

# The School Board of Miami-Dade County, Florida

Report to the Honorable Chairperson and Board Members  
of the School Board of Miami-Dade County, Florida and  
the Honorable Chairperson and Board Members of the  
School Board Audit and Budget Advisory Committee

December 1, 2020





RSM US LLP

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Miami, FL 33131

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December 1, 2020

Honorary Chairperson and Members of the School Board of Miami-Dade County, Florida and  
Honorary Chairperson and Members of the School Board Audit and Budget Advisory Committee  
The School Board of Miami-Dade County, Florida  
Miami, Florida

Ladies and Gentlemen:

We are pleased to present this report related to our audit of the governmental activities, each major fund and the aggregate remaining fund information of the School Board of Miami-Dade County, Florida (the School Board or the District), as of and for the year ended June 30, 2020.

In connection therewith, we will also issue under separate cover, a report on internal control over financial reporting and on compliance and other matters, a single audit report in accordance with the Uniform Guidance, a management letter in accordance with the rules the Florida Auditor General, and an attestation report on compliance with *Chapter 10.800 of the Rules of the Auditor General of the State of Florida*, relating to the District's compliance with Section 218.415, *Florida Statutes, Local Government Investment Policies*. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Honorary Chairperson and Members of the School Board of Miami-Dade County, Florida, the Chairperson and Members of the School Board Audit and Budget Advisory Committee, and the Superintendent of Schools, and is not intended to be, and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

*RSM US LLP*

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## Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<b>Our Responsibilities With Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller of the United States have been described to you in our professional services contract dated May 11, 2019 and our audit arrangement letter dated June 12, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	We have issued separate communication (The Audit Plan) regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
<b>Accounting Policies and Practices</b>	<b>Preferability of Accounting Policies and Practices</b> Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.  <b>Adoption of, or Change in, Accounting Policies</b> Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District.  The District did not adopt any significant new accounting policies, nor have there been any other changes in existing significant accounting policies during the current period.  <b>Significant or Unusual Transactions</b> We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.  <b>Management's Judgments and Accounting Estimates</b> Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates section.
<b>Audit Adjustments</b>	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
<b>Uncorrected Misstatements</b>	An uncorrected misstatement is included with the representation letter attached in Exhibit A.

Area	Comments
<b>Disagreements With Management</b>	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the basic financial statements.
<b>Consultations With Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Significant Issues Discussed with Management</b>	We discussed the potential impacts of the pandemic and potential Cares Act funding. Aside from those matters, there were no significant issues arising from the audit that were discussed with or the subject of correspondence with management.
<b>Significant Difficulties Encountered in Performing the Audit</b>	We did not encounter any significant difficulties in dealing with management during the audit.
<b>Reports Communicating Internal Control and Compliance</b>	<p>We will issue, under separate cover, the following reports in connection with our audit, as required by the <i>Government Auditing Standards</i> and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance):</p> <ul style="list-style-type: none"> <li>• Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></li> <li>• Independent Auditor's Report on Compliance for Each Major Federal Program: Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Uniform Guidance</li> <li>• Single Audit Report in Accordance with the Uniform Guidance and Management Letter in Accordance with the Rules of the Auditor General of the State of Florida</li> <li>• Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, <i>Rules of the Auditor General</i></li> </ul>
<b>Significant Written Communications Between Management and Our Firm</b>	Copies of significant written communications between our firm and management of the District, including the representation letters provided to us by management, are attached as Exhibit A.

## Summary of Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the District's June 30, 2020, financial statements.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
<b>Accounting for Other Post-Employment Benefits (Recognized on the Government-Wide Financial Statements)</b>	Annual required contributions (ARC), total postemployment benefits other than pension (OPEB) liabilities, related deferral amounts and OPEB disclosures are actuarially determined in accordance with the parameters established by the GASB. OPEB expense is recognized over the periods of employee service.	Management with input from its OPEB actuary developed the actuarial assumptions based on relevant criteria. Management reviewed and approved the financial statement estimates derived from the OPEB actuarial report.	We have audited the underlying data supporting the estimate and have concluded that the resulting estimate is reasonable.
<b>Accounting for Pension Plans and the Related Net Pension Liabilities, including Amounts From the Florida Retirement System (Recognized on the Government-Wide Financial Statements)</b>	Annual required contributions (ARC), net pension liabilities and related pension amounts are actuarially determined in accordance with the parameters established by the GASB. Pension expense is recognized over the periods of employee service.	The FRS's management, with input from its actuary, developed the actuarial assumptions based on relevant criteria. District Management is not involved in the selection and development of the actuarial assumptions. District management reviewed and approved the financial statement accounting estimates derived from the pension plan's actuarial report and GASB 68 disclosure schedules provided by the FRS.	We have audited the underlying data supporting the estimate and have concluded that the resulting estimate is reasonable.

<b>Estimate</b>	<b>Accounting Policy</b>	<b>Management's Estimation Process</b>	<b>Basis for Our Conclusions on Reasonableness of Estimate</b>
<b>Actuarial Assumptions Used for the Self-Insurance Program (Risk Management)</b>	The District is self-insured for general and automobile liability insurance, workers' compensation and health insurance, subject to stop loss coverages. The accrued liability for estimated claims represents an estimate of the eventual loss on claims including claims incurred but not yet reported.	Management with input from its risk actuary developed the actuarial assumptions based on relevant criteria. Management reviewed and approved the financial statement estimates derived from the risk actuarial report.	We have audited the underlying data supporting the estimate and have concluded that the resulting estimate is reasonable.
<b>Depreciation of Capital Asset</b>	Depreciation on capital assets is provided using the straight-line method. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the assets.	Depreciation of capital assets is determined using the straight-line method of depreciation over the estimated useful lives of the assets, as assigned by management.	We have audited the underlying data supporting the estimate and have concluded that the resulting estimate is reasonable.

**Exhibit A—Significant Written Communications Between Management and Our Firm**





**Superintendent of Schools**  
Alberto M. Carvalho

**Miami-Dade County School Board**

*Perla Tabares Hantman, Chair*  
*Dr. Steve Gallon III, Vice Chair*  
*Lucia Baez-Geller*  
*Dr. Dorothy Bendross-Mindingall*  
*Christi Fraga*  
*Dr. Lubby Navarro*  
*Dr. Marta Pérez*  
*Mari Tere Rojas*  
*Luisa Santos*

November 23, 2020

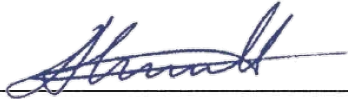
RSM US LLP  
801 Brickell Avenue, Suite 1050  
Miami, Florida 33131

In connection with your examination of The School Board of Miami-Dade County, Florida's (the School Board) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* (the Statute) during the year ended June 30, 2020, in accordance with attestation standards established by the American Institute of Certified Public Accountants, we confirm to the best of our knowledge and belief, the following representations made to you during the course of your engagement:

1. We are responsible for the School Board's compliance with the Statute.
2. We are responsible for establishing and maintaining effective internal control over the School Board's compliance with the Statute.
3. We have performed an evaluation of the School Board's compliance with the Statute. Based on our evaluation, the School Board has complied with the Statute during the year ended June 30, 2020.
4. There has been no known noncompliance with the Statute during the year ended June 30, 2020 or through the date of this letter.
5. There are no known communications from regulatory agencies, internal auditors, or other practitioners concerning the School Board's possible noncompliance with the Statute received by us during the year ended June 30, 2020 or through the date of this letter.
6. We have made available to you all documentation related to the School Board's compliance with the Statute.
7. There has been no knowledge of fraud or suspected fraud affecting the entity involving:
  - a. Management,
  - b. Employees who have significant roles in the internal control, or
  - c. Others where fraud could have a material effect on the School Board's compliance with the Statute.
8. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the School Board received in communications from employees, former employees, analysts, regulators, or others.
10. We have responded fully to all inquiries made to us by you during your engagement.

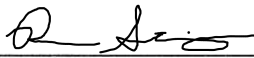
11. During the course of your engagement you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
12. There has been no known noncompliance with the Statute subsequent to June 30, 2020.

The School Board of Miami-Dade County, Florida



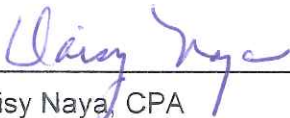
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Mr. Alberto M. Carvalho  
Superintendent of Schools



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Mr. Ron Y. Steiger  
Chief Financial Officer



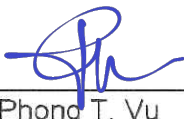
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Ms. Daisy Naya, CPA  
Controller



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Mr. Terrance Ferguson  
Assistant Controller



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Mr. Phong T. Vu  
Treasurer

AMC/RYS/DN/TF/PTV:bjz  
L569





**Superintendent of Schools**  
Alberto M. Carvalho

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*Luisa Santos*

November 23, 2020

RSM US LLP  
801 Brickell Avenue, Suite 1050  
Miami, Florida 33131

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, of The School Board of Miami-Dade County, Florida (the School Board) as of and for the year ended June 30, 2020 for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of this letter, the following representation made to you during your audit.

## **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of our professional services contract, professional services contract amendment and audit arrangement letter dated May 11, 2016, January 29, 2020 and June 12, 2020, respectively, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party relationships and transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP, if applicable.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims beyond those accounted for in the School Board's self-insurance fund, have been accounted for and disclosed in accordance with U.S. GAAP.

8. We have no knowledge of any unasserted claims or assessments that our lawyers have advised us are probable of assertion and must be disclosed in accordance with Governmental Accounting Standards Board (GASB) Statements No. 10 and No. 62, beyond those accounted for in the School Board's risk retention liability estimates.
9. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
  - a. The School Board has no significant amounts of idle property or equipment.
  - b. The School Board has no plans or intentions to discontinue the operations of any activities or programs or to discontinue any significant operations.
  - c. Provision has been made to reduce applicable assets that have permanently declined in value, if any, to their realizable values.
  - d. We have reviewed long-lived assets to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment, if needed.
11. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made, if applicable:
  - a. To reduce receivables to their estimated net collectable amounts.
  - b. To reduce investments, and other assets which have permanently declined in value to their realizable values.
  - c. For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through June 30, 2020, and/or for expected retroactive insurance premium adjustments applicable to periods through the date of this letter.
  - d. To record net pension liability and related pension amounts (deferred inflows and outflows) related to the School Board's defined benefit pension plan, based on valuations provided by the pension plan actuary.
  - e. For post-retirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through June 30, 2020.
12. No provision is required to reduce obsolete, damaged, or excess inventories to their estimated net realizable values.
13. We have properly determined and reported the major governmental funds based on the required quantitative criteria.
14. We have satisfactory title to all owned assets.
15. Net position (net investment in capital assets; restricted; and unrestricted) and fund balances are properly classified and, when applicable, approved.
16. Expenses or expenditures have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.



17. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
18. Capital assets are properly capitalized, reported, and depreciated.
19. We agree with the conclusions of specialists in evaluating our estimated liability for self-insurance, the estimated liability for other post-employment benefit obligations, and the pension plans net pension liability and related pension amounts, and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
20. The School Board participates in the Florida Retirement System ("FRS") which is accounted for in accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions made subsequent to the Measurement Date". Management has reviewed the audited financial statements of the FRS Pension Plan and Employer Allocation Reports, and other clarifying information issued by the Auditor General of the State of Florida as and for the year ended June 30, 2019 whose opinions were unmodified. Based on these reports and our reliance on the results of the reports and unmodified opinion, management has accepted and incorporated the FRS' applicable information within the financial statements.
21. We have informed you of all uncorrected misstatements. As of and for the year ended June 30, 2020, we believe that the effects of the uncorrected misstatement aggregated by you and summarized below is immaterial, both individually and in the aggregate, to the financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Government-wide Opinion Unit					
Description	Effect—Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Reversed opening net position misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To reverse the prior year passed adjustment related to capital assets	-	-	3,478,430	-	(3,478,430)
Total effect	-	-	(3,478,430)	\$ -	\$ (3,478,430)
Statement of net position effect	\$ -	\$ -	\$ -		

**Information Provided**

22. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
  - d. Minutes of the meetings of the School Board and the Audit and Budget Advisory Committee, or summaries of actions of recent meetings for which minutes have not yet been prepared.

23. All transactions have been recorded in the accounting records and are reflected in the financial statements.
24. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
25. We have no knowledge of allegations of fraud or suspected fraud affecting the entity's financial statements involving:
  - a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the financial statements.
26. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
27. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
28. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
29. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware (when applicable).
30. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the School Board's ability to record, process, summarize and report financial data.
31. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
32. Management has determined that a one-year availability period is appropriate for revenue recognition for all governmental fund revenues, except property taxes which is 60 days.
33. The School Board has complied with the provisions of Section 218.415, Florida Statutes regarding the investment of public funds.
34. The School Board is not in a state of emergency based upon the conditions described in Section 218.503(1), Florida Statutes.
35. Management has assessed the financial condition of the School Board and noted no deteriorating financial condition.
36. We have evaluated the requirements of GASB Statements No. 14 and 61 and have determined that the Charter Schools do not meet the "fiscal dependency" criteria for inclusion as a component unit in the School Board's financial statements.
37. We have evaluated the terms and conditions of the put options in connection with the School Board's certificate of participation series debts and concluded that they are not derivative instruments as defined in GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.



38. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

### **Supplementary Information**

39. With respect to supplementary information presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
  - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
  - c. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
  - d. The methods of measurement or presentation have not changed from those used in prior period.
40. With respect to the Required Supplementary Information presented as required by GASB to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
  - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.

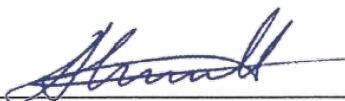
### **Compliance Considerations**

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

41. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
42. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
43. Has identified and disclosed to the auditor that there are no instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
44. Has identified and disclosed to the auditor that there are no instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
45. Has identified and disclosed to the auditor that there are no instances that have occurred, or are likely to have occurred, of waste or abuse that could be quantitatively or qualitatively material to the financial statements.

46. Is responsible for 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.
47. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
48. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports (when applicable).
49. Has a process to track the status of audit findings and recommendations.
50. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
51. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report, when applicable.

The School Board of Miami-Dade County, Florida



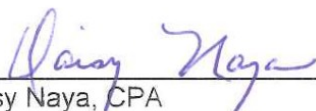
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Mr. Alberto M. Carvalho  
Superintendent of Schools



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Mr. Ron Y. Steiger  
Chief Financial Officer



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Ms. Daisy Naya, CPA  
Controller



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Mr. Terrance Ferguson  
Assistant Controller

AMC/RYS/DN/TF:bjz  
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