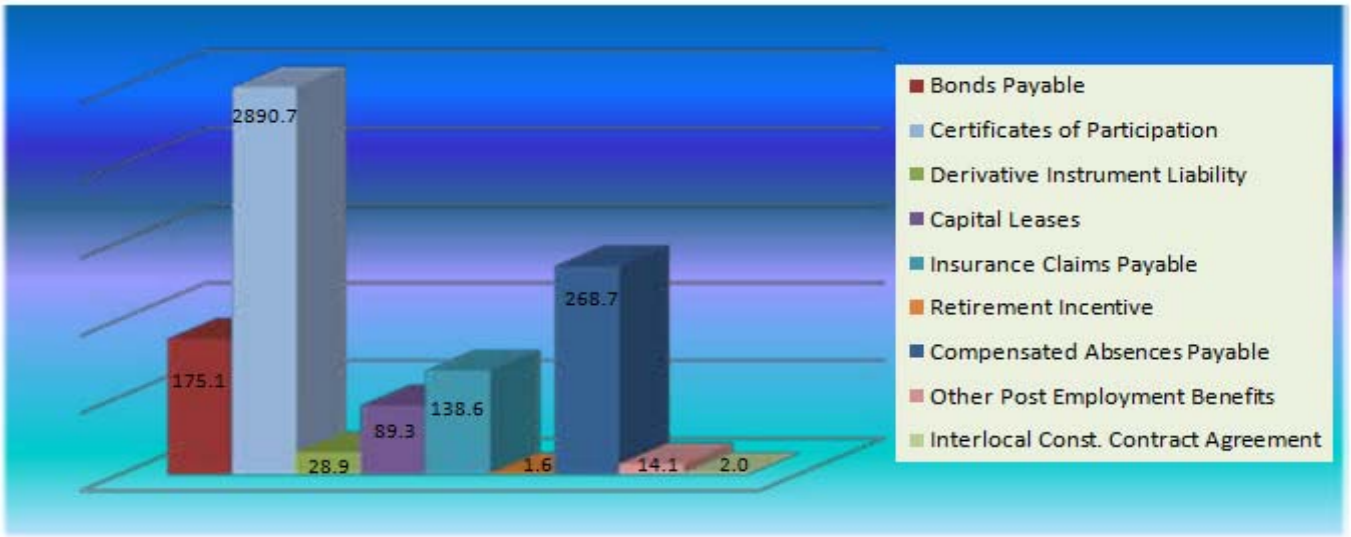
Categories	2012/13	2011/12	Difference Increase (Decrease)	% Increase (Decrease)
Bonds Payable	$ 175,096	$ 226,235	$ (51,139)	-22.6%
Certificates of Participation Payable by the Foundation	2,890,701	2,947,672	(56,971)	-1.9%
Derivative Instrument Liabilities	28,863	41,182	(12,319)	-29.9%
Capital Leases	89,332	120,096	(30,764)	-25.6%
Insurance Claims Payable	138,635	129,776	8,859	6.8%
Retirement Incentive Benefits	1,552	2,428	(876)	-36.1%
Compensated Absences Payable	268,688	258,536	10,152	3.9%
Other Post Employment Benefits	14,099	17,853	(3,754)	-21.0%
Interlocal Construction Contract Agreement	2,000	400	1,600	400.0%
Total	**$ 3,608,966**	**$ 3,744,178**	**$ (135,212)**	**-3.6%**

Overall liabilities decreased by $135.2 million or 3.6% from the prior year. The most significant reductions are reflected in Bonds Payable of $51.1 million, Certificates of Participation of $57.0 million, and Capital Leases of $30.8 million. These reductions are primarily due to repayment of existing debt.

Detailed information relating to changes in long-term liabilities for the fiscal year ended June 30, 2013, is provided in Notes 8 through 14 to the Financial Statements.

LONG TERM LIABILITIES

At June 30, 2013 and 2012
($ in millions)



ECONOMIC FACTORS

The State of Florida, by Constitution, does not have a State personal income tax, and therefore, the State operates primarily using sales, gasoline and corporate income taxes. Despite a slow economic recovery and continued funding challenges, the District, through prudent fiscal management, maintains a healthy financial position to provide the quality education deserved by every child.

CONTACTING MANAGEMENT

The District's financial statements are designed to present citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Additional information can be requested at:

The School Board of Mimai-Dade County School Board
Administration Building Office of the Controller
1450 N.E. 2nd Avenue Room 664
Miami, Florida 33132

Or visit our website at:

http://www.dadeschools.net

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BASIC FINANCIAL STATEMENTS

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2013
(amounts expressed in thousands)

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
Current assets:		
Cash and cash equivalents	$ 70,928	$ 70,140
Cash and investments	149,436	-
Cash and investments with fiscal agents	1,463	-
Restricted cash and investments	2,554	-
Total cash, cash equivalents, and investments	224,381	70,140
Taxes receivable, net	74,952	-
Accounts and interest receivable	2,132	1,718
Due from other agencies	80,306	19,775
Inventories	9,282	-
Prepaid and other current assets	23,781	5,943
Total current assets	414,834	97,576
Non-current assets:		
Restricted cash and investments	70,340	-
Deferred debt issuance costs	24,590	-
Capital assets:		
Non-depreciable capital assets	673,211	8,419
Depreciable capital assets	6,050,810	127,418
Less accumulated depreciation	(2,060,201)	(49,700)
Total capital assets, net	4,663,820	86,137
Total non-current assets	4,758,750	86,137
Total assets	5,173,584	183,713
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in fair value of hedging derivatives	28,863	104
Total deferred outflows of resources	$ 28,863	$ 104

The accompanying notes to financial statements are an integral part of this statement.

	Primary Government Governmental Activities	Component Units
LIABILITIES		
Current liabilities:		
Accounts and contracts payable and accrued expenses	$ 34,799	$ 5,731
Accrued payroll payable	116,889	10,762
Due to other agencies	8,235	4,485
Unearned revenues	504	327
Retainage payable on contracts	5,881	-
Accrued interest payable	31,762	
Current portion of long-term liabilities	201,617	3,997
Total current liabilities	399,687	25,302
Non-current liabilities:		
Non-current portion of long-term liabilities	3,407,349	49,264
Total non-current liabilities	3,407,349	49,264
Total liabilities	3,807,036	74,566
DEFERRED INFLOWS OF RESOURCES		
Deferred Revenue		164
Total deferred inflows of resources	$ -	$ 164
NET POSITION		
Net investment in capital assets	1,550,257	37,503
Restricted for:		
State required carryover programs	1,522	-
Food service	17,523	-
Debt service	44,570	-
Capital projects	38,448	1,871
Other purposes	2,130	1,652
Unrestricted (deficit)	(259,039)	68,061
Total net position	$ 1,395,411	$ 109,087

The accompanying notes to financial statements are an integral part of this statement.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(amounts expressed in thousands)

		Program Revenues		
	Expenses	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental Activities:				
Instructional services	$ 1,960,112	$ 32,219	$ -	$ -
Instructional support services	284,372	-	-	-
Pupil transportation services	82,507	715	-	-
Operation and maintenance of plant	342,735	-	-	14,394
School administration	153,552	-	-	-
General administration	13,806	-	-	-
Business/central services	66,956	-	-	-
Administrative technology services	3,223	-	-	-
Food services	150,301	21,546	132,541	-
Community services	30,982	-	-	-
Facilities acquisition and construction	26,584	-	-	22,708
Interest on long-term debt	129,252	-	-	13,591
Unallocated depreciation/amortization	157,235	-	-	-
Total governmental activities	$ 3,401,617	$ 54,480	$ 132,541	$ 50,693
Component Units				
Charter Schools	$ 303,102	$ 16,395	$ 22,712	$ 15,691

General Revenues:
Taxes:
Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Debt Service
Property Taxes, Levied for Capital Projects
Grants and Contributions Not Restricted to Specific Programs
Investment Earnings
Miscellaneous
Total General Revenues

Change in Net Position
Net Position - Beginning of Year(**)
Net Position - End of Year

(*) This amount excludes depreciation/amortization that is included in the direct expenses of the various functions.
(**) The component units' net position beginning of year balance reflects audit adjustments and/or the inclusion (exclusion) of certain charter schools acquired (closed) during the 2012-13 fiscal year.

The accompanying notes to financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position	
Primary Government	
Governmental Activities	Component Units
$ (1,927,893)	$ -
(284,372)	-
(81,792)	-
(328,341)	-
(153,552)	-
(13,806)	-
(66,956)	-
(3,223)	-
3,786	-
(30,982)	-
(3,876)	-
(115,661)	-
(157,235)	-
(3,163,903)	-
-	$ (248,304)
1,184,421	-
44,454	-
296,122	-
1,495,657	257,733
3,228	582
46,986	1,931
3,070,868	260,246
(93,035)	11,942
1,488,446	97,145
$ 1,395,411	$ 109,087

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013
(amounts expressed in thousands)

	General Fund	Other Federal Programs Fund	Federal Economic Stimulus Funds
ASSETS			
Cash and cash equivalents	$ 70,722	$ 121	$ -
Equity in pooled cash and investments	45,595	149	313
Cash and investments with fiscal agents	-	-	-
Total cash, cash equivalents, and investments	116,317	270	313
Taxes receivable, net	53,738	-	-
Accounts and interest receivable	1,774	-	-
Due from other agencies	20,772	29,065	6,147
Due from other funds	38,090	-	-
Inventories	6,173	-	-
Prepaid and other assets	1,568	-	-
Total assets	$ 238,432	$ 29,335	$ 6,460
LIABILITIES			
Accounts and contracts payable and accrued expenditures	$ 17,268	$ 2,848	$ 4,199
Accrued payroll and compensated absences	119,681	1,528	477
Due to other funds	-	22,878	1,608
Due to other agencies	2,500	1,957	-
Deferred/unearned revenues	12,159	120	-
Accrued interest payable	-	-	-
Estimated liability for insurance risks and pending claims	2,465	-	-
Retainage payable on contracts	9	4	176
Total liabilities	154,082	29,335	6,460
FUND BALANCES			
Nonspendable	7,138	-	-
Restricted	1,522	-	-
Assigned	17,733	-	-
Unassigned	57,957	-	-
Total fund balances	84,350	-	-
Total liabilities and fund balances	$ 238,432	$ 29,335	$ 6,460

The accompanying notes to financial statements are an integral part of this statement.

ARRA Economic Stimulus Debt Service Fund	Capital Improvement LOML Funds	Certificates of Participation Funds	ARRA Economic Stimulus Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 85	$ 70,928
21	8,469	22,750	-	104,079	181,376
-	-	-	-	1,463	1,463
21	8,469	22,750	-	105,627	253,767
-	18,459	-	-	2,755	74,952
-	31	4	-	55	1,864
-	-	-	-	24,322	80,306
-	-	-	-	-	38,090
-	-	-	-	3,109	9,282
-	22,213	-	-	-	23,781
$ 21	$ 49,172	$ 22,754	$ -	$ 135,868	$ 482,042
$ 21	$ 2,729	$ 2,543	$ -	$ 5,073	$ 34,681
-	-	-	-	262	121,948
-	-	2,902	-	10,702	38,090
-	-	-	-	3,778	8,235
-	8,292	-	-	1,237	21,808
-	-	-	-	29	29
-	-	-	-	-	2,465
-	3,655	1,508	-	529	5,881
21	14,676	6,953	-	21,610	233,137
-	22,213	-	-	3,109	32,460
-	12,283	15,801	-	109,754	139,360
-	-	-	-	1,395	19,128
-	-	-	-	-	57,957
-	34,496	15,801	-	114,258	248,905
$ 21	$ 49,172	$ 22,754	$ -	$ 135,868	$ 482,042

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013
(amounts expressed in thousands)

Total Fund Balances – Governmental Funds		**$ 248,905**
Amounts reported for governmental activities in the statement of net position are different as a result of:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
Capital assets	$ 6,724,021	
Accumulated depreciation	(2,060,201)	4,663,820
Property taxes receivable not collected within 60 days of fiscal year-end are not available soon enough to pay for the current period's expenditures, and therefore, are not recorded as revenue in the governmental funds.		21,379
An internal service fund is used by the District to charge the costs of health premiums to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Assets	$ 41,222	
Liabilities	(37,815)	
Net Position		3,407
Deferred charges for issuance costs are not financial resources and therefore are not reported as assets in the governmental funds.		24,590
Deferred outflows of resources resulting from the decreases in fair value of hedging derivative instruments are reported only on the statement of net position.		28,863
Current liabilities which are accrued as a liability in the government-wide statements but are not recognized in the governmental funds until due:		
Benefits payable	$ (1,683)	
Accrued Interest payable	(31,733)	(33,416)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at fiscal year-end consist of the following:		
Bonds payable	$ (175,096)	
Certificates of participation payable	(2,890,701)	
Derivative instruments liability	(28,863)	
Capital leases payable	(89,332)	
Self-insurance estimated claims payable	(98,547)	
Retirement incentive benefits	(1,350)	
Compensated absences	(262,149)	
Other postemployment benefits	(14,099)	
Interlocal Construction Contract Agreement	(2,000)	(3,562,137)
Net Position – Governmental Activities		**$ 1,395,411**

The accompanying notes to financial statements are an integral part of this statement.

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MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
GOVERNMENTAL FUNDS
(amounts expressed in thousands)

	General Fund	Other Federal Programs Fund	Federal Economic Stimulus Funds
Revenues:			
Local sources:			
Ad valorem taxes	$ 1,184,737	$ -	$ -
Food service sales	-	-	-
Interest income	925	-	-
Net increase (decrease) in fair value of investments	(41)	-	-
Local grants and other	68,619	4,593	-
Total local sources	1,254,240	4,593	-
State sources:			
Florida education finance program	610,377	-	-
Food services	-	-	-
State grants and other	512,560	-	-
Total state sources	1,122,937	-	-
Federal sources:			
Federal grants and other	19,815	307,848	45,120
Food services	-	-	-
Total federal sources	19,815	307,848	45,120
Total revenues	2,396,992	312,441	45,120
Expenditures:			
Current:			
Instructional services			
Basic programs	1,350,465	123,426	26,006
Exceptional child programs	295,140	47,770	-
Adult and vocational-technical programs	80,994	13,108	85
Total instructional services	1,726,599	184,304	26,091
Instructional support services	174,977	90,213	12,401
Pupil transportation services	75,233	5,823	40
Operation and maintenance of plant	340,439	428	-
School administration	152,392	56	409
General administration	77,188	10,643	1,729
Food services	-	-	-
Community services	28,603	992	1,188
Capital outlay	30,427	19,982	3,262
Debt service:			
Principal retirement	485	-	-
Interest and fiscal charges	466	-	-
Total expenditures	2,606,809	312,441	45,120
Excess (deficiency) of revenues over (under) expenditures	(209,817)	-	-
Other financing sources (uses):			
Transfers in	149,930	-	-
Transfers out	(804)	-	-
Issuance of debt for refunding	-	-	-
Premium on refunding of debt	-	-	-
Payments to refunded debt escrow agent	-	-	-
Proceeds from sale of capital assets	423	-	-
Proceeds from loans/leases/construction agreements	475	-	-
Total other financing sources (uses)	150,024	-	-
Net change in fund balances	(59,793)	-	-
Fund balances - beginning of year	144,143	-	-
Fund balances - end of year	$ 84,350	$ -	$ -

The accompanying notes to financial statements are an integral part of this statement.

ARRA Economic Stimulus Debt Service Fund	Capital Improvement LOML Funds	Certificates of Participation Funds	ARRA Economic Stimulus Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 291,812	$ -	$ -	$ 43,557	$ 1,520,106
-	-	-	-	21,545	21,545
-	172	51	21	2,121	3,290
-	(20)	1	13	(15)	(62)
-	-	-	-	26,660	99,872
-	291,964	52	34	93,868	1,644,751
-	-	-	-	-	610,377
-	-	-	-	2,146	2,146
-	-	-	-	29,621	542,181
-	-	-	-	31,767	1,154,704
-	-	-	-	2,159	374,942
-	-	-	-	128,325	128,325
-	-	-	-	130,484	503,267
-	291,964	52	34	256,119	3,302,722
-	-	-	-	-	1,499,897
-	-	-	-	-	342,910
-	-	-	-	-	94,187
-	-	-	-	-	1,936,994
-	-	-	-	-	277,591
-	-	-	-	-	81,096
-	-	-	-	62	340,929
-	-	-	-	-	152,857
-	-	-	-	-	89,560
-	-	-	-	151,711	151,711
-	-	-	-	46	30,829
-	38,944	15,074	23,291	17,664	148,644
					-
-	-	-	-	132,632	133,117
2,299	79	-	-	100,436	103,280
2,299	39,023	15,074	23,291	402,551	3,446,608
(2,299)	252,941	(15,022)	(23,257)	(146,432)	(143,886)
2,299	-	-	-	169,603	321,832
-	(275,008)	(81)	(846)	(33,093)	(309,832)
-	-	-	-	255,175	255,175
-	-	-	-	19,772	19,772
-	-	-	-	(272,796)	(272,796)
-	-	-	-	-	423
-	-	-	-	1,600	2,075
2,299	(275,008)	(81)	(846)	140,261	16,649
-	(22,067)	(15,103)	(24,103)	(6,171)	(127,237)
-	56,563	30,904	24,103	120,429	376,142
$ -	$ 34,496	$ 15,801	$ -	$ 114,258	$ 248,905

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(amounts expressed in thousands)

Net Change in Fund Balances - Governmental Funds		**$ (127,237)**
Amounts reported for governmental activities in the Statement of Activities are different as a result of:		
Property taxes not collected within 60 days of fiscal year-end are not considered available and therefore are not recorded as revenues in the fund level statements. However, for the government-wide statements property tax revenues are recorded when there is an enforceable lien. Additionally, the governmental funds reflect revenues that correspond to the prior year.		
Prior year revenues recorded this year at the fund level	$ (16,488)	
Revenues not recorded this year in the fund level statements are recorded as revenue in the government-wide statements	21,379	4,891
An internal service fund is used by the District to charge the costs of health premiums to individual funds. The decrease in net position of the internal service fund is reported with governmental activities.		(358)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, recoveries and donations) is to increase net position.		64,279
Capital outlay disbursements to purchase or build capital assets are reported as expenditures in the governmental funds. In the Statement of Net Position, these costs are capitalized and depreciated over their estimated useful lives. In the Statement of Activities the depreciation is reflected as an expense for the period.		
Capital outlay expenditures for the fiscal year	$ 73,699	
Depreciation expense for the fiscal year	(199,085)	(125,386)
Proceeds from issuance of debt instruments are recorded as other financing sources in the governmental funds, however, in the government-wide statements they are recorded as additions to long-term liabilities. Proceeds from debt instruments were as follows:		
Proceeds from refunding of Certificates of Participation	$ (255,175)	
Premium on refunding of Certificates of Participation	(19,772)	
Proceeds from Construction Agreements	(1,600)	
Proceeds from Loans/Leases	(475)	(277,022)
The governmental funds only include those liabilities that will be paid with current financial resources. Expenses recorded in the Statement of Activities exceed the amount recorded in the governmental funds due to the different measurement focus used.		
Decrease in other post-employment benefits liability	$ 3,754	
Amount of compensated absences earned in excess of the amount paid	(8,861)	
Decrease in accrued salaries and benefits	14	
Increase in insurance claims payable	(7,048)	(12,141)
Repayment of debt principal is reflected as an expenditure in the governmental funds, however, in the Statement of Net Position it is reflected as a reduction of liabilities and does not affect the Statement of Activities.		
Repayment of debt principal for Certificates of Participation	$ 52,538	
Repayment of debt principal for General Obligation Bonds	38,515	
Repayment of debt principal for Capital Leases	31,239	
Repayment of debt principal for State Board of Education Bonds	10,825	133,117
Repayment to refund debt is reflected as an other financing use in the governmental funds, however, in the Statement of Net Position it is reflected as a reduction of liabilities and does not affect the Statement of Activities.		272,796
Issuance costs related to the issuance of debt are reported as expenditures in the governmental funds; however, these costs are capitalized and amortized over the life of the related debt issuance. In the Statement of Activities, amortization is recorded as additional interest expense for the period.		
Issuance costs	$ 2,151	
Amortization of issuance costs	(3,977)	(1,826)
Interest on long-term debt differs from the amount reported in the governmental funds. In the governmental funds, interest on long-term debt is recorded as an expenditure when due and payable. In the Statement of Activities, interest is recorded as it accrues. In addition, premiums are amortized over the life of the debt, and are recorded as a decease to interest expense on the Statement of Activities. Losses incurred as a result of advance refundings are also amortized over the life of the debt and are recorded as an increase to interest expense on the Statement of Activities.		
Accrued interest payable	$ (31,733)	
Amortization of premium on State Board of Education Capital Outlay Bonds (SBEs)	68	
Amortization of premium on Certificates of Participation (COPs)	10,304	
Amortization of premium on General Obligation School Bonds (GOBs)	947	
Amortization of loss related to advance refunding of SBEs	(18)	
Amortization of loss related to advance refunding of COPs	(3,721)	
Amortization of loss related to advance refunding of GOBs	(32)	
Payment of interest related to advance refunding of COPs	(33,055)	
Prior year accrued interest paid during current fiscal year	33,092	(24,148)
Change in Net Position of Governmental Activities		**$ (93,035)**

The accompanying notes to financial statements are an integral part of this statement.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2013
(amounts expressed in thousands)

	Health Insurance Fund
ASSETS	
Investments	$ 40,954
Accounts and interest receivable	268
Total assets	41,222
LIABILITIES	
Accounts payable	118
Unearned revenues	74
Estimated unpaid health claims	37,623
Total liabilities	37,815
NET POSITION	
Unrestricted	3,407
Total net position	$ 3,407

The accompanying notes to financial statements are an integral part of this statement.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(amounts expressed in thousands)

	Health Insurance Fund
OPERATING REVENUES	
Charges for services	$ 362,555
Other operating revenues	1,838
Total operating revenues	364,393
OPERATING EXPENSES	
Salaries	158
Employee benefits	32
Purchased services	162
Claims	341,623
Other	10,810
Total operating expenses	352,785
OPERATING INCOME	11,608
NONOPERATING REVENUES	
Interest revenue	34
Total nonoperating revenues	34
INCOME BEFORE OPERATING TRANSFERS	11,642
Transfers Out	(12,000)
CHANGE IN NET POSITION	(358)
NET POSITION - Beginning of year	3,765
NET POSITION - End of year	$ 3,407

The accompanying notes to financial statements are an integral part of this statement.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(amounts expressed in thousands)

	Health Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and interfund services provided	$ 362,305
Payments for claims	(340,089)
Payments to suppliers for goods and services	(11,043)
Payments to employees	(190)
Other receipts	1,838
Net cash provided by operating activities	12,821
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	(12,000)
Net cash used by noncapital financing activities	(12,000)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts from interest	46
Purchase of investments	(867)
Net cash used by investing activities	(821)
Change in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	$ 11,608
Adjustments to reconcile operating income to net cash provided by operating activities:	
(Increase) decrease in accounts receivable	(187)
Increase (decrease) in accounts payable	(71)
Increase (decrease) in unearned revenues	(63)
Increase (decrease)in estimated unpaid claims	1,534
Total adjustments	1,213
Net cash provided by operating activities	$ 12,821

The accompanying notes to financial statements are an integral part of this statement.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2013
(amounts expressed in thousands)

	Pension Trust Fund	Agency Fund Schools' Internal Fund
ASSETS		
Cash and cash equivalents	$ -	$ 5,015
Investments		
Bonds	-	14,587
Certificates of deposit	-	3,022
Commercial paper	8,498	-
Equity mutual funds	15,456	-
Money market mutual funds	601	124
Total cash, cash equivalents, and investments	24,555	22,748
Interest receivable	-	34
Total assets	$ 24,555	$ 22,782
LIABILITIES		
Accounts payable	$ -	$ 30
Due to other agencies	-	3,892
Due to student organizations	-	18,860
Total liabilities	-	$ 22,782
NET POSITION		
Held in trust for pension benefits	24,555	
Total net position	$ 24,555	

The accompanying notes to financial statements are an integral part of this statement.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(amounts expressed in thousands)

	Pension Trust Fund
ADDITIONS:	
Employer contributions	$ 1,942
Interest on investments	225
Net increase in the fair value of investments	2,817
Less investment expenses	(6)
Total additions	4,978
DEDUCTIONS:	
Retirement benefit payments	4,139
Trustee services	10
Total deductions	4,149
Change in net position	829
Net position held in trust for pension benefits at beginning of year	23,726
Net position held in trust for pension benefits at end of year	$ 24,555

The accompanying notes to financial statements are an integral part of this statement.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity

The School Board of Miami-Dade County, Florida (the "School Board," "Board," or the "District") is composed of nine members elected from single-member districts within the legal boundary of Miami-Dade County, Florida (the "County"). The appointed Superintendent of Schools is the executive officer of the Board. The School Board is part of the state system of public education under the general direction of the State Board of Education and is financially dependent on state support. However, the Board is considered a primary government for financial reporting purposes because it is directly responsible for the operation and control of District schools within the framework of applicable state law and State Board of Education rules and it is not considered to be an agency or component unit of the State of Florida.

The general operating authority of the School Board and the Superintendent is contained in Chapters 1000 through 1013, Florida Statutes. Pursuant to Section 1010.01, Florida Statutes, each school district is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education.

The accompanying financial statements include those of the District (the primary government) and its component units. Component units are legally separate organizations which should be included in the District's financial statements because of the nature and significance of their relationship with the primary government.

The Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, an amendment of GASB Statement No. 14 and No. 34. The Statement modifies the existing criteria for reporting component units. The Statement provides guidance on the inclusion of a legally separate entity to be included as a component unit under the misleading to exclude criterion and the financial accountability concept, which requires that in addition to meeting the fiscal dependency criterion, a financial benefit or burden relationship be present in order for a potential component unit to be included in the financial reporting entity.

Based on the requirements of the Florida Department of Education and the opinion of the Department's general counsel, the District included the charter schools as component units.

Blended Component Units

The Miami-Dade County School Board Foundation, Inc., a Florida not-for-profit corporation, was created solely to facilitate financing for the acquisition and construction of District school facilities and related costs. The members of the School Board serve as the Board of the Foundation, therefore, the School Board is considered financially accountable for the Foundation. The financial activities of the Foundation have been blended (reported as if it were part of the District) with those of the District.

Discretely Presented Component Units

The component unit columns in the government-wide financial statements include the financial data of the District's component units that are presented separately. These component units consist of multiple charter schools. The charter schools are reported, in the aggregate, in separate columns in the governmental activities financial statements to emphasize that they are legally separate from the District.

All charter schools are recognized as public schools within the District, as such, charter schools are funded on the same basis as the District. Additionally, Florida Statutes, Section 1002.33, states that the School Board shall monitor revenues and expenditures of the charter schools. Charter schools are funded from public funds based on membership, and can also be eligible for

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

A. Reporting Entity – continued

Discretely Presented Component Units - continued

grants in accordance with the state and federal guidelines, including food service and capital outlay. Additionally, all students enrolled in charter schools are included in the District's total enrollment. Charter schools can accept private donations and incur debt in the operation of the school, for which the charter school is responsible.

A total of 120 charter schools were approved to operate during fiscal year 2012-13. All of the charter schools are included as component units of the District or another legal entity. For financial reporting purposes, 110 of the charter schools are included in the financial statements of the District as discretely presented component units. The remaining 10 charter schools are not included as they are part of another legal entity. Based on the Florida Department of Education's interpretation of GASB Statement No. 14, as amended in GASB 61, it would be misleading to exclude them from the District's financial statements. None of the individual component units are considered to be major, therefore, they are reported in the aggregate in the District's financial statements. The audited financial statements of the individual component units can be obtained by contacting the following schools:

School	School Address	Telephone Number
AcadeMir Charter School Middle (6082)	10601 SW 48 Street Miami, FL 33165	(305) 537-6398
AcadeMir Charter School West (0410)	14880 SW 26th Street Miami, FL 33185	305-485-9911
Academy of International Education Charter School (5044)	1080 LaBaron Drive Miami Springs, FL 33166	305-883-3900
Advanced Learning Charter School (1014) [(a)]	5855 NW 171 Street Miami, FL 33015	305-231-4888
Advantage Academy of Math & Science at Summerville (3026)	11575 SW 243 Street Homestead, FL 33032	305-253-2123
Advantage Academy of Math & Science at Waterstone (3027)	855 Waterstone Way Homestead, FL 33033	305-248-6206
Advantage Academy Santa Fe (3025)	9790 SW 107th Court Miami, FL 33176	786-228-5309
Archimedean Academy (0510)	12425 SW 72nd Street Miami, FL 33183	305-279-6572
Archimedean Middle Conservatory (6006)	12425 SW 72nd Street Miami, FL 33183	305-279-6572
Archimedean Upper Conservatory (7265)	12425 SW 72nd Street Miami, FL 33183	305-279-6572
Ben Gamla Charter School (5022)	11155 SW 112th Avenue Miami, FL 33176	305-596-6266

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

A. Reporting Entity – continued

School	School Address	Telephone Number
Bridgepoint Academy (2003) [b]	10700 SW 56th Street Miami, FL 33165	305-271-3109
Bridgepoint Academy Greater Miami (2013) [c]	137 NE 19th Street Miami, FL 33132	786-477-4372
Bridgepoint Academy Interamerican (5020) [d]	621 Beacom Boulevard Miami, FL 33135	305-643-4833
Bridgepoint Academy of Village Green (3034) [e]	4707 SW 127th Avenue Miami, FL 33175	786-477-4380
Charter High School of the Americas (7080)	970-998 W Flagler Street Miami, FL 33130	305-325-1001
Coral Reef Montessori Academy Charter School (0070)	10853 SW 216th Street Cutler Bay, FL 33170	305-255-0064
Doctors Charter School of Miami Shores (6040)	11301 NW Fifth Avenue Miami Shores, FL 33168	305-754-2381
Doral Academy (3030)	2450 NW 97th Avenue Doral, FL 33172	305-597-9999
Doral Academy Charter Middle School (6030)	2601 NW 112th Avenue Doral, FL 33172	305-591-0020
Doral Academy High School (7020)	11100 NW 27th Street Doral, FL 33172	305-597-9950
Doral Academy of Technology (3029)	2601 NW 112th Avenue Doral, FL 33172	305-591-0020
Doral Performing Arts & Entertainment Academy (7009)	11100 NW 27th Street Doral, FL 33172	305-597-9950
Downtown Miami Charter School (3600)	305 NW Third Avenue Miami, FL 33128	305-579-2112
Everglades Preparatory Academy (5006)	2251 Mowry Drive Homestead, FL 33033	786-601-1969
Everglades Preparatory Academy High School (7060)	2251 Mowry Drive Homestead, FL 33033	786-601-1969
Excelsior Charter Academy (5032) [f]	3490 NW 191st Street Miami Gardens, FL 33056	786-565-9188
Excelsior Charter High School (7054)	600 West 20th Street Hialeah, FL 33010	305-883-8359
Excelsior Language Academy of Hialeah (5029)	369 E Tenth Street Hialeah, FL 33010	305-887-9004

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

A. Reporting Entity – continued

School	School Address	Telephone Number
Florida International Academy (6010)	13400 NW 28th Avenue Opa-Locka, FL 33054	305-685-8190
Florida International Elementary Academy (3024)	13400 NW 28th Avenue Opa-Locka, FL 33054	305-685-8190
Green Springs High School Charter (7067) [(g)]	3555 NW Seventh Street Miami, FL 33125	305-720-2996
Integrated Science & Asian Culture Academy (Isaac) (2004)	5876 SW 68th Street South Miami, FL 33143	305-740-0509
International Studies Charter High School (7007)	2480 SW 8th Street Miami, FL 33135	305-643-2955
International Studies Charter Middle School (6045)	2480 SW 8th Street Miami, FL 33135	305-643-2955
Just Arts and Management (JAM) Charter Middle (6083)	2450 NW 97 Avenue Doral, FL 33172	305-597-9999
Keys Gate Charter High School (7050)	2325 SE 28th Avenue Homestead, FL 33035	786-272-9600
Keys Gate Charter School (3610)	2000 & 2355 SE 28th Ave. Homestead, FL 33035	305-230-1616
Latin Builder's Association Construction and Business Management Academy (7066)	13835 NW 97 Avenue Hialeah Gardens, FL 33018	305-827-3022
Lawrence Academy (6008)	530 SW First Street Florida City, FL 33034	305-247-4800
Lawrence Academy Senior High (7036)	530 SW First Street Florida City, FL 33034	305-247-4800
Lincoln-Marti Charter Schools (Hialeah Campus) (5007)	3500 W 84th Street Hialeah, FL 33018	305-827-8080
Lincoln-Marti Charter Schools (International Campus) (5043)	103 East Lucy Street Florida City, FL 33034	305-242-3330
Lincoln-Marti Charter Schools (Little Havana Campus) (5025)	970-984 West Flagler Street Miami, FL 33130	305-325-1001
Mater Academy (0100)	7700 NW 98th Street Hialeah Gardens, FL 33016	305-698-9900
Mater Academy (Miami Beach) (5047)	8625 Byron Avenue Miami Beach, FL 33141	305-864-2889

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

A. Reporting Entity – continued

School	School Address	Telephone Number
Mater Academy at Mount Sinai (5054)	4300 Alton Road Miami Beach, FL 33140	305-604-1453
Mater Academy Charter High School (7160)	7901 NW 103rd Street Hialeah Gardens, FL 33016	305-828-1886
Mater Academy Charter Middle School (6012)	7901 NW 103rd Street Hialeah Gardens, FL 33016	305-828-1886
Mater Academy East Charter High (7037)	998 SW First Street Miami, FL 33130	305-324-6963
Mater Academy East Charter School (3100)	450 SW Fourth Street Miami, FL 33130	305-324-4667
Mater Academy High School (Miami Beach) (7025) (h)	8625 Byron Drive Miami Beach, FL 33141	305-864-2889
Mater Academy High School of Int'l Studies (7024)	795 NW 32nd Street Miami, FL 33127	305-634-0445
Mater Academy Lakes High School (7018)	17300 NW 87th Avenue Hialeah, FL 33015	305-512-3917
Mater Academy Lakes Middle School (6033)	17300 NW 87th Avenue Hialeah, FL 33015	305-512-3917
Mater Academy Middle School of Int'l Studies (6047)	795 NW 32nd Street Miami, FL 33127	305-634-0445
Mater Academy of International Studies (1017)	795 NW 32nd Street Miami, FL 33127	305-634-0445
Mater Brickell Preparatory Academy (5046)	2805 SW 32nd Avenue Miami, FL 33133	305-442-4992
Mater East Academy Middle School (6009)	998 SW First Street Miami, FL 33130	305-324-6963
Mater Gardens Academy (0312)	9010 NW 178th Lane Hialeah, FL 33018	305-512-9775
Mater Gardens Academy Middle (6042)	9010 NW 178th Lane Hialeah, FL 33018	305-512-9775
Mater Grove Academy (5045)	2805 SW 32nd Avenue Miami, FL 33133	305-442-4992
Mater Performing Arts & Entertainment Academy (7014)	7901 NW 103rd Street Hialeah Gardens, FL 33016	305-828-1886
Mavericks High of North Miami-Dade (7062) (i)	16150 NE 17th Avenue North Miami Beach, FL 33162	786-629-7053

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

A. Reporting Entity – continued

School	School Address	Telephone Number
Mavericks High of South Miami-Dade County (7065) [(i)]	698 N. Homestead Blvd. Homestead, FL 33030	305-909-6307
Miami Arts Charter School (7059)	3900 Biscayne Blvd. Miami, FL 33137	305-763-6257
Miami Children's Museum Charter School (4000)	980 McArthur Causeway Miami, FL 33132	305-329-3758
Miami Community Charter High School (7058)	18720 SW 352 Street Florida City, FL 33034	305-245-2552
Miami Community Charter Middle School (6048)	18720 SW 352 Street Florida City, FL 33034	305-245-2552
Miami Community Charter School (0102)	101 S. Redland Road Florida City, FL 33034	305-245-2552
North Gardens High School (7068)	4692F NW 183rd Street Miami Gardens, FL 33055	786-528-6308
North Park High School (7069) [(i)]	3400 NW 135th Street Opa-Locka, FL 33054	305-720-2995
Oxford Academy of Miami (5010)	10870 SW 113rd Place Miami, FL 33176	305-598-4494
Palm Glades Preparatory Academy (3032)	22655 SW 112 Avenue Miami, FL 33170	786-272-2269
Palm Glades Preparatory High School (7032)	22655 SW 112 Avenue Miami, FL 33170	786-272-2269
Pinecrest Academy (North Campus) (5048)	10207 West Flagler Street Miami, FL 33174	305-553-9762
Pinecrest Academy (South Campus) (0342)	15130 SW 80th Street Miami, FL 33193	305-386-0800
Pinecrest Academy Charter Middle School (6022)	14901 SW 42nd Street Miami, FL 33185	305-559-8583
Pinecrest Academy Middle School (North Campus) (6003)	10207 West Flagler Street Miami, FL 33174	305-553-9762
Pinecrest Cove Academy (5049)	4101 SW 107th Avenue Miami, FL 33165	305-480-2097
Pinecrest Preparatory Academy (0600)	14301 SW 42nd Street Miami, FL 33175	305-207-1027
Pinecrest Preparatory Academy Charter High School (7053)	14901 SW 42nd Street Miami, FL 33185	305-559-8583

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

A. Reporting Entity – continued

School	School Address	Telephone Number
Ramz Academy 6-8 Middle (Miami Campus) (6005)	2609 NW Seventh Street Miami, FL 33125	786-445-5697
Ramz Academy K-5 (Miami Campus) (3035)	2609 NW Seventh Street Miami, FL 33125	786-445-5697
Renaissance Elementary Charter School (0400)	10651 NW 19th Street Doral, FL 33122	305-591-2225
Renaissance Middle Charter School (6028)	8360 NW 33rd Street Doral, FL 33122	305-728-4622
Richard Allen Leadership Academy (2006)	940 Caliph Street Opa-Locka, FL 33054	786-615-2977
River Cities Community Charter School (6049)	3405 NW 27th Avenue Miami, FL 33142	305-634-6090
SIATech (School for Integrated Academics & Technologies) (7030)	12350 SW 285th Street Homestead, FL 33033	305-258-9477
Somerset Academy (0520)	18491 SW 134th Avenue Miami, FL 33177	305-969-6074
Somerset Academy (Silver Palms) (0332)	23255 SW 115th Avenue Homestead, FL 33032	305-257-3737
Somerset Academy at Silver Palms (4012)	23255 SW 115th Avenue Homestead, FL 33032	305-257-3737
Somerset Academy Charter Elementary School (South Homestead) (0339) [(k)]	300 SE First Drive Homestead, FL 33030	305-254-6108
Somerset Academy Charter High School (7042)	23255 SW 115th Avenue Homestead, FL 33032	305-257-3737
Somerset Academy Charter High School (South Campus) (7038)	23255 SW 115th Avenue Homestead, FL 33032	305-257-3737
Somerset Academy Charter High School (South Homestead) (7034)	300 SE First Drive Homestead, FL 33030	305-245-6108
Somerset Academy Charter Middle School (6004)	18491 SW 134th Avenue Miami, FL 33177	305-969-6074
Somerset Academy Charter Middle School (Country Palms) (6043)	1700 Krome Avenue Homestead, FL 33030	305-246-4949
Somerset Academy Charter Middle School (South Homestead) (6013)	300 SE First Drive Homestead, FL 33030	305-245-6108
Somerset Academy Elementary School (South Miami Campus) (2007)	5876 SW 68th Street South Miami, FL 33143	305-740-0509

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

A. Reporting Entity – continued

School	School Address	Telephone Number
Somerset Academy Middle Charter School (South Miami Campus) (6053)	5876 SW 68 Street South Miami, FL 33143	305-740-0509
Somerset Arts Academy (2012)	1700 Krome Avenue Homestead, FL 33030	305-246-4949
Somerset Grace Academy (5008) [(i)]	624 Anastasia Avenue Coral Gables, FL 33134	305-442-8626
Somerset Oaks Academy (3033)	1700 Krome Avenue Homestead, FL 33030	305-246-4949
South Florida Autism Charter School (1070)	13835 NW 97th Avenue Hialeah, FL 33018	305-823-2700
Sports Leadership Academy of Miami CHS (7016)	604 NW 12 Avenue Miami, FL 33136	305-324-6963
Stellar Leadership Academy (7015) [(m)]	7900 NW 27th Avenue, F-20 Miami, FL 33147	305-693-2273
Summerville Advantage Academy (0072)	11575 SW 243rd Street Homestead, FL 33032	305-253-2123
The Charter School at Waterstone (1010)	855 Waterstone Way Homestead, FL 33033	305-248-6206
Theodore R. & Thelma A. Gibson Charter School (2060)	1698 NW Fourth Avenue Miami, FL 33136	305-438-0895

(a) Currently known as Highly Inquisitive & Versatile Education (HIVE) Preparatory School.
(b) Currently known as BridgePrep Academy South.
(c) Currently known as BridgePrep Academy of Greater Miami.
(d) Currently known as BridgePrep Academy Interamerican Campus.
(e) Currently known as BridgePrep Academy of Village Green.
(f) Previously named Excelsior Language Academy Charter School.
(g) Also known as Florida High School for Accelerated Learning (Miami Campus).
(h) Previously named Mater Brickell Preparatory Academy High School.
(i) Incorporated under the name of New Alternative Education High School of Miami-Dade County Inc.
(j) Also known as South Cutler High School.
(k) Previously named Somerset Country Palms.
(l) Currently known as Somerset Gables Academy.
(m) Previously named Life Skills Center Miami-Dade County.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

B. Basis of Presentation

The District's accounting policies conform with accounting principles generally accepted in the United States applicable to state and local governmental units. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

Government-Wide Financial Statements – The Statement of Net Position and the Statement of Activities present information about the financial activities of the District as a whole, and its component unit, excluding fiduciary activities. Eliminations have been made from the statements to remove the "doubling-up" effect of interfund activity.

The Statement of Activities reports expenses identified by specific functions, offset by program revenues, resulting in a measurement of "net (expense) revenue" for each of the District's functions. Program revenues that are used to offset these expenses include charges for services, such as food service and tuition fees; operating grants, such as the National School Lunch Program, Federal Grants, and other state allocations; and capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues.

Fund Financial Statements – The fund financial statements provide information about the District's funds, including proprietary and fiduciary funds. Separate statements for governmental, proprietary and fiduciary funds are presented. The emphasis of the fund financial statements is on the major funds which are presented in a separate column with all non-major funds aggregated in a single column.

The District reports the following major governmental funds:

General Fund is the District's primary operating fund and accounts for all financial resources of the District, except those required to be accounted for in another fund.

Other Federal Programs Fund accounts for and reports grant funds received from federal, state, and local sources.

Federal Economic Stimulus Funds account for and report on funds received from The American Recovery and Reinvestment Act (ARRA) of 2009 to stimulate the economy, save jobs and improve education. This fund did not meet the minimum criteria for major fund determination during the 2012-13 fiscal year. However, it will continue to be presented as a major fund for the purpose of consistency and at the discretion of the District.

ARRA Economic Stimulus Debt Service Fund accounts for and reports on Debt Service for ARRA-Funded Qualified School Construction Bonds (QSCBs) and Build America Bonds (BABs). This fund did not meet the minimum criteria for major fund determination during the 2012-13 fiscal year. However, it will continue to be presented as a major fund for the purpose of consistency and at the discretion of the District.

Capital Improvement – Local Optional Millage Levy (LOML) Funds accounts for and reports on funds levied by the school district, as authorized by Section 1011.71, Florida Statutes, used mainly for capital outlay purposes.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

B. Basis of Presentation - continued

Certificates of Participation (COPs) Funds account for and report on funds received from the issuance of Certificates of Participation, used for the acquisition and construction of schools and ancillary schools. Also included are the Qualified Zone Academy Bonds used for renovations on existing schools. Given the importance of the COPs Funds, management has elected to consider these funds as a major fund.

ARRA Economic Stimulus Capital Projects Funds account for and report on proceeds received from the issuance of QSCBs and BABs used for the construction, rehabilitation and/or repair of school facilities. This fund did not meet the minimum criteria for major fund determination during the 2012-13 fiscal year. However, it will continue to be presented as a major fund for the purpose of consistency and at the discretion of the District.

Additionally, the District reports separately the following proprietary and fiduciary fund types:

Internal Service Fund accounts for and reports on the activities of the District's group health self-insurance program.

Agency Fund – School's Internal Fund accounts for resources of the schools' Internal Fund which is used to administer monies collected at the schools in connection with school, student athletics, class, and club activities.

Pension Trust Fund accounts for resources used to finance the District's Supplemental Early Retirement Plan.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basis of accounting refers to when revenues and expenditures, or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*, as amended by GASB Statement No. 36, *Recipient Reporting for Certain Shared Non-Exchange Revenues*, which include, taxes, grants and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, when they become measurable and available. "Measurable" means the amount of the transaction can be determined; "available" means collectible within the current period or soon thereafter to be used to pay liabilities of the current period.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

C. Measurement Focus and Basis of Accounting – continued

Property taxes, when levied for, and intergovernmental revenues when eligibility requirements have been met, are the significant revenue sources considered susceptible to accrual. The School Board considers property taxes, when levied for, as available if they are collected within 60 days after fiscal year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized as expenditures when due/paid; and (2) expenditures related to liabilities reported as general long-term debt are recognized when due.

Proprietary Fund – Proprietary funds are accounted for in accordance with the Governmental Accounting Standards Board, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. During the fiscal year 2009-10, the District established an Internal Service Fund to account for the group health self-insurance program. The Internal Service Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating items.

The principal operating revenues of the District's Internal Service Fund for self-insurance are charges to the District's other funds for health insurance. The principal operating expenses include insurance claims, administrative expenses and fees. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

The Pension Trust Fund is reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the Statement of Fiduciary Net Position. The Statement of Changes in Fiduciary Net Position presents additions and deductions in fund equity (total net position).

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

D. New Pronouncements – Adopted and Unadopted

The GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* in December 2010. This Statement is effective for fiscal years beginning after December 15, 2011. The statement codifies all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

The GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Positions* in June 2011. This Statement is effective for fiscal years beginning after December 15, 2011. The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The District adopted GASB Statement No. 63 in the 2012-13 fiscal year financial statements and reclassified the prior net assets as net positions. In the statement of net position, assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position.

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* in March 2012. This Statement is effective for fiscal years beginning after December 15, 2012.

The GASB issued Statement No. 66, *Technical Corrections-2012 (an amendment of GASB Statements No. 10 and No. 62* in March 2012. This Statement is effective for fiscal years beginning after December 15, 2012.

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans (an amendment of GASB Statement No. 25* in June 2012. This Statement is effective for fiscal years beginning after June 15, 2013.

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* in June 2012. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of this Statement will require the District to record a liability for the unfunded portion of its cost sharing plan. The unfunded portion has not yet been determined.

The impact on the District's financial position or results of operations has not yet been determined for the unadopted standards.

E. Cash, Cash Equivalents, and Investments

The District maintains an accounting system in which substantially all general School Board cash, investments, and accrued interest are recorded and maintained in a separate group of accounts. Investment income is allocated based on the proportionate balances of each fund's equity in pooled cash and investments. The cash and investment pool is available for all funds, except the State Board of Education Bonds, Certificates of Participation and other debt related funds requiring separate accounts.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Florida Statutes, Chapter 280. Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/saving accounts.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

E. Cash, Cash Equivalents, and Investments, Continued

Investments are carried at fair value and include U.S. Government Sponsored Enterprise (GSE) obligations, Commercial Paper, Money Market Mutual Funds, Time Deposits and Guaranteed Investment Contract. Pension Trust Fund investments are recorded at fair value and include: U.S. GSE obligations, corporate bonds, money market funds, and corporate stocks.

F. Inventory

Inventories consist of expendable supplies held for consumption in the course of the District's operations. Inventories are stated at cost, principally on a weighted average cost basis. Commodities from the United States Department of Agriculture are stated at their fair value as determined at the time of donation by the Florida Department of Agriculture and Consumer Services. Commodities inventory is accounted for using the "purchases" method that expense inventory when acquired and inventories on hand at fiscal year end are reported as an asset and nonspendable fund balance, net of amounts in Accounts Payable. Non-commodity inventory is accounted for under the consumption method and as such is recorded as an expenditure when used. Since inventories of commodities also involve purpose restrictions they are presented as restricted in the government-wide statement of net position.

G. Due From Other Governments or Agencies

Amounts due to the District by other governments or agencies relate to grants or programs for which the services have been provided to students of the District.

H. Other Assets

Other assets consist mainly of prepaid expenses which are recognized upon the receipt of the goods or services that were received but not consumed at year-end. The expenditure will be recorded when the asset is used. Accordingly, prepaid expenses are equally offset by a nonspendable fund balance classification.

I. Restricted Net Position

Certain proceeds from bonds and Certificates of Participation (COPs) issuances, as well as resources for debt service payments and food service, are classified as restricted net assets on the Statement of Net Position because their use is limited by applicable bond covenants and other legal restrictions.

When both restricted and unrestricted assets are available for a specific purpose, it is the District's policy to use restricted assets first, until exhausted, before using unrestricted resources.

J. Capital Assets

Capital assets which include, land, land improvements, construction in progress, buildings, building improvements, furniture, fixtures and equipment, computer software, and motor vehicles are reported in the Statement of Net Position in the government-wide statements. The District's capitalization thresholds are $1,000 or greater for furniture, fixtures and equipment, computer software, and motor vehicles and $50,000 for building improvements, additions, and other capital outlays that significantly extend the useful life of an asset. Other costs incurred for repairs and maintenance are expensed as incurred. Assets are recorded at historical cost. Assets purchased under capital leases are recorded at cost, which approximates fair value at acquisition date and does not exceed the present value of future minimum lease payments.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

J. Capital Assets, Continued

Donated assets are recorded at the fair value at the time of receipt. Certain costs incurred in connection with the development of internal use software are capitalized and amortized in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* and are reflected in the government-wide financial statements.

Capital assets are depreciated using the straight-line method based on the following estimated useful lives:

	Useful Life (Years)
Buildings and Improvements	20 – 50
Furniture, Fixtures and Equipment	5 – 20
Vehicles	7 – 18
Computer Software	5

When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government-wide statements. Proceeds received from the sale or disposal of capital assets are recorded as other financing sources in the governmental funds.

K. Long-Term Debt and Compensated Absences

The government-wide financial statements report long-term liabilities or obligations that are expected to be paid in the future. Long-term liabilities reported include bonds payable, Certificates of Participation (COPs) payable, derivative instrument liabilities, capital leases payable, Self-insurance estimated claims payable, retirement incentives payable, compensated absences payable, other postemployment benefits, and interlocal construction contract agreement payable in future years. Debt premiums/discounts are amortized over the life of the debt using the effective-interest method; while deferred gain/loss on advance refundings and issuance costs are amortized over the shorter of the remaining life of the refunded bonds or the life of the new bonds in a systematic and rational method, which approximates the effective-interest method.

In the fund financial statements, debt premiums and discounts, as well as issuance costs are recognized in the period the related debt is issued. Proceeds, premiums, and discounts are reported as other financing sources and uses. Principal payments and issuance costs are reported as debt service expenditures.

L. Risk Management

The District is self-insured for portions of its general and automobile liability insurance and workers' compensation. Claim activity (expenditures for general and automobile liability and workers' compensation) is recorded in the general fund as payments become due each period. The estimated liability for self-insured risks represents an estimate of the amount to be paid on insurance claims reported and on insurance claims incurred but not reported (See note 13). For the governmental funds, in the fund financial statements, the liability for self-insured risks is considered long-term and therefore, is not a fund liability (except for any amounts due and payable at year-end) and represents a reconciling item between the fund level and government-wide presentations.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

L. Risk Management, Continued

The District provides health insurance for its employees and eligible dependents. Effective January 1, 2010, the district changed from a fully insured plan to a self-insured plan, with individual, as well as aggregate stop loss coverage to protect the District against catastrophic claims in a calendar year. The District accounts for health insurance activity in an internal service fund established for this purpose. In the proprietary fund financial statements, the liability for self-insured health risks is recorded under the accrual basis of accounting.

M. State Revenue Sources

Revenues from state sources for current operations are primarily from the Florida Education Finance Program (FEFP), administered by the Florida Department of Education (FDOE), under the provisions of Section 1011.62, Florida Statutes. The District files reports on full-time equivalent (FTE) student membership with the FDOE. The FDOE accumulates information from these reports and calculates the allocation of FEFP funds to the District. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The District receives revenue from the state to administer certain educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same educational programs. Revenue is recognized when all eligibility requirement have been met.

The state allocates gross receipt taxes, generally known as Public Education Capital Outlay (PECO) money, to the District on an annual basis for capital and other projects. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE. The District received PECO appropriations during the 2012-13 fiscal year, solely for the distribution to the District's eligible Charter Schools.

N. Property Taxes – Revenue Recognition

In the government-wide financial statements, property tax revenue is recognized in the fiscal year when levied for. The receivable is recorded net of an estimated uncollectible amount, which is based on past collection experience. In the fund financial statements, property tax revenue is recognized in the fiscal year when levied for. Taxes are susceptible to accrual, that is when they are measurable and available. Taxes collected by the County Tax Collector and received by the District within 60 days subsequent to fiscal year-end are considered to be available and recognized as revenue.

O. Deferred/Unearned Revenue

Deferred revenue in the governmental fund financial statements relate to property taxes receivable that are measurable, but not available. The unearned revenue in the Statement of Net Position primarily relates to the lease of Educational Broadband Service (EBS) licenses that are amortized on a straight-line basis over the life of the lease agreement.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. Deferred Outflows/Inflows of Resources

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Revenues, Deferred Inflows of Resources, and Net Position*. The statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently reports accumulated decrease in fair value of hedging derivatives in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District currently does not have any items that qualify for reporting in this category.

R. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes 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 primarily on 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. Examples of this classification are prepaid items, inventories, and the principal of an endowment fund.

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 (Board Resolution) 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 (Board Resolution) it employed to commit the amounts.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

R. Fund Balances, Continued

Assigned – Fund balance amounts intended to be used for specific purposes 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 residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

2. BUDGETS COMPLIANCE AND ACCOUNTABILITY:

A. Legal Compliance

The annual budget is submitted to the Florida Commissioner of Education by major functional levels such as instructional, instructional support, general administration, maintenance of plant, etc. Expenditures may not exceed appropriations without prior approval of the School Board in the General Fund and Special Revenue Funds at the function level. Budgetary control is exercised at the fund level for all other funds.

Florida Statutes, Section 1013.61, requires that the capital outlay budget designate the proposed capital outlay expenditures by project for the year from all fund sources. Accordingly, annual budgets for the Capital Project Funds are adopted on a combined basis only.

Budgeted amounts may be amended by resolution of the Board at any Board meeting prior to the due date for the Annual Financial Report (State Report). General Fund budgetary disclosure in the accompanying financial statements reflects the final budget including all amendments approved at the School Board meeting of September 3, 2013 for the fiscal year ended June 30, 2013.

Appropriations lapse at fiscal year-end, except for unexpended appropriations of state educational grants, outstanding purchase orders, contracts, and certain available balances. These balances are reflected at year-end either as restricted or assigned fund balance, and are re-appropriated in the new fiscal year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted or assigned fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Comparison of Budget to Actual Results

The budgets for each of the Governmental Funds are accounted for on the modified accrual basis of accounting.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Deposits and Investments

The District's surplus funds are invested directly by the District's Office of Treasury Management. Investments of the District's State Board of Education (SBE) bond proceeds held and administered by the SBE are made by the State Board of Administration.

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

- 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 Bank
- Obligations of the Federal Home Loan Bank
- Obligations of the Federal Home Loan Mortgage Corporation
- Obligations of the Federal National Mortgage Association
- Obligations guaranteed by the Government National Mortgage Association
- Securities of any investment company of investment trust registered under the Investment Company Act of 1940, 15 U.S.C.

In addition, under Board Policy 6535, Supplemental Early Retirement Plan, the following investments are also permitted.

- Corporate or Taxable Government Bonds rated investment grade
- Equity Securities including index funds and actively managed mutual funds

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS, Continued:

Cash, cash equivalents, and investments for governmental, fiduciary and proprietary funds of the District as of June 30, 2013 are as follows:

Investment Type	Amount ($ in thousands)	Weighted Average Maturity (Years)
Commercial Paper	$ 116,622	0.06
Guaranteed Investment Contract (GIC)	41,894	3.04
Money Market Mutual Funds	4,270	0.15
State Board of Education – COBI	1,462	0.5
Time Deposits	13,060	0.25
U.S. Government Sponsored Enterprise (GSE)	72,031	0.45
U.S. Treasury Strip	1,286	16.14
Total Debt Investments	250,625	0.76
Equity Mutual Funds – Pension Trust Fund	15,456	
Total Investments	266,081	
Cash and Cash Equivalents	75,943	
Total Cash, Cash Equivalents, and Investments	**$ 342,024**	

At June 30, 2013, $31.0 million in cash and investments relate to unspent debt proceeds pertaining to various financings including Certificates of Participation (COPs), which are restricted assets whose use is limited to projects primarily related to the acquisition and construction of school facilities and equipment as authorized by Board resolutions and debt covenants.

Total cash, cash equivalents and investments (in thousands) of $342,024 at June 30, 2013, was comprised of $253,767 in governmental funds, $40,954 in Proprietary Fund - Health Insurance Fund, $24,555 in Fiduciary Fund - Pension Trust Fund and $22,748 in Fiduciary Fund - Agency Fund (Schools' internal Fund).

The School Board of Miami-Dade County currently has 4 GIC's associated with its Qualified Zone Academy Bonds (QZAB's). These contracts total approximately $41,894 (in thousands) with internal rates of return ranging from 3.53% to 6.30% and maturity dates from December 2013 through December 2022.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS, Continued:

Interest Rate Risk: Interest rate risk is the risk of losses due to potential changes in the prevailing interest rates. In accordance with its investment policy under Board Policy 6144, Investments, 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. GSE Securities include $53 million in callable securities between October 2013 through February 2014, and as such, the weighted average maturity reflects the call dates as the maturity dates for these securities. The calculated weighted average maturity for all callable U.S. GSE securities is 163 days.

Credit Risk: Credit risk is the risk of losses due to credit worthiness of the issuer of security investments. In accordance with Board Policy 6144, the School Board manages its exposure to credit risk by limiting investments to the highest rated government-backed securities, such as Treasury Notes, and U.S. GSEs. The policy also requires Commercial Paper to be rated A-1 or better, and Money Market Mutual Funds to be rated AAAm.

Investment Type	Rating *	Percentage of Debt Investments
Commercial Paper	A-1+	35.00 %
Commercial Paper	A-1	8.83%
Federal Farm Credit Bank	AA+	1.13%
Federal Home Loan Bank	AA+	14.12%
Federal Home Loan Mortgage Corporation	AA+	9.56%
Federal National Mortgage Association	AA+	2.27%
Guaranteed Investment Contract	Not Rated	15.74%
Money Market Mutual Funds	AAAm	1.60%
State Board of Education – COBI	Not Rated	0.55%
Time Deposits	N/A	4.91%
U.S. Treasury Strip	AAA	0.48%

* Standards & Poor's ratings as of June 30, 2013.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. 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 Money Market Mutual Funds. Although all the investments were purchased within the established percentage threshold when compared to entire portfolio including cash equivalents as permitted by the policy, commercial paper investments with FCAR, GECC, and Toyota ended the year at 9.96%, 12.01%, and 8.71% of outstanding investments respectively due to the normal decrease of the portfolio's total value as other investments matured during the course of the year.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS, Continued:

Custodial Credit Risk: Custodial credit risk is the risk of losses due to the failure of a counterparty that is in possession of investments or collateral securities. All securities in accordance with the District's investment policy under Policy 6144, with the exception of time deposits and guaranteed investment contract, are held by a third-party custodian in an account separate and apart from the assets of the custodian and designated as assets of the District.

Cash/Deposits
The District's cash deposits include money market/savings, demand deposits and petty cash. All bank balances of the District are fully insured or collateralized as required by Florida Statutes, Chapter 280. At June 30, 2013, the deposits' fair value and book balances were $75,943 (in thousands).

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
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4. CAPITAL ASSETS:

Capital asset balances and activity for the fiscal year ended June 30, 2013, are as follows (in thousands):

	Balance July 1, 2012	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2013
Non-Depreciable Capital Assets:				
Land	$ 336,502	$ 679	$ -	$ 337,181
Land Improvements	239,922	13,564	-	253,486
Construction in Progress	61,939	112,750	(92,145)	82,544
Total Non-Depreciable Capital Assets	638,363	126,993	(92,145)	673,211
Depreciable Capital Assets:				
Buildings and Improvements	5,447,679	65,060	(2,977)	5,509,762
Furniture, Fixtures, and Equipment	316,662	23,884	(23,005)	317,541
Computer Software	83,362	-	-	83,362
Motor Vehicles	130,724	18,090	(8,669)	140,145
Total Depreciable Capital Assets	5,978,427	107,034	(34,651)	6,050,810
Less Accumulated Depreciation/ Amortization for:				
Building and Improvements	1,558,134	154,400	(2,973)	1,709,561
Furniture, Fixtures, and Equipment	230,285	19,768	(20,747)	229,306
Computer Software	32,045	16,673	-	48,718
Motor Vehicles	71,398	8,244	(7,026)	72,616
Total Accumulated Depreciation/ Amortization	1,891,862	199,085	(30,746)	2,060,201
Net Capital Assets	**$ 4,724,928**	**$ 34,942**	**$ (96,050)**	**$ 4,663,820**

In fiscal year 2012-13, management evaluated and determined that certain capital asset construction-in-progress amounts from prior years were not properly accumulated and recorded in the Government-Wide financial statements. Consequently, management has adjusted capital asset construction-in-progress additions, in the amount of approximately $55 million to correctly reflect the previously misclassified amounts.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

4. CAPITAL ASSETS, Continued:

For fiscal year ended June 30, 2013, depreciation/amortization by function is as follows:

Functions		Amount ($ in thousands)
Instructional Services	$	2,502
Instructional Support Services		1,279
Pupil Transportation Services		6,877
Operation and Maintenance of Plant		1,280
School Administration		190
General Administration		141
Business/Central Services		208
Food Services		1,085
Other		8
Facilities Acquisition and Construction		28,280
Unallocated to a specific function		157,235
Total Depreciation/Amortization	**$**	**199,085**

Construction-in-progress, as of June 30, 2013, is comprised of the following (in thousands):

		Incurred To Date
Elementary Schools	$	15,011
Middle Schools		273
Senior High Schools		66,699
Special Schools		132
Administration/Other		429
TOTAL	**$**	**82,544**

As part of its capital outlay program, the District has entered into various construction contracts. At June 30, 2013, the District had construction commitments of approximately $31.2 million.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

Interfund receivables and payables consisted of the following balances as of June 30, 2013 (in thousands):

	Due From Other Funds	Due To Other Funds
Major Funds:		
General Fund	$ 38,090	$ -
Other Federal Programs Fund	-	22,878
Federal Economic Stimulus Funds	-	1,608
Certificates of Participation Funds	-	2,902
Total Major Funds	38,090	27,388
Nonmajor Funds	-	10,702
Total Governmental Funds	**$ 38,090**	**$ 38,090**

Interfund receivables/payables are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

A summary of transfers for the year ended June 30, 2013, are as follows (in thousands):

	Transfers to:			
Transfers from:	**General Fund**	**ARRA Economic Stimulus Debt Service Fund**	**Non-major Funds**	**Total**
Major Funds:				
General Fund	$ -	$ -	$ 804	$ 804
Capital Improvement LOML Funds	123,536	1,453	150,019	275,008
Certificates of Participation Funds	-	-	81	81
ARRA Economic Stimulus Capital Projects Funds	-	846	-	846
Nonmajor Funds	14,394	-	18,699	33,093
Total Governmental Funds	$ 137,930	$ 2,299	$ 169,603	$ 309,832
Internal Service Fund	12,000	-	-	12,000
Total Governmental Activities	**$ 149,930**	**$ 2,299**	**$ 169,603**	**$ 321,832**

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
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Transfers to the General Fund relate primarily to funding for the maintenance, renovation and/or repair of school facilities, pursuant to Section 1011.71 of the Florida Statutes. Transfers to other nonmajor funds relate primarily to amount transferred to make debt service payments. Transfers from the Internal Service Fund restores funding to the General Fund previously transferred to stabilize the Internal Service Fund.

6. DUE FROM/TO OTHER AGENCIES:

Due from other agencies at June 30, 2013, are as follows (in thousands):

	General Fund	Other Federal Programs Fund	Federal Economic Stimulus Funds	Nonmajor Governmental Funds	Total Governmental Funds
Federal Government:					
Medicaid Federal	$ 7,119	$ -	$ -	$ -	$ 7,119
Food Service Reimbursement	-	-	-	16,751	16,751
Race to the Top	-	-	3,047	-	3,047
Miscellaneous Federal	153	5,727	255	-	6,135
State Government:					
Race- to- the- Top	-	-	1,945	-	1,945
Adult Education	-	975	-	-	975
IDEA	-	4,658	-	-	4,658
Title I	-	12,317	900	-	13,217
Title II	-	1,277	-	-	1,277
Miscellaneous State	288	2,737	-	-	3,025
Local Government:					
Miscellaneous Local	4,084	1,374	-	189	5,647
Miami-Dade County	-	-	-	7,382	7,382
E-Rate	3,558	-	-	-	3,558
Clearwire Educational Broadband Service	3,050	-	-	-	3,050
Driver's Education Program	2,520	-	-	-	2,520
Total	**$ 20,772**	**$ 29,065**	**$ 6,147**	**$ 24,322**	**$ 80,306**

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
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Due to other agencies at June 30, 2013, are as follows (in thousands):

	General Fund	Other Federal Programs Fund	Nonmajor Governmental Funds	Total Governmental Funds
Federal Government:				
Miscellaneous Federal	$ -	$ 470	$ -	$ 470
Local Government:				
Village of Key Biscayne	-	-	3,750	3,750
Charter Schools	2,500	-	-	2,500
Miscellaneous Local	-	1,487	28	1,515
Total	**$ 2,500**	**$ 1,957**	**$ 3,778**	**$ 8,235**

7. SHORT-TERM DEBT

Short-term debt activity for the fiscal year ended June 30, 2013, is as follows (in thousands):

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Tax Anticipation Note (TAN), Series 2012, issued on July 24, 2012, effective yield of 0.13%, with a maturity date of February 28, 2013.	$ -	$ 290,000	$ 290,000	$ -
Total	**$ -**	**$ 290,000**	**$ 290,000**	**$ -**

Proceeds from the TAN were used as a working capital reserve in the General Fund as permitted under State and Federal tax laws.

8. COMPENSATED ABSENCES:

The District's employee vacation and sick leave policies provide for the granting of a specific number of days of vacation based on years of service governed by applicable labor contracts and one day of sick leave with pay per each month of employment. Active employees, excluding administrators, may request payment of 80% of their unused sick leave which has accumulated during the fiscal year, provided they have not used more than three sick/personal days during that time and have a remaining balance, after payment, of twenty-one days. These policies also provide for paying most employees unused vacation up to 60 days upon termination, and up to 100% of unused sick leave after thirteen years of service; 50% after ten years; 45% after six years; 40% after three years and 35% during the first three years of qualified service upon retirement, death or resignation. Vacation accrual is limited to 60 days for twelve-month active employees.

The School Board approved the adoption of the Miami-Dade County Public Schools Terminal Leave Retirement Program (TLRP) at its May 14, 2003 Board meeting. The TLRP Program consists of a tax-favored retirement plan, which allows the Board to direct accrued annual (vacation) leave or terminal sick leave (accrued sick days) for employees who are separating from service as a result of retirement, or entering into or continuing DROP, to a tax-sheltered annuity program, or other qualified plan, in lieu of a taxable cash payment to the employee, upon separation from service.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

8. COMPENSATED ABSENCES, Continued:

The program is mandatory as a result of Board action which became effective on May 15, 2003, for all personnel (except American Federation of State, County, and Municipal Employees members) who will have their annual (vacation) leave and terminal sick leave automatically contributed to either the Board's Tax Sheltered Annuity 403(b) or 401(a) Programs. Contributions into this program will not be subject to either Federal Income Tax (estimated 27%) or Social Security Tax (FICA) of 7.65%. Any amount of accrued terminal leave in excess of the amounts authorized by the Internal Revenue Service will be paid out to the retiring employee and will be subject to applicable taxes.

The current portion (the amount expected to be liquidated with current available resources) of the accumulated vested vacation and anticipated sick leave payments is recorded in the General Fund and is included in accrued payroll and compensated absences. The liabilities recorded include provisions for the employer's portion of pension contributions, FICA, and other fringe benefits due on the vested vacation and sick leave balances as applicable. At June 30, 2013, the accrued liability for compensated absences in the General Fund was $6.7 million.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governmental agencies to record as a liability the vested and future rights to sick and/or vacation leave. Accordingly, the probability of partially vested employees becoming fully vested and actual past termination payment experience was considered in the determination of this liability.

The statement of net position reflects both the current and long-term portions of compensated absences including retirement incentive benefits. At June 30, 2013, the current and long-term portions were $16,066 and $254,174 respectively (in thousands).

9. CAPITAL LEASES:

The District has entered into various capital lease agreements for the acquisition of certain property, vehicles, and equipment which are stated at acquisition cost and included as part of our Capital Assets. At June 30, 2013 the cost of leased equipment recorded in Capital Assets was $173.7 million, with accumulated depreciation of $86.7 million, for a net book value of $87.0 million.

The following is a summary of the future minimum lease payments, under capital leases together with the present value of the minimum lease payments as of June 30, 2013 (in thousands):

Fiscal Year	Other Leases	Master Equipment	Lease Total
2014	$ 549	$ 25,286	$ 25,835
2015	446	24,637	25,083
2016	365	23,988	24,353
2017	231	5,773	6,004
2018	39	2,687	2,726
2019 - 2023	-	12,633	12,633
	1,630	95,004	96,634
Less Amount Representing Interest *	170	7,132	7,302
Present Value of Minimum Lease Payments	**$ 1,460**	**$ 87,872**	**$ 89,332**

* The amount representing interest was calculated using imputed rates ranging from 0% to 16%.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

10. LONG-TERM BONDS PAYABLE:

State Board of Education Capital Outlay Bonds

Capital Outlay Bonds are issued by the State Board of Education (SBE) on behalf of the District and are generally referred to as "SBE Bonds." The bonds mature serially and are secured by a portion of the District's state revenues derived from the sale of automobile license plates. Principal and Interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration. At June 30, 2013, amounts withheld and in the custody of the state totaled $1,462 (in thousands) and are included as cash and investments with fiscal agent in the District's Statement of Net Position.

General Obligation Bonds

On March 8, 1988, pursuant to Florida Statutes, Sections 1010.40 through 1010.54, voter residents of the District approved a referendum authorizing the School Board to issue General Obligation School Bonds in an aggregate amount not exceeding $980 million, to be issued as required. The proceeds from the bonds were used to pay for the construction of new educational facilities and improving existing educational facilities. As of June 30, 2013, no bonds remain to be issued. Principal and interest on the bonds is paid from ad valorem school district taxes on all taxable real and personal property, excluding homestead exemption as required by Florida law, without limitation as to rate or amount.

On November 6, 2012, pursuant to Florida Statutes, Sections 1010.40 through 1010.54, voter residents of the County approved a referendum authorizing the School Board to issue additional General Obligation School Bonds in an aggregate amount not to exceed $1.2 billion. The proceeds of the bonds are to be used to pay for modernizing, constructing, enlarging or otherwise improving school buildings, including educational technology upgrades.

As of June 30, 2013, none of these bonds have been issued. Principal and interest on future bond issues will be paid from ad valorem school district taxes on all taxable real and personal property, excluding Homestead Exemption as required by Florida Law, without limitation as to rate or amount.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

10. LONG-TERM BONDS PAYABLE, Continued:

A summary of bonds payable as of June 30, 2013 is as follows (in thousands):

	Authorized	Issued	Outstanding
State Board of Education (SBE) Capital Outlay Bonds – Series 2004A, due in varying annual payments through January 1, 2024, with interest rates ranging from 3.00% to 4.625%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1 through December 31, 2014 at par plus 1% premium, and thereafter at par.	$ 5,115	$ 5,115	$ 3,570
State Board of Education (SBE) Capital Outlay Bonds – Series 2005A due in varying annual payments through January 1, 2025 with interest rates ranging from 3% to 5%. Interest is payable semi-annually on January 1 and July 1. Bonds are callable on January 1 through December 31, 2015 at par plus 1% premium, and thereafter at par. A portion of the proceeds was used to refund SBE Capital Outlay Bonds Series 1996A & 1997A to achieve debt service savings.	89,680	89,680	33,200
State Board of Education (SBE) Capital Outlay Bonds – Series 2005B due in varying annual payments through January 1, 2020 with interest rates ranging from 3% to 5%. Interest is payable semi-annually on January 1 and July 1. Bonds are callable on January 1 through December 31, 2015 at par plus 1% premium and thereafter at par. The proceeds from these bonds were used to refund SBE Capital Outlay Bonds Series 1998A and 2000A to achieve debt service savings.	2,735	2,735	1,540
State Board of Education (SBE) Capital Outlay Bonds – Series 2008A due in varying annual payments through January 1, 2028, with interest rates ranging from 3.25% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, 2018 at par plus 1% premium, and thereafter at par.	8,425	8,425	7,075

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

10. LONG- TERM BONDS PAYABLE, Continued:

	Authorized	Issued	Outstanding
State Board of Education (SBE) Capital Outlay Bonds – Series 2009A, Refunding due in varying annual payments through January 1, 2019, with interest rates ranging from 2.00% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2019 at par plus 1% premium, and thereafter at par.	$ 1,710	$ 1,710	$ 1,060
State Board of Education (SBE) Capital Outlay Bonds – Series 2009A, New Portion due in varying annual payments through January 1, 2029, with interest rates ranging from 2.00% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2019 at par plus 1% premium, and thereafter at par.	1,355	1,355	1,200
State Board of Education (SBE) Capital Outlay Bonds – Series 2010A, Refunding due in varying annual payments through January 1, 2022, with interest rates ranging from 4.00% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2020 at par. A portion of the proceeds was used to refund SBE Capital Outlay Bonds Series 2001A & 2002A to achieve debt service savings.	1,440	1,440	1,310
State Board of Education (SBE) Capital Outlay Bonds – Series 2010A, New Portion due in varying annual payments through January 1, 2030, with interest rates ranging from 3.00% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2020 at par.	640	640	580
State Board of Education (SBE) Capital Outlay Bonds – Series 2011A, Refunding due in varying annual payments through January 1, 2023, with interest rates ranging from 3.00% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2021 at par. A portion of the proceeds was used to refund SBE Capital Outlay Bonds Series 2003A to achieve debt service savings.	725	725	725

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

10. LONG-TERM BONDS PAYABLE, Continued:

	Authorized	Issued	Outstanding
General Obligation Schools Bonds, Series 1994, consisting of Serial Bonds due in varying serial payments through August 1, 2014. Interest rates ranging from 5.0% to 6.4%, is payable February 1 and August 1. Bonds maturing on August 1, 2004 and thereafter were called on August 1, 2004 at the redemption price of 101%. The bonds were remarketed with the same maturity dates, rates, and issue date at a true interest cost of 2.66%. The sale resulted in the same cash flow as the prior debt service.	Third in a series not to exceed $ 980,000	$ 99,030	$ 22,365
General Obligation Refunding School Bonds Series 1997, consisting of Serial Bonds due in varying serial payments through February 15, 2017. Interest, at a rate of 5.00%, is payable February 15 and August 15. The Bonds maturing on February 15, 2008 and thereafter were called on November 1, 2006 at the redemption price of 101%. The Bonds were remarketed at the same maturity dates, rates, and issue date at a true interest cost of 3.83%. The sale resulted in the same cash flow as prior debt service.	86,785	86,785	40,305
General Obligation Refunding School Bonds Series 1998, consisting of Serial Bonds due in varying serial payments through August 1, 2015. Interest rates ranging from 4.0% to 5.38%, is payable February 1 and August 1. The Bonds are not subject to redemption prior to maturity.	$ 154,580	$ 154,580	$ 60,675
Total Long-Term Bonds Payable			**$ 173,605**

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
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10. LONG-TERM BONDS PAYABLE, Continued:

Several of the SBE long-term bonds are callable prior to maturity during the years 2013 through 2021. The debt service requirements to maturity, assuming none of the SBE bonds are called prior to their scheduled maturity date, are as follows (in thousands):

Year Ending June 30	Principal	Interest	Total Debt Service Requirements
2014	$ 52,000	$ 8,031	$ 60,031
2015	54,835	5,314	60,149
2016	41,445	2,863	44,308
2017	12,995	1,222	14,217
2018	1,425	575	2,000
2019 – 2023	6,125	1,954	8,079
2024 – 2028	4,585	669	5,254
2029 – 2033	195	10	205
Total	**$ 173,605**	**$ 20,638**	**$ 194,243**

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION:

On August 1, 1994, the District entered into a Lease Purchase Agreement, with the Dade County School Board Foundation, Inc., a Florida not-for-profit corporation (the "Foundation") and blended component unit of the District, to finance the acquisition and construction of new schools and appurtenant equipment and other property (the "Facilities") to be operated by the District. The members of the School Board serve as the Board of Directors of The Foundation. The Foundation was formed by the School Board solely for the purpose of acting as the lessor of the Facilities, with the District as lessee. The School Board as lessor entered into Ground Leases with the Foundation for the Facilities sites and all improvements. In conjunction therewith, Certificates of Participation, (the "Certificates") were issued to third parties, evidencing undivided proportionate interests in basic lease payments to be made by the District, as lessee, pursuant to the Lease Purchase Agreement. Fee title to the Facilities and the Facilities site is in the name of the District. The District is responsible for operation, maintenance, use, occupancy, upkeep and insurance of the Facilities.

The Foundation leases the Facilities to the District under the Lease Purchase Agreements, which are automatically renewable annually through May 1, 2037, unless terminated, in accordance with the provisions of the Lease Purchase Agreements, as a result of default or the failure of the School Board to appropriate funds to make lease payments in its final official budget. The remedies on default or upon an event of non-appropriation include the surrender of the Facilities by the District and its re-letting for the remaining Ground Lease term, or the voluntary sale of the Facilities by the School Board, in either case with the proceeds to be applied against the School Board's obligations under the Lease Purchase Agreements.

The Certificates are not separate legal obligations of the School Board, but represent undivided interests in lease payments to be made from appropriated funds budgeted annually by the School Board for such purpose from current or other funds authorized by law and regulations of the Department of Education, including the local optional millage levy. However, neither the School Board, the District, the State of Florida, nor any political subdivision thereof, are obligated to pay, except from appropriated funds, any sums due under the Lease Purchase Agreement from any source of taxation. The full faith and credit of the School Board and the District is not pledged for payment of such sums due under the Lease Purchase Agreements and such sums do not constitute an indebtedness of the School Board or the District within the meaning of any constitutional or statutory provision or limitation. The District plans to make the Series 2004A, 2005A, 2006C, and 2006D lease payments from the impact fees collected on new residential construction by Miami-Dade County and remitted to the School Board, and from Local Optional Millage Levy.

Under the American Recovery and Reinvestment Act of 2009, Qualified School Construction Bonds (QSCBs) and Build America Bonds (BABs) were established to provide for taxable obligations to be issued by the school district with a federal subsidy for interest. Series 2009B and 2010A were issued under the Qualified School Construction Bond program and Series 2010B were issued under the Build America Bond program. The 2009B Series provides federal tax credits in lieu of interest payments to the Certificate holder, which is similar to the Series 2000, 2001, 2003, and 2006 Qualified Zone Academy Bonds (QZAB) program. The Series 2010A and 2010B, along with the Series 2010 QZAB were issued as direct pay debt whereby the interest subsidy is paid directly to the District by the U.S. Treasury.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
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11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION, Continued:

The Internal Revenue Services (IRS) announced on March 4, 2013, that payments to issuers of the direct pay bonds are subject to a reduction of 8.7% of the amount budgeted for such payment. The sequester reduction rate will be applied to amounts claimed by an issuer on any IRS Form 8038-CP filed with the IRS that results in payment to such issuer on or after March 1, 2013. Accordingly, unless Congress acts to change the sequester percentage or otherwise changes the application of the cuts, the School Board anticipates the aggregate expected QSCB Issuer Subsidy, BAB Issuer Subsidy and QZAB Issuer Subsidy totaling $3,629 (in thousands) for the 2012-13 fiscal year to be reduced by 8.7% (which equates to a $316 (in thousands) reduction), after March 1, 2013. As a result, the corresponding increase in interest costs for the District must be paid from other revenue sources.

A summary of Certificates of Participation payable as of June 30, 2013, is as follows (in thousands):

Debt Series	Issue Date	Final Maturity	Interest Rate(s)	Issued	Outstanding
2000 Qualified Zone Academy Bonds – Interest is paid by U.S. Government through issuance of federal income tax credits.	12/21/00	12/21/13	N/A	$ 24,508	$ 24,508
2001 Qualified Zone Academy Bonds – Interest is paid by U.S. Government through issuance of federal income tax credits.	06/01/01	06/01/15	N/A	15,000	15,000
2003 Qualified Zone Academy Bonds – Interest is paid by U.S. Government through issuance of federal income tax credits.	12/18/03	12/18/18	N/A	9,744	9,744
2006 Qualified Zone Academy Bonds – Interest is paid by U.S. Government through issuance of federal income tax credits.	12/15/06	12/15/22	N/A	2,600	2,600
2010 Qualified Zone Academy Bonds – 5.10% Tax Credit paid by U.S. Government to the District.	11/10/10	11/01/29	True Interest Cost 0.15% 5.25% (without 5.10% U.S. Subsidy)	24,480	24,480
2001B Series – Auction Rate Certificates converted to variable rate mode based on LIBOR plus 0.75% under a Private Placement with predetermined reset terms.	06/19/01	05/01/31	Variable Interest 0.94% @ June 30, 2013	54,650	43,500
2002A Series – Auction Rate Certificates converted to variable rate mode based on SIFMA plus 0.75% under a Private Placement with predetermined reset terms.	12/13/02	08/01/27	Variable Interest 0.81% @ June 30, 2013	75,000	56,940
2002B Series – Auction Rate Certificates converted to variable rate mode based on SIFMA plus 0.75% under a Private Placement with predetermined reset terms.	12/13/02	08/01/27	Variable Interest 0.81% @ June 30, 2013	75,000	56,945
2003A Series – Includes Capital Appreciation Bonds. Refunded the Series 1998B Issuance.	03/01/03	08/01/27	True Interest Cost 3.418% Assumed 3.5% - Beyond Mandatory Purchase Date	63,633	130

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11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION, Continued:

A summary of Certificates of Participation payable as of June 30, 2013, is as follows (in thousands):

	Issue Date	Final Maturity	Interest Rate(s)	Issued	Outstanding
2004A Series – Serial Certificates. Partially refunded 2000A and 2001C Series.	08/12/04	10/01/20	True Interest Cost 4.29% 2.25% to 5.25%	$ 87,210	$ 52,280
2005A Series – Serial & Term Certificates.	06/28/05	04/01/20	True Interest Cost 3.892% 3.5% to 5%	56,380	4,080
2006A Series – Serial & Term Certificates.	03/15/06	11/01/31	True Interest Cost 4.49% 3.375% to 5.00%	201,080	155,545
2006B Series – Serial & Term Certificates.	04/11/06	11/01/31	True Interest Cost 4.54% 3.50% to 5.00%	208,150	164,255
2006C Series – Serial & Term Certificates.	05/10/06	10/01/21	True Interest Cost 4.41% 3.875% to 5.00%	53,665	36,460
2006D Series – Serial Certificates**.** Partially refunded 2001C Series.	12/21/06	10/01/21	True Interest Cost 4.098% 3.625% to 5.00%	10,570	10,055
2007A Series – Serial & Term Certificates.	05/10/07	05/01/32	True Interest Cost 4.52% 3.75% to 5.00%	316,515	280,955
2007B Series – Serial & Term Certificates.	05/24/07	05/01/32	True Interest Cost 4.47% 4.00% to 5.00%	101,265	89,650
2007C Series – Auction Rate Certificates converted to variable rate mode based on LIBOR plus 0.75% under a Private Placement with predetermined reset terms.	05/24/07	05/01/37	Variable Interest 0.94% @ June 30, 2013	90,825	90,825
2008A Series – Serial Certificates. Forward cash refunding 1998A & 1998C Series.	06/19/08	08/01/26	True Interest Cost 4.327% 5%	233,400	180,425
2008B Series – Serial & Term Certificates.	05/28/08	05/01/33	True Interest Cost 4.869% 3.5% to 5.25%	538,305	507,985
2008C Series – Variable Rate Demand Notes converted to a five year Floating Rate Note effective May 16, 2012 based on 70% of LIBOR plus 0.90%. If cannot be remarketed, interest shall accrue at Base Rate plus 1%, and from the 31st day, interest shall accrue at Base Rate plus 5%.	08/01/08	07/15/27	Variable Interest 1.04% @ June 30, 2013	57,770	57,440
2009A Series – Serial & Term Certificates.	02/26/09	02/01/34	True Interest Cost 5.28% 3.00% to 5.375%	310,055	268,375
2009B Series – Qualified School Construction Bonds. Interest is paid by U.S. Government through issuance of federal income tax credits (sold at a discount price of 73.673% resulting in a True Interest Cost of 1.859%).	12/15/09	12/15/26	N/A	104,000	104,000

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11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION, Continued:

	Issue Date	Final Maturity	Interest Rate(s)	Issued	Outstanding
2010A Series – Qualified School Construction Bonds, 5.54% Tax Credit paid by U.S. Government to the District.	06/24/10	06/15/27	True Interest Cost 0.852% 6.24% to 6.49% (without 5.54% U.S. Subsidy)	$ 96,290	$ 96,290
2010B Series – Build America Bonds, 35% Tax Credit paid by U.S. Government to the District.	06/24/10	06/15/32	True Interest Cost 4.523% 6.84% to 6.94% (without 35% U.S. Subsidy)	27,990	27,990
2011A Series – Include fixed rate and term rate certificates refunding of Series 2003B. Term bonds include mandatory 3 year soft put on 5/1/14 of $76,685 at 100%. If cannot be remarketed, interest shall accrue at 11% per year.	03/29/11	05/01/31	True Interest Cost 4.449% 2.5% to 5%	139,055	125,305
2011B Series – Include fixed rate and term rate certificates partially refunding of Series 2007A, 2007B, and 2009A. Term bonds include a mandatory 5 year soft put on 05/01/16 of $70,000 at 100%. If cannot be remarketed, interest shall accrue at 11% per year.	03/29/11	05/01/32	True Interest Cost 5.154% 5% to 5.75%	137,660	137,660
2012A Series – Include Fixed Rate and Term Rate Certificates partially refunding Series 2003D ($148,850). Term Bonds include a mandatory 4 year soft put on 8/1/2016 of $58,780 at 100% with a gross savings of ($424) and a net present value economic savings of $7,434. If cannot be remarketed, interest shall accrue at 11% per year.	07/05/2012	08/01/2029	True Interest Cost 3.606% 2% to 5%	149,365	149,365
2012B-1 Series – Serial Certificates. Partially refunding 2004A ($15,575) with a gross savings of $2,814 and net present value economic savings of $2,270	07/05/2012	10/01/2020	True Interest Cost 2.814% 5%	13,765	13,765
2012B-2 Series – Serial Certificates. Partially refunding 2005A ($16,725) with a gross savings of $1,994 and a net present value economic savings of $1,677	07/05/2012	04/01/2020	True Interest Cost 2.379% 4%	15,655	15,655
2013A Series – Serial Certificate. Partially refunding 2006A ($15,335), 2006B ($12,470), 2007A ($9,525), 2007B ($2,075) and 2008B ($30,320) with a gross savings of ($55,967) and a net present value economic loss of ($9,364)	05/01/2013	05/01/2032	True Interest Cost 4.199% 5%	68,230	68,230
2013B Series – Serial Certificates. Fully refunding 2003D ($2,110) and partially refunding 2009A ($6,395) with a gross saving of ($5,912) and a net present value economic loss of ($793)	05/01/2013	02/01/2030	True Interest Cost 4.097% 5%	8,160	8,160
				$ 3,369,975	**$ 2,878,597**

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11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION, Continued:

At June 30, 2013, the following defeased certificates remain outstanding:

Defeased Certificates		Amount Outstanding
2003D	$	150,960,000
2006A	$	15,335,000
2006B	$	12,470,000
2007A	$	9,525,000
2007B	$	2,075,000
2008B	$	30,320,000
2009A	$	6,395,000

Debt service requirements for obligations under lease purchase agreements – Certificates of Participation to maturity, assuming the obligations will be remarketed based on the specified soft put dates disclosed below, are as follows (in thousands):

Year Ending June 30		Principal		Interest****		Total Debt Service Requirements*
2014**	$	70,217	$	117,513	$	187,730
2015		54,134		115,943		170,077
2016**		83,498		113,887		197,385
2017***		161,530		111,042		272,572
2018		116,155		105,646		221,801
2019 – 2023		641,976		453,315		1,095,291
2024 – 2028		838,430		310,400		1,148,830
2029 – 2033		855,632		111,839		967,471
2034 – 2037		57,025		1,070		58,095
Total	**$**	**2,878,597**	**$**	**1,440,655**	**$**	**4,319,252**

* The schedule above reflects required annual payments to the sinking fund for the retirement of the debt, which are not considered reduction of principal until the year of maturity.

** Requirements for 2014 and 2016 include mandatory soft puts. Series 2011A has a 3-year soft-put on May 1, 2014, of $76,685, and Series 2011B has a 5-year soft-put on May 1, 2016 of $70,000. Series 2012A has a 4 year soft put on August 1, 2016,of $58,780. The District intends to remarket these issues in full, however, if these issues cannot be remarketed, interest shall accrue at 11% per year.

*** Requirements for 2017 include a 5-year floating rate note for COP Series 2008C, effective May 16, 2012, based on 70% of LIBOR plus .90%. The District intends to remarket in full; however if it this issue cannot be remarketed, interest shall accrue at base rate plus 1%, and from the 31st day, interest shall accrue at base rate plus 5%.

**** Interest rates on several obligations are variable. The rates for such obligations range from 0.81% - 1.04%.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
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11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION, Continued:

Hedging Derivative Instrument:

Objectives: The District entered into pay-fixed interest rate forward swaps (referred to herein collectively as "Swaps") in order to lower its cost of capital and protect against rising interest rates. The Swaps are classified as cash flow hedges on the District's floating rate debt and were executed to manage its mix of fixed and floating rate exposure in its ongoing borrowing program.

The following Swaps had changes in fair value totaling $12,319,103 classified as a decrease of the Deferred Outflow of Resources and all fair values (including accrued interest) have been calculated using the zero-coupon method independently calculated. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. The payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

Date of Execution	Notional Amount Outstanding	Effective Date	Termination Date	Associated Certificates	Fixed Payable Swap Rate	Variable Receivable Swap Rate	Counterparty credit rating at June 30, 2013*	Fair Value at June 30, 2013
04-03-2006	$56,940,000	04-01-2007	08-01-2027	COP 2002A	3.821%	70% 1 Month LIBOR	Aa3/AA-/AA	(8,698,363)
04-03-2006	$56,945,000	04-01-2007	08-01-2027	COP 2002B	3.821%	70% 1 Month LIBOR	Aa3/AA-/AA	(8,838,355)
04-03-2006	$57,440,000	08-01-2008	07-15-2027	COP 2008C	3.909%	70% 1 Month LIBOR	Aa3/AA-/AA	(11,326,116)

*Moody's/S&P/Fitch

Using rates as of June 30, 2013, debt service requirements for variable rate debt and net Swap payment, assuming current interest rates remain the same, are as follows (in thousands):

Fiscal Year	Principal	Interest	Hedging Derivative Instruments, Net	Total Interest	Total Debt Service Requirement
2014	$ 5,125	$ 1,530	$ 6,244	$ 7,774	$ 12,899
2015	7,560	1,443	5,997	7,440	15,000
2016	7,935	1,375	5,691	7,066	15,001
2017	8,330	1,306	5,397	6,703	15,033
2018	7,990	1,233	5,070	6,303	14,293
2019 – 2023	46,825	5,030	20,204	25,234	72,059
2024 – 2028	87,560	2,456	9,149	11,605	99,165
Total	**$ 171,325**	**$ 14,373**	**$ 57,752**	**$ 72,125**	**$ 243,450**

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION, Continued:

Risk Disclosure:

Credit Risk. The Swaps rely upon the performance of the third parties who serve as swap counterparties, and as a result the District is exposed to credit risk, or the risk that a swap counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the Swaps, as shown in the columns labeled Fair Value in the tables above. To mitigate credit risk, the District maintains strict credit standards for swap counterparties. The current swap counterparty has ratings in double-A category or better. To further mitigate counterparty credit risk, the District's swap documents require counterparties to post collateral for the District's benefit if they are downgraded below Aa3 by Moody's and below AA- by Standard & Poor's, if the swap values exceed specified thresholds. Collateral is to be in the form of U.S. Treasury or U.S. GSE securities held by a third party custodian. Currently, the Swaps have not been in an asset position requiring the posting of collateral. There is no master netting arrangement on the outstanding Swaps.

Interest Rate Risk. The Swaps are intended to protect the District against changes in floating interest rates. If floating rates rise, the District's payment on the variable rate bonds should increase but should be offset by the variable rate payments it receives under the Swaps.

Basis Risk. The District's Swaps expose the District to basis risk should the relationship between the floating rates the District will receive on the swaps (70% of LIBOR) fall short of the variable rate on the associated bonds, the expected savings may not be realized. As of June 30, 2013, the variable rate was 0.06%, while the LIBOR rate was 0.19% on both the 2002A & 2002B certificates, and the District received 0.13% (70%) and 0.14% (70%) on the 2002A & 2002B certificates, respectively. As of June 30, 2013, the 2008C variable rate was 0.13%, while the LIBOR rate was 0.19% and the District received 0.13% (70%).

Termination Risk. The District's Swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards, the District or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. If at the time an early termination of the swap was declared and the swap had a negative value, the District would be liable to the counterparty for a payment equal to the fair value of such swap. The District views such events to be remote in the case of the current counterparty, which is rated Aa3/AA-. On March 8, 2012 the District replaced the Merrill Lynch Capital Markets (MLCS) swap associated with the 2008C COP due to an Additional Termination Event, which occurred when MLCS guarantor, Merrill Lynch & Co. was downgraded by Moody's to below A3. The District Swap agreements provide the optional right of the District to replace the swap with a new creditworthy counterparty when an Additional Termination Event occurs.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

12. DEBT SERVICE:

The amount available for debt service consists of resources from the Debt Service Funds legally required to be used for debt service until the related debt is extinguished (in thousands):

Categories:		Amounts
Restricted for Payment of State Board of Education and Capital Outlay Bonds	$	1,462
Restricted for Payment of District Bond Funds		32,402
Restricted for Other Debt Service		43,755
Total Available in Debt Service Funds	**$**	**77,619**

All Certificates of Participation Lease Payments and all other amounts required to be paid by the School Board under the various Series under the Master Lease and all other Leases are made from legally available funds appropriated for such purpose by the School Board. The substantive portion for these payments is provided by the Local Optional Millage Levy on ad-valorem property. Separate Lease Payment Accounts are established for each series of Certificates issued under the Trust Agreement. Lease Payments are due under the Master Lease on an all-or-none basis and are payable on a parity basis solely from legally available funds appropriated by the School Board for such purpose. Such payments are normally transferred to the Trustee 15 days before Lease Payments are due.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

13. ESTIMATED LIABILITY ON INSURANCE RISKS AND PENDING CLAIMS:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; administrative errors and omissions; injuries to employees, students and guests; as well as natural disasters. The District is self-insured for portions of its general and automobile liability insurance, workers' compensation and health insurance. Losses involving auto and general liability claims are limited (generally) by provisions of the Florida Statute, Section 768.28. Claims brought against the District are handled by a contracted third-party administrator. The District purchases commercial insurance for other risks including property and other miscellaneous risks as follows:

Type	Risk Retention/ Deductible	Coverage after Retention/Deductible
Workers' Compensation	$1,000,000	Statutory/$1,000,000
General, Fleet Liability, and Errors and Omissions	$200,000/$300,000	$500,000 per occurrence, $3,250,000 annual aggregate
Property	$100,000,000 per occurrence for hurricanes; $500,000 per incident for all other perils.	$20,000,000 per occurrence/annual aggregate for all perils including windstorms, earthquakes and floods.
	$100,000 for each act of terrorism	$50,000,000 annual aggregate

Accordingly, liabilities for certain retained risks are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The District's estimated liability for self-insured losses relating to the casualty program consisting of general liability, automobile liability, professional liability/errors and omissions, and workers' compensation claims was determined by an independent actuarial valuation performed as of June 30, 2013. Liabilities, as determined by the actuary, include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The portion of the liability that is due and payable at June 30, 2013 is recorded in the General Fund, and the remaining portion is recorded in the government-wide financial statements. Liability for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment yield assumptions of 2.5%.

The School Board authorized the purchase of Individual Stop Loss (ISL) coverage for its self-insured health program effective January 1, 2013, from Cigna with an attachment point of $880,000 per claimant.

The School Board approved a set of premium equivalent rates, based upon actuarial projections of claims including claims incurred but not reported (IBNR) for the calendar year provided by the School Board's Employee Benefits Consulting firms of Deloitte Consulting, LLP, and Cigna. The calendar year 2013 monthly rates for the two offered Open Access Programs (OAP) are $626 (OAP 10) and $576 (OAP 20). The Board's contribution for employee only coverage is limited to the $576 (OAP 20); therefore, employees who choose the $626 (OAP 10) are subject to a monthly cost share based upon their salary band. Effective January 1, 2010, the cost of dependent healthcare coverage became banded by salary tiers, which was renewed for January 1, 2013.

The School Board continues to offer an opt out provision for employees who can provide proof of insurance coverage. Employees who opt out receive a monthly adjustment to gross compensation of $100/month.

The District's estimated liability for health insurance claim payments was determined by an independent actuarial valuation performed as of June 30, 2013.

There were no losses which exceeded coverage in fiscal years ended June 30, 2011, 2012, and 2013.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
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13. ESTIMATED LIABILITY ON INSURANCE RISKS AND PENDING CLAIMS, Continued:

A total estimated liability amount of $138,635 was actuarially determined to cover reported and unreported claims payable at June 30, 2013. It is estimated that of the current portion, $64,645 is due within a year. The remaining $73,990 will be due in future years (in thousands).

	Estimated Liability For Pending Claims		
	Current Portion	Long-Term Portion	Total
Workers' compensation	$ 22,308	$ 63,171	$ 85,479
General and occupational liability	3,673	7,998	11,671
Fleet liability	1,041	2,821	3,862
Group Health	37,623	-	37,623
Total	**$ 64,645**	**$ 73,990**	**$ 138,635**

Changes in the balance of claims liabilities for the years ended June 30, 2012 and 2013 are as follows (in thousands):

	Balance July 1, 2011	Current year claims and changes in estimates	Claim payments	Balance June 30, 2012
Workers' compensation	$ 74,498	$ 27,764	$ (26,203)	$ 76,059
General and occupational liability	14,007	3,481	(4,045)	13,443
Fleet liability	2,957	2,105	(877)	4,185
Group Health	30,126	356,225	(350,262)	36,089
Total	**$ 121,588**	**$ 389,575**	**$ (381,387)**	**$ 129,776**

	Balance July 1, 2012	Current year claims and changes in estimates	Claim payments	Balance June 30, 2013
Workers' compensation	$ 76,059	$ 43,842	$ (34,422)	$ 85,479
General and occupational liability	13,443	447	(2,219)	11,671
Fleet liability	4,185	1,030	(1,353)	3,862
Group Health	36,089	341,623	(340,089)	37,623
Total	**$ 129,776**	**$ 386,942**	**$ (378,083)**	**$ 138,635**

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
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14. CHANGES IN LONG-TERM LIABILITIES:

Long-term liabilities balances and activity for the year ended June 30, 2013 are as follows (in thousands):

	Balance 7/1/12	Additions	Deductions	Balance 6/30/13		Amounts Due Within One Year	
Bonds Payable	$ 226,235	$ -	$ (51,139)	$ 175,096	*	$ 52,553	**
Certificates of Participation Payable by the Foundation, net	2,947,672	261,531	(318,502)	2,890,701	***	45,328	****
Derivative Instrument Liabilities	41,182	-	(12,319)	28,863		-	
Capital Leases Payable	120,096	475	(31,239)	89,332		23,025	
Self-Insurance Estimated Claims Payable	129,776	386,942	(378,083)	138,635		64,645	
Retirement Incentive Benefits	2,428	-	(876)	1,552		202	
Compensated Absences	258,536	33,794	(23,642)	268,688		15,864	
Other Postemployment Benefits	17,853	10,391	(14,145)	14,099		-	
Interlocal Construction Contract Agreement	400	1,600	-	2,000		-	
Total	**$ 3,744,178**	**$ 694,733**	**$ (829,945)**	**$ 3,608,966**		**$ 201,617**	

* Includes unamortized premium in the amount of $1,878, less a deferred loss on the remarketing of $387.

** Includes principal payments plus unamortized premium in the amount of $684 less a deferred loss in the amount of $131.

*** Amount is more than the principal balance of $2,878,597 in Note 11 by $12,104 which represents the net unamortized premium less deferred loss on advanced COP refundings at June 30, 2013.

**** Includes principal payments plus unamortized premium in the amount of $2,641 less a deferred loss in the amount of $3,022.

Payments for insurance claims (other than health insurance claims that are paid from the Internal Service Fund), retirement incentive benefits, compensated absences, and other postemployment benefits are paid by the General Fund. Capital Leases are mostly paid from capital project funds.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
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15. STATE REVENUE SOURCES:

A major source of the District's revenue is received from the State of Florida, who provided approximately 35.0% of total revenues in fiscal year 2012-13. The following is a schedule of state revenue sources and amounts (in thousands):

Sources	Amount
Florida Education Finance Program	$ 610,377
Categorical Educational Programs	427,697
Workforce Development	81,017
Charter School Capital Outlay Funding	14,394
Capital Outlay and Debt Service (CO&DS) Withheld for SBE/COBI Bonds	13,532
Food Service Supplement	2,146
CO&DS Distributed	1,416
Adults with Disabilities	1,125
Workforce Education Performance Incentive	931
CO&DS Withheld For Administrative Expense	228
State License Tax	200
Interest on Undistributed CO&DS	143
SBE/COBI Bond Interest	59
Miscellaneous	1,439
Total	**$ 1,154,704**

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

16. PROPERTY TAXES:

The Board is authorized by state law to levy property taxes for District school operations, capital improvements and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. Property taxes are assessed by the County Property Appraiser and are collected by the County Tax Collector.

Property values are assessed as of January 1 of each year. Taxes are levied after the millage rate is certified in September of each year. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4% for early payment.

Taxes become delinquent on April 1 of the year following the year levied. State law provides for enforcement of collection of real property taxes. First, interest-bearing tax certificates are sold at public auction to recover delinquent taxes. Finally, if the tax certificates are not paid with accrued interest by the property owner, the purchaser of the tax certificate is entitled to take possession of the property. Accordingly, substantially all of the taxes assessed for calendar year 2012 have been recognized during the fiscal year ended June 30, 2013.

The State Constitution limits the levying of non-voted taxes by the School Board to 10 mills ($10.00 per thousand of assessed valuation). State law prescribes on an annual basis the upper limit of non-voted property tax millage that may be levied. For fiscal 2012-13 the limit of 7.765 mills was levied. The total adjusted assessed value for calendar year 2012 on which the fiscal year 2013 levy was based on approximately $198.1 billion.

Actual property taxes collected and reflected in the table below totaled 98.9% of taxes levied, including collections from prior years' tax levies but exclude tax redemptions. The Miami-Dade County Tax Collector is not required by law to make an accounting to the District of the difference between taxes levied and taxes collected. However, because discounts are allowed for early payment of taxes and because of other reasons for noncollection, the District's budget anticipates that 96% of taxes levied will be collected.

The following is a summary of millages and taxes levied on the final 2012 tax roll for the fiscal year 2012-13 (in thousands):

		Taxes		
	Millages	Levied	Collected	Uncollected (Net)*
GENERAL FUND				
Nonvoted School Tax:				
Required Local Effort	5.557	$ 1,100,823	$ 1,038,816	$ 62,007
Discretionary Local Effort	.647	128,168	120,949	7,219
	6.204	$ 1,228,991	$ 1,159,765	$ 69,226
CAPITAL PROJECT FUNDS				
Nonvoted Tax:				
Local Capital Improvements	1.561	$ 309,229	$ 291,812	$ 17,417
DEBT SERVICE FUNDS				
Voted Tax:				
Debt Service - General Obligation Bonds	.233	$ 46,156	$ 43,557	$ 2,599

Taxes reported in the Governmental Funds as reflected above includes an accrual only for taxes collected within 60 days after the fiscal year-end. In the government-wide financial statements the District bases the estimates of taxes receivable and uncollectible taxes on historical experience. For fiscal year 2012-13, the District considered $68.1 million or 4.3% of levied taxes as uncollectible.

* The uncollected net amount reported above is recorded as deferred revenue in the governmental funds.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
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JUNE 30, 2013

17. RETIREMENT BENEFITS:

The School Board provides retirement benefits to its employees through the Florida Retirement System, the Supplemental Early Retirement Plan, and a Deferred Retirement Option Program (DROP), as well as state approved Other Post-Employment Benefits (OPEB) in the form of subsidized health insurance premiums.

Florida State Retirement Programs

The School Board participates in the Florida Retirement System (FRS) a cost sharing multiple employer public employee retirement system which is totally administered by the State of Florida, Department of Management Services, Division of Retirement. The District's payroll for employees covered by FRS for the year ended June 30, 2013 was approximately $1.7 billion; the District's total payroll was approximately $1.7 billion.

Prior to September 2002 all Florida Retirement System plans were defined benefit plans. Since September 2002 all covered employees may opt to participate in a defined contribution plan referred to as the FRS Investment Plan established by the State of Florida. Participating employers pay to FRS a single rate established annually by the Florida Legislature. Other than a one year vesting requirement, the state has established no restrictions which would affect when an employee participating in the defined contribution plan may retire. Only restrictions imposed by the Internal Revenue Service would apply.

The 2011 Florida Legislature passed Senate Bill 2100, making significant changes to the FRS. The bill signed into law by Governor Rick Scott was effective July 1, 2011. Some of the changes impact current members while other changes will only impact future members who are initially enrolled in FRS on or after July 1, 2011.

Effective July 1, 2011, FRS members must contribute 3% of their gross salary amount on a pretax basis. Members participating in the Deferred Retirement Option (DROP) Program, and reemployed retirees who are not allowed to renew membership are not required to pay employee contribution. Members with an effective retirement date or DROP begin date on or before July 1, 2011, did not have a change in their 3% Cost of Living Adjustment (COLA). Members with an effective retirement date or DROP begin date on or after August 1, 2011 had their COLA reduced from 3%. The COLA formula is the total years of service before July 2011 divided by the total service credit at retirement multiplied by 3%. The annual DROP interest rate will be 1.3% for members whose DROP participation begins on or after July 1, 2011.

There are three major changes to the FRS which only affect members that are initially enrolled in the FRS on or after July 1, 2011. FRS changes dealing with vesting requirements, normal retirement date and the calculation of average final compensation (AFC). First, members of the FRS Pension Plan must be vested to be eligible for a future monthly retirement. Members initially enrolled on or after July 1, 2011, are vested after eight years of creditable service. Members that terminate FRS employment prior to vesting may receive a refund on the total employee contribution. Second, members initially enrolled on or after July 1, 2011, the normal retirement date is when first eligible to receive an unreduced retirement benefit based on age or years of service. A Regular Class, Senior Management Service Class or Elected Officers' Class member is eligible for normal retirement when he or she is vested and reaches age 65 or completes 33 years of service, whichever occurs first. A Special Risk Class member is eligible for normal retirement when he or she is vested and reaches age 60 or complete 30 years of special service, whichever occurs first. Third, for members enrolled on or after July 1, 2011, the average final compensation calculation used in calculating the retirement benefit will be the highest eight fiscal years of salary.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

17. RETIREMENT BENEFITS, Continued:

Florida State Retirement Programs – continued

Under the FRS, the District was required to contribute to the plans as of July 1, 2012, 5.18% of the salary of regular members (both Pension Plan and Investment Plan), 10.23% for elected county officers, 6.3% for senior management, and the 14.90% of the salary of the special risk members. DROP participant employer contributions are 5.44%. Employer rates include 1.11% for the postemployment health insurance subsidy and, except for DROP participants, .03% for administrative costs of the Investment Plan. The District's contributions to FRS for both the Regular plan and Special Risk plan are equal to the annual required contributions for each year as follows (dollars in thousands):

	June 30, 2011	June 30, 2012	June 30, 2013
Florida Retirement System	$ 199,876	$ 84,262	$ 89,764
Teacher's Retirement System – Plan E: Employer	$ 41	$ 16	$ 16

The State of Florida issues an annual report that includes financial statements and required supplementary information for FRS. The latest available report is as of June 30, 2013. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000.

Supplemental Early Retirement Plan

In addition to participating in the FRS, the School Board established an early retirement plan on July 1, 1984. The plan is a single employer, non-contributory defined benefit plan and is administered by an independent trustee and investments are managed by the District. The School Board closed the Supplemental Early Retirement Plan (the "Plan") to new employees on July 1, 2000, with no additional employees vesting after July 1, 2003. The Plan was established in order to supplement an early retiree's benefits by the amount of reduction imposed by the FRS. The Plan provides supplemental income for those employees who retired between the ages of 55 to 61 and who had completed at least 25 years, but not more than 28 years of creditable service. Payments under the Plan are equal to the difference in monthly retirement income for the participant under the FRS between the retirement benefit based on average final compensation, as defined above, and creditable service as of the member's early retirement date and the early retirement benefit under the FRS. Benefits are subject to an annual 3% cost of living adjustment. These benefit provisions and all other requirements are established by Florida Statutes, Section 1012.685.

The total number of retirees and beneficiaries of deceased retirees currently receiving benefits is 580, averaging $608 per month for each retiree. No benefits are provided for termination of employment prior to retirement.

The School Board's funding policy provides for actuarially determined periodic contributions sufficient to pay the benefits provided by this Plan when they become due. Plan members do not contribute to the Plan. Total contributions to the Plan for the 2012-13 fiscal year of $1,942 (in thousands) were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2011.

Valuations to determine the Plan's contribution requirements are performed every other year at the beginning of the fiscal year in odd years. To determine the Plan's funding requirements, the Entry Age Actuarial Cost Method was used. The actuarial cost method is closed group.

Separate statements are not issued for the Plan.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

17. RETIREMENT BENEFITS, Continued:

Supplemental Early Retirement Plan – continued

The methodology for determination of the contribution requirement has been updated to reflect assumptions for cost of living increases instead of assumed growth of future payroll since there is no longer covered payroll under the Plan.

The UAAL will be amortized using an open flat-dollar amortization method over a 10-year period beginning on July 1, 2012, through annual contributions. This methodology has been updated effectively July 1, 2012. Assets are valued at fair value, the inflation rate is 2.5% and the investment rate of return is assumed to be 6.75%.

An analysis of funding progress is presented below:

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	$ 1,942	100 %	-
2012	2,188	100 %	-
2011	2,125	100 %	-

Funded Status and Funding Progress –

Actuarial Accrued Liability (AAL) (a)	$ 41,510	
Actuarial Value of Plan Assets (b)	24,632	
Unfunded Actuarial Accrued Liability (UAAL) (c)	16,878	
Funded Ratio (b/a)	59	%
Covered Payroll (Active than Members) (d)	N/A*	
UAAL as a percentage of covered payroll (c/d)	N/A*	%

* The School Board terminated eligibility for the Supplemental Early Retirement Plan for eligible employees who did not elect to retire under its provision by July 1, 2003.

The schedule of funding progress is presented as Required Supplementary Information (RSI) following the notes to the financial statements and presents multi-year trend information about whether the actual value of plan assets is increasing or decreasing over time relative to the accrued actuarial liability for benefits over time.

The Plan is included as a Pension Trust fund in the accompanying financial statements. Contributions are recognized when due. Benefits are recognized when due and payable in accordance with the terms of the Plan.

Investments are reported at fair value and are comprised of the following at June 30, 2013 (amounts in thousands):

Commercial Paper	**$**	**8,498**
Money Market Mutual Funds	**$**	**601**
Equity Mutual Funds:		
Mutual Funds Closed-End		11,088
Mutual Funds Open-End		4,368
Total Mutual Funds		**15,456**
Total Investments	**$**	**24,555**

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

17. RETIREMENT BENEFITS, Continued:

Other Post Employment Benefits

As authorized by the Board, employees who retire in the first year of their eligibility under the FRS or who retired under the Plan can receive up to $1,200 per year as reimbursement for health insurance cost paid until they reach 65 years of age or until they become eligible for Medicare or Social Security disability. In October 2013, approximately 213 retirees will receive an estimated $202 thousand in premium reimbursements for the year ended June 30, 2013.

From 1991 through 2005, the District offered retirement incentive programs in an effort to reduce salary costs. The programs include enhanced insurance benefits up to the Board's annual monthly contribution and payments of accrued sick leave at an enhanced rate. Enhanced insurance benefits offered to eligible employees, as defined under the provisions of each program, consist of health and term life insurance subsidies for up to ten years. Expenditures for the retirement incentive program are recognized in the General Fund each year on a pay-as-you-go basis. The estimated liability for retirees receiving benefits of approximately $1.6 million is fully accrued and included in the government-wide financial statements.

The District implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, for certain postemployment health care benefits provided by the District for the fiscal year ended June 30, 2008.

Plan Description – Effective January 1, 2010, the District changed from a fully-insured health program to a self-insured program for eligible employees and retirees. The Plan operates as a single employer defined benefit plan. Employees who participate in and satisfy the vesting, disability, early or normal retirement provision of FRS may be eligible for Other Post Employment Benefits (OPEB). Retirees and their dependents are permitted to remain covered under the District's respective medical plans as long as they pay the premium charged for the plan and coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, F.S.

The State of Florida prohibits the District from separately rating retirees and active employees. The District therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, accounting standards require the actuarial amounts presented above to be calculated using age adjusted premiums approximating claims costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability.

Funding Policy – The District is not required by law or contractual agreement to provide funding for OPEB other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible dependents. Currently, the District's OPEB benefits are unfunded. That is, there is not a separate Trust Fund or equivalent arrangement into which the District would make contributions to advance-fund the obligation, as it does for its pension plan, FRS. Therefore, the ultimate subsidies which are provided over time, are directly financed by general assets of the District, which are invested in short-term fixed income instruments. For the 2012-13 fiscal year, 1,889 retirees received other postemployment benefits.

Consequently, in accordance with GASB Statement No. 45, the interest discount rate used to calculate the present value and costs of the OPEB must be the long-range expected return on such short-term fixed income instruments. The District selected an interest discount rate of 4.5% for this purpose. In addition to the interest discount rate, the other significant actuarial assumption used is the healthcare cost trend rate and participation assumptions. The valuation used a health care trend rate of 10.0% grading down by 0.5% annually to an ultimate of 5%, a payroll growth rate of 3.5%, and an inflation rate of 3%. The participation assumption of 25% is the assumed percentage of future retirees that participate and enroll in the health plan. The unfunded actuarial accrued liability is being amortized over the period of 30 years on an open basis. It is calculated assuming a level percentage of projected payroll.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

17. RETIREMENT BENEFITS, Continued:

Other Post Employment Benefits – continued

Annual OPEB and Net OPEB Obligation – The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount that was actuarially determined by using the entry age actuarial cost method (one of the actual cost methods in accordance with GASB Statement No. 45), with an amortization of the Unfunded Actuarial Accrued Liability as a level percent of expected payroll.

The following table shows the District's OPEB cost for the fiscal year ended June 30, 2013 (in thousands):

Annual Required Contribution (ARC)	$	10,270
Interest on Net OPEB Obligation		803
Adjustment to ARC		(682)
Annual OPEB Cost (Expense)		10,391
Employer Contributions		(14,145)
Increase (decrease) in Net OPEB Obligated		(3,754)
Net OPEB Obligation at beginning of year		17,853
Net OPEB Obligation at end of year	**$**	**14,099**

Actuarial Methods and Assumptions – Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations as of June 30, 2013, was as follows (in thousands):

Fiscal Year	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	$ 6,094	$ 10,313	169 %	$ 19,171
2012	10,258	11,576	113 %	17,853
2013	10,391	14,145	136 %	14,099

Funded Status and Funding Progress (in thousands):

Actuarial Accrued Liability (AAL) (a)	$ 152,835	
Actuarial Value of Plan Assets (b)	0	
Unfunded Actuarial Accrued Liability (UAAL) (c)	152,835	
Funded Ratio (b/a)	0	%
Covered Payroll (Active Members)	1,709,167	
UAAL as a percentage of covered payroll (c/d)	8.94	%

The schedule of funding progress is presented as Required Supplementary Information (RSI) following the notes to the financial statements and presents multi-year trend information about whether the actual value of plan assets is increasing or decreasing over time relative to the accrued actuarial liability for benefits over time.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

18. COMMITMENTS AND CONTINGENCIES:

A. Commitments

As part of its capital outlay program, the District has entered into various construction commitments totaling approximately $31.2 million as of June 30, 2013 (See Note 4).

The District leases certain facilities and equipment under various cancelable, operating lease agreements with lease terms not extending beyond one year. The total lease rent expense for the fiscal year ended June 30, 2013, under these leases was approximately $5.8 million.

B. Contingencies

Florida Education Finance Program and Federal, State and Local Grants

The School Board receives funding from the State of Florida under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School Board participates in a number of Federal, State and local grants which are subject to financial and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be adjusted against FEFP revenues in future fiscal years by the State due to errors in the FTE student data or the amount of grant expenditures, which may be disallowed by grantor agencies, would not be material to the financial position of the District.

C. Litigation

The School Board is a defendant in numerous lawsuits as of June 30, 2013. In the opinion of management, the District's estimated aggregate liability, with respect to probable losses, has been provided for in the estimated liability for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations of governmental liability on uninsured risks. It is the opinion of management and District legal counsel that the amount of losses resulting, if any, from the above-mentioned litigation in excess of the amount accrued as of June 30, 2013, would not be material to the financial position of the District.

19. FUND BALANCES:

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District reports its fund balance in the following categories:

Nonspendable – The District has $23.8 million of prepaid amounts and $8.7 million of inventories that are considered nonspendable.

Restricted – The District reported restricted fund balances totaling $139.4 million comprised of $1.5 million of State Required Carryover programs, $14.4 million in Food Service, $0.6 in Miscellaneous Special Revenue, $77.7 million in Debt Services and $45.2 million in Capital Projects.

Committed – The District did not have any committed fund balances at June 30, 2013.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

19. FUND BALANCES, Continued:

Assigned – The District has assigned fund balances totaling $19.1 million comprised of $7.2 million for rebudgets and obligations, $10.5 million for outstanding purchase obligations for goods and services, and $1.4 for capital projects.

Unassigned – The portion of fund balance that is the residual classification for the general fund. This balance represents balance amounts that have not been restricted, committed, or assigned for specific purposes. The unassigned fund balance for the General Fund is $58.0 million.

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.

Board Policy 6220.01 delineates Fund Balance Reserve Policies to target 5.5% of the combined assigned and unassigned fund balance, as a percentage of Total General Fund Revenues at fiscal year end. At June 30, 2013 the combined assigned and unassigned General Fund Balance totaled $75.7 million or 3.2% of General Fund Revenues.

Below is a table of fund balance categories and classifications for the fiscal year ended June 30, 2013 for the Districts' governmental funds:

	Governmental Funds				
	General Fund	Capital Improvement LOML	Certificates of Participation	Other Governmental Funds non-major*	Total
FUND BALANCES					
Nonspendable:					
Inventory	$ 5,571	$ -	$ -	$ 3,109	$ 8,680
Prepaid amounts	1,567	22,213	-	-	23,780
Restricted:					
State Required Carryover	1,522	-	-	-	1,522
Special Revenue:					
Food Service	-	-	-	14,414	14,414
Miscellaneous	-	-	-	622	622
Debt Service	-	-	-	77,619	77,619
Capital Projects	-	12,283	15,801	17,099	45,183
Assigned:					
Rebudgets and Obligations	7,217	-	-	-	7,217
Purchase Obligations	10,516	-	-	-	10,516
Capital Projects	-	-	-	1,395	1,395
Unassigned:	57,957	-	-	-	57,957
Total Fund Balance	**$ 84,350**	**$ 34,496**	**$ 15,801**	**$ 114,258**	**$ 248,905**

* Aggregates all of the District's nonmajor fund balances

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

20. SUBSEQUENT EVENTS:

Tax Anticipation Notes

On July 25, 2013, the District sold $250 million in Tax Anticipation Notes ("the Notes") with an effective yield of 0.16%. The Notes were issued to pay operating expenditures incurred prior to the receipt of the ad-valorem taxes levied and collected for operating purposes for the fiscal year commencing July 1, 2013. The Notes matured on March 4, 2014.

General Obligation Bonds

On August 15, 2012 the School Board approved Resolution 12-133 calling for a bond election to be held on November 6, 2012. The District requested that the electors of Miami-Dade County, Florida vote on the issuance of General Obligation Bonds (GOB) in an aggregate amount not exceeding $1.2 billion. The voter residents of the County approved the General Obligation Bond referendum on November 6, 2012 to fund a plan to modernize and construct schools throughout the District, including technology upgrades.

The District sold $190 million of Series 2013 GOB on July 10, 2013, at a premium which will provide $200 million of project funding. The District also sold $96 million GOB Series 2014A on February 11, 2014, at a premium, which will provide $100 million of project funding.

Certificate of Participation

On March 11, 2014 the District issued $70,980,000 of Certificate of Participation (COP) Series 2014A to provide funds for refunding the School Board's outstanding COP Series 2011A Term Rate Certificates on May 1, 2014. The Series 2014A with a maturity date of May 2031 are subject to a mandatory tender on May 1, 2024.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(amounts expressed in thousands)

	Budget as Originally Adopted	Final Amended Budget	Actual GAAP Basis	Variance With Final Amended Budget
Revenues:				
Local sources:				
Ad valorem taxes	$ 1,255,993	$ 1,184,737	$ 1,184,737	$ -
Interest income	800	925	925	-
Net increase (decrease) in fair value of investments	-	(41)	(41)	-
Local grants and other	61,849	68,619	68,619	-
Total local sources	1,318,642	1,254,240	1,254,240	-
State sources:				
Florida education finance program	652,098	610,377	610,377	-
State grants and other	511,496	512,560	512,560	-
Total state sources	1,163,594	1,122,937	1,122,937	-
Federal sources:				
Federal direct	2,015	1,725	1,725	-
Federal through state and local	14,814	18,090	18,090	-
Total federal sources	16,829	19,815	19,815	-
Total revenues	2,499,065	2,396,992	2,396,992	-
Expenditures:				
Current:				
Instructional services	1,801,094	1,728,568	1,726,599	1,969
Instructional support services:				
Pupil personnel services	93,401	99,890	97,538	2,352
Instructional media services	30,958	24,681	24,570	111
Instruction and curriculum development service	18,419	23,404	23,315	89
Instructional staff training services	2,362	2,886	2,884	2
Instruction related technology	28,874	26,714	26,670	44
Total instructional support services	174,014	177,575	174,977	2,598
Pupil transportation services	68,036	75,752	75,233	519
Operation and maintenance of plant:				
Operation of plant	259,470	254,529	253,929	600
Maintenance of plant	87,114	88,395	86,510	1,885
Total operation and maintenance of plant	346,584	342,924	340,439	2,485
School administration	170,450	152,643	152,392	251

	Budget as Originally Adopted	Final Amended Budget	Actual GAAP Basis	Variance With Final Amended Budget
Expenditures continued				
General administration:				
Central services	$ 50,101	$ 52,676	$ 51,268	$ 1,408
Board of education	6,999	6,339	6,327	12
General administration	3,826	4,610	4,568	42
Administrative technology services	1,038	2,938	2,938	-
Fiscal services	12,091	12,191	12,087	104
Total general administration	74,055	78,754	77,188	1,566
Community services	29,335	29,065	28,603	462
Capital outlay	1,169	31,091	30,427	664
Debt services:				
Principal retirement	440	485	485	-
Interest and fiscal charges	-	466	466	-
Total debt service	440	951	951	-
Total expenditures	2,665,177	2,617,323	2,606,809	10,514
Excess (deficiency) of revenues over (under) expenditures	(166,112)	(220,331)	(209,817)	10,514
Other financing sources (uses):				
Transfers in	129,854	149,930	149,930	-
Transfers out	(804)	(804)	(804)	-
Proceeds from sale of capital assets	-	423	423	-
Proceeds from loans/leases	-	475	475	-
Total other financing sources (uses)	129,050	150,024	150,024	-
Net change in fund balance	$ (37,062)	$ (70,307)	(59,793)	$ 10,514
Fund balance - beginning of year			144,143	
Fund balance - end of year			$ 84,350	

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - OTHER FEDERAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(amounts expressed in thousands)

	Budget as Originally Adopted	Final Amended Budget	Actual GAAP Basis	Variance
Revenues:				
Local sources:				
Local grants and other	$ 5,655	$ 8,740	$ 4,593	$ (4,147)
Total local sources	5,655	8,740	4,593	(4,147)
Federal sources:				
Federal direct	11,145	18,639	13,005	(5,634)
Federal through state and local	297,006	316,178	294,843	(21,335)
Total federal sources	308,151	334,817	307,848	(26,969)
Total revenues	313,806	343,557	312,441	(31,116)
Expenditures:				
Current:				
Instructional services	179,783	200,019	184,304	15,715
Instructional support services	99,328	101,143	90,213	10,930
Pupil transportation services	6,946	6,528	5,823	705
Operation and maintenance of plant	355	481	428	53
School administration	108	69	56	13
General administration	8,293	11,921	10,643	1,278
Community services	1,421	996	992	4
Capital outlay	17,572	22,400	19,982	2,418
Total expenditures	313,806	343,557	312,441	31,116
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	$ -	$ -	-	$ -
Fund balance - beginning of year			-	
Fund balance - end of year			$ -	

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE -
FEDERAL ECONOMIC STIMULUS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(amounts expressed in thousands)

	Budget as Originally Adopted	Final Amended Budget	Actual GAAP Basis	Variance
Revenues:				
Local sources:				
Local grants and other	$ -	$ -	$ -	$ -
Total local sources	-	-	-	-
Federal sources:				
Federal direct	2,213	35,969	7,736	(28,233)
Federal through state and local	37,905	101,591	37,384	(64,207)
Total federal sources	40,118	137,560	45,120	(92,440)
Total revenues	40,118	137,560	45,120	(92,440)
Expenditures:				
Current:				
Instructional services	25,694	76,764	26,091	50,673
Instructional support services	6,110	37,358	12,401	24,957
Pupil transportation services	24	105	40	65
Operation and maintenance of plant	216	-	-	-
School administration	3,266	1,651	409	1,242
General administration	1,635	7,007	1,729	5,278
Community services	589	1,640	1,188	452
Capital outlay	2,584	13,035	3,262	9,773
Total expenditures	40,118	137,560	45,120	92,440
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	$ -	$ -	-	$ -
Fund balance - beginning of year			-	
Fund balance - end of year			$ -	

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS -
EARLY RETIREMENT PENSION TRUST
June 30, 2013
(amounts expressed in thousands)

Fiscal Year	Actuarial Accrued Liability (AAL)	Actuarial Value of Plan Assets	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll	UAAL as Percentage of Payroll
2008	$ 46,502	$ 30,788	$ 15,714	66%	N/A*	N/A*
2009	45,820	23,990	21,830	52%	N/A*	N/A*
2010	43,687	23,823	19,864	55%	N/A*	N/A*
2011	42,586	25,133	17,453	59%	N/A*	N/A*
2012	40,998	23,734	17,264	58%	N/A*	N/A*
2013	41,510	24,632	16,878	59%	N/A*	N/A*

* The School Board terminated eligibility for the Supplemental Early Retirement Plan for eligible employees who did not elect to retire under its provision by July 1, 2003.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates incurred.

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF EMPLOYER CONTRIBUTIONS - EARLY RETIREMENT PENSION TRUST
June 30, 2013
(amounts expressed in thousands)

Fiscal Year	Annual Required Contribution	Employer Contributions	Total Contributions	Employer Contributions as Percentage of Total Contributions
2008	$ 2,444	$ 1,840	$ 1,840	100%
2009	1,825	1,825	1,825	100%
2010	1,879	1,879	1,879	100%
2011	2,125	2,125	2,125	100%
2012	2,188	2,188	2,188	100%
2013	1,942	1,942	1,942	100%

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS -
OTHER POSTEMPLOYMENT BENEFITS
June 30, 2013
(amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Plan Assets	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll	UAAL as Percentage of Payroll
10/1/2006	$ 322,766	$0	$ 322,766	0.00%	$ 1,619,403	19.93%
6/30/2009	322,766	0	322,766	0.00%	1,734,316	18.61%
6/30/2010	89,069	0	89,069	0.00%	1,822,042	4.89%
6/30/2011	86,600	0	86,600	0.00%	1,823,966	4.75%
6/30/2012	153,759	0	153,759	0.00%	1,715,231	8.96%
6/30/2013	152,835	0	152,835	0.00%	1,709,167	8.94%

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS
June 30, 2013
(amounts expressed in thousands)

Fiscal Year	Annual Required Contribution (ARC)	Amount Contributed	Percentage of Contribution	Net OPEB Obligation
2011	$ 5,934	$ 10,313	173.80%	$ 19,171
2012	10,258	11,576	112.85%	17,853
2013	10,270	14,145	137.73%	14,099

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	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	$ 24,034,639.44	$ -
National School Lunch Program	10.555 (2)(A)	300	102,675,497.42	-
Summer Food Service Program for Children	10.559	323, 324, 325	1,614,750.87	-
Total Child Nutrition Cluster			128,324,887.73	-
Team Nutrition Grants	10.574	None	88,500.00	-
Fresh Fruit and Vegetables Program	10.582	None	1,247,293.06	-
Florida Department of Health:				-
Child and Adult Care Food Program	10.558	591, 592, 790	251,339.07	-
Total United States Department of Agriculture			129,912,019.86	-
United States Department of Commerce:				
Direct:				
ARRA - Broadband Technology Opportunity Program (BTOP)	11.557	N/A	1,186,329.37	-
United States Department of the Interior:				
Direct:				
Cooperative Research and Training Programs - Resources of the National Park Service System	15.945	N/A	7,800.00	-
United States Department of Justice:				
Direct:				
Public Safety Partnership and Community Policy Grants	16.710	N/A	42,999.76	-
Indirect:				
Miami-Dade Board of County Commissioners:				
Edward Byrne Memorial Formula Grant Program	16.579	None	39,262.19	-
Total United States Department of Justice			82,261.95	-
United States Department of Transportation:				
Direct:				
Highway Training and Education	20.215	N/A	88,055.59	-
National Endowment of the Arts:				
Direct:				
Promotion of the Arts - Grants to Organizations and Individuals	45.024	N/A	28,907.52	-
National Science Foundation:				
Indirect:				
University of Miami:				
Education and Human Resources	47.076	None	53,344.92	-
United States Department of Energy:				
Indirect:				
University of Central Florida:				
ARRA - State Energy Program	81.041 (2)(B)	None	373,147.18	-
United States Department of Education:				
Direct:				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	148,048.09	-
Federal Pell Grant Program	84.063	N/A	5,847,955.24	-
Total Student Financial Assistance Cluster			5,996,003.33	-
Teacher Incentive Fund Cluster:				
Teacher Incentive Fund	84.374	N/A	58,200.47	
ARRA - Teacher Incentive Fund, Recovery Act	84.385	N/A	1,381,608.19	
Total Teacher Incentive Fund Cluster			1,439,808.66	
Impact Aid	84.041	N/A	3,126.17	-
Fund for the Improvement of Education	84.215 (6)	N/A	2,026,600.97	-
Arts in Education	84.351	N/A	355,213.35	-
Voluntary Public School Choice	84.361	N/A	1,527,358.86	1,987.00
School Leadership	84.363	N/A	940,642.79	-
ARRA - State Fiscal Stabilization Fund (SFSF) - Investing in Innovation (I3) Fund, Recovery Act	84.396	N/A	1,588,377.82	-
Race to the Top - District Grants	84.416	N/A	4,961,487.57	-
Total Direct			18,838,619.52	1,987.00
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027 (3)	262, 263	78,709,117.09	-
Special Education - Preschool Grants	84.173	266, 267	1,514,129.87	-
University of South Florida:				
Special Education - Grants to States	84.027 (3)	None	700.00	-
Total Special Education Cluster			80,223,946.96	-
School Improvement Grants Cluster:				
Florida Department of Education:				
School Improvement Grants	84.377	126	8,513,902.59	-
ARRA - School Improvement Grants, Recovery Act	84.388	126	12,249,876.67	-
Total School Improvement Grants Cluster			20,763,779.26	-

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For the Fiscal Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Education (Continued):				
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	$ 6,897,382.83	$ -
Title I Grants to Educational Agencies	84.010	212, 223, 226, 228	141,194,831.40	7,376,864.51
Migrant Education - State Grant Program	84.011	217	1,210,061.14	-
Career and Technical Education - Basic Grants to States	84.048	161	4,934,521.70	-
Education for Homeless Children and Youth	84.196	127	126,283.64	-
Even Start - State Educational Agencies	84.213	219	11,185.70	-
Charter Schools	84.282	298	4,359,305.84	4,335,188.25
Twenty-First Century Community Learning Centers	84.287	244	1,912,273.18	-
Education Technology State Grants	84.318	122	95,063.38	-
English Language Acquisition Grants	84.365	102	11,468,082.97	48,326.90
Improving Teacher Quality State Grants	84.367 (4)	224	17,512,391.48	-
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395 (5)	RL1, RA2, RS1, RS6, RS9, RG3	25,134,201.14	895,500.00
Baptist Health of South Florida:				
Funds for the Improvement of Education	84.215 (6)	None	795,246.96	-
Florida International University:				
Improving Teacher Quality State Grants	84.367 (4)	None	263,762.83	-
Big Brothers Big Sisters of Greater Miami:				
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395 (5)	None	79,577.32	-
Panhandle Area Education Consortium:				
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395 (5)	None	226,109.00	-
Total Indirect			317,208,006.73	12,655,879.66
Total United States Department of Education			336,046,626.25	12,657,866.66
United States Department of Health and Human Services:				
Direct:				
PPHF 2012: Community Transformation Grants - Small Communities Program Financed Solely by 2012 Public Prevention and Health Funds	93.737	N/A	190,859.78	-
Cooperative Agreement to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	N/A	256,707.09	-
Total Direct			447,566.87	-
Indirect:				
Florida Department of Children and Families:				
Refugee and Entrant Assistant - State Administered Programs	93.566	XK020	3,536,293.85	-
Miami Dade Board of County Commissioners:				
Head Start	93.600	None	11,357,360.23	-
Miami Dade County Health Department:				
ARRA - Prevention and Wellness Communities Putting Prevention to Work Funding Opportunities Announcement (FOA)	93.724	DEU-97	248.49	-
University of South Florida:				
Children Health Insurance Program	93.767	6414-1072-00-H	32,366.54	-
Total Indirect			14,926,269.11	-
Total United States Department of Health and Human Services			15,373,835.98	-
United States Department of Homeland Security:				
Direct:				
Citizenship Education and Training	97.010	N/A	104,158.41	-
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	12.Unknown	N/A	1,741,815.95	-
Total Expenditures of Federal Awards			$ 484,998,302.98	$ 12,657,866.66

Notes: (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.

(2) Noncash Assistance:
(A) National School Lunch Program - Includes $7,617,333.88 of donated food used during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
(B) ARRA - State Energy Program - Includes $345,385.26 representing the Federally-paid portion of solar panels and related site preparation and installation and training costs.

(3) Special Education Grants to States. Total CFDA No. 84.027 expenditures: $78,709,817.09.

(4) Improving Teacher Quality State Grants. Total CFDA No. 84.367 expenditures: $17,776,154.31.

(5) ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act. Total CFDA No. 84.395 expenditures: $25,439,887.46.

(6) Fund for the Improvement of Education. Total CFDA No. 84.215 expenditures: $2,821,847.93.

AUDITOR GENERAL
STATE OF FLORIDA

DAVID W. MARTIN, CPA
AUDITOR GENERAL

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT 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*

Report on the Financial Statements

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Miami-Dade County District School Board as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 14, 2014 , included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the Miami-Dade County District School Board's financial statements. 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 of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, rules, 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 the **INDEPENDENT AUDITOR'S REPORT 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*** 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 District'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 District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

David W. Martin, CPA
Tallahassee, Florida
March 14, 2014

AUDITOR GENERAL
STATE OF FLORIDA

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The President of the Senate, the Speaker of the
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Report on Compliance for Each Major Federal Program

We have audited the Miami-Dade County District School Board's 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 District's major Federal programs for the fiscal year ended June 30, 2013. The District's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the **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 District'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 District'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 District's compliance.

The District's basic financial statements include the operations of Everglades Preparatory Academy, Excelsior Language Academy of Hialeah, Florida International Academy, Keys Gate Charter School, Mater Academy Charter High School, Mater Academy Charter Middle School, Somerset Academy at Silver Palms, and The Charter School at Waterstone, reported as part of the aggregate discretely presented component units on the accompanying basic financial statements. These charter schools each expended in excess of $500,000 in Federal awards for the fiscal year ended June 30, 2013. Our audit did not extend to the operations of these charter schools because pursuant to Section 218.39(1), Florida Statutes, the charter schools engaged other auditors to perform audits in accordance with OMB Circular A-133.

Opinion on Each Major Federal Program

In our opinion, the District 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 fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

District management 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 District'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 District'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 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.

Purpose of this Report

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.

Respectfully submitted,

David W. Martin, CPA
Tallahassee, Florida
March 14, 2014

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	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 OMB Circular A-133?	No

Identification of major programs:

CFDA Numbers:	Name of Federal Program or Cluster:
11.557	ARRA- Broadband Technical Opportunity Program, Recovery Act
84.010	Title I Grants to Educational Entities
84.048	Career and Technical Education – Basic Grants to States
84.282	Charter Schools
84.365	English Language Acquisition State Grants
84.374 and 84.385	Teacher Incentive Fund Cluster
84.377 and 84.388	School Improvement Grants Cluster
84.395	ARRA- State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act
84.416	Race to the Top – District Grants
93.566	Refugee and Entrant Assistance – State Administered Programs
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs:	$3,000,000
Auditee qualified as low-risk auditee?	Yes

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included previous financial audit reports.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS

MIAMI-DADE COUNTY
DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2013

Listed below is the District's summary of the status of prior audit findings on Federal programs:

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
McGladrey, LLP 2012-01	Title I, Part A Cluster (CFDA Nos. 84.010 and 84.389) and State Fiscal Stabilization Fund (SFSF) -Race-to-the-Top Incentive Grants, Recovery Act (CFDA 84.395) - Equipment and Real Property Management	Improvements are needed in the Districts' internal controls over tagging and inventorying equipment purchased with Federal moneys.	Corrected.	