

SINGLE AUDIT REPORT

The School Board of Miami-Dade County, Florida
Year Ended June 30, 2008

The School Board of Miami-Dade County, Florida

Single Audit Report

Year Ended June 30, 2008

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, 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, 2008, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated November 24, 2008. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the aggregate discretely presented component units as described in our report on the 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, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in finding no. 2008-1 in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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*.

We noted certain matters that we have reported to management of the School Board in a separate letter dated November 24, 2008.

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

Ernst & Young LLP

November 24, 2008

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

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

Compliance

We have audited the compliance of The School Board of Miami-Dade County, Florida (the School Board) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The School Board's major federal awards programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2008-2 and 2008-3.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant* deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The School Board's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School Board's response and accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the School Board as of and for the year ended June 30, 2008, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated November 24, 2008. Our report was modified to include a reference to other auditors. Our audit was performed

for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Ernst & Young LLP

March 9, 2009

The School Board of Miami-Dade County, Florida

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Expenditures	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Florida Department of Agriculture and Consumer Services:				
Food Donation	10.550	None	\$ 6,823,460.24	\$ -
Florida Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	321	18,059,689.09	
National School Lunch Program	10.555	300	67,465,101.16	
After School Snack Program	10.555	None	1,541,411.84	
Summer Food Service Program for Children	10.559	323-325	166,390.06	
Total Child Nutrition Cluster			87,232,592.15	
Florida Department of Health:				
Child and Adult Care Food Program	10.558	None	128,653.89	
Total Indirect			94,184,706.28	
Total United States Department of Agriculture			94,184,706.28	
United States Department of Commerce:				
Direct:				
National Telecommunications and Information Administration				
Public Telecommunications Facilities Program	11.550	None	229,364.00	
Total Direct			229,364.00	
Total United States Department of Commerce			229,364.00	
United States Department of Justice:				
Direct:				
Gang Resistance Education & Training	16.737	None	151,567.11	
Total Direct			151,567.11	
Total United States Department of Justice			151,567.11	
United States Department of Labor:				
Direct:				
Employment and Training Administration				
Youth Offender Registered Apprenticeship	17.261	None	11,462.87	
Total Direct			11,462.87	
Total United States Department of Labor			11,462.87	

The School Board of Miami-Dade County, Florida
 Schedule of Expenditures of Federal Awards (continued)

For the Fiscal Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Expenditures	Amount Provided to Subrecipients
National Aeronautics and Space Administration				
Direct:				
NASA Explorers School Program	None	None	\$ 936.98	\$ -
Indirect:				
Science, Engineering, Mathematics & Aerospace Agency Aerospace Academy	None	NAS-0213-MDC	120,081.79	
Total National Aeronautics and Space Administration			121,018.77	
National Science Foundation:				
Direct:				
Education and Human Resources	47.076	ESR-0084898	410.20	
Indirect:				
University of Miami Promoting Science Among English Language Learners	47.076	ESI-0353331	70,310.06	
Total National Science Foundation			70,720.26	
United States Environmental Protection Agency				
Direct:				
Clean School Bus USA Assistance Agreement	66.036	SB96466907	148,960.85	
Total United States Environmental Protection Agency			148,960.85	
United States Department of Homeland Security				
Indirect:				
Department of Community Affairs Hazard Mitigation Grant	97.039	None	4,067.42	
Total United States Department of Homeland Security			4,067.42	
United States Department of Education:				
Direct:				
Student Financial Aid Cluster				
Federal Supplemental Educational Opportunity Grants	84.007	None	89,248.45	
Federal Pell Grant Program	84.063	None	2,045,331.59	
Total Student Financial Aid Cluster			2,134,580.04	
Impact Aid	84.041	None	9,591.85	
Magnet Schools Assistance	84.165	None	3,647,015.93	
Emergency Response And Crisis Management Discretionary Grant	84.184E	None	118,706.84	
Safe Schools - Healthy Students Initiative	84.184L	None	1,844,774.57	
Fund for the Improvement of Education	84.215	None	6,853,657.61	
Foreign Language Assistance	84.293	None	207,112.57	
Gaining Early Awareness and Readiness for Undergraduate Program	84.334	None	6,588.92	
Transition to Teaching Program	84.350	None	456,478.75	
Voluntary Public School Choice - I Choose II	84.361	None	2,300,290.86	
School Leadership	84.363	None	987,223.83	
Teacher Incentive Program - Project Rise	84.374	None	1,819,153.62	
Total Direct			20,385,175.39	

The School Board of Miami-Dade County, Florida
Schedule of Expenditures of Federal Awards (continued)

For the Fiscal Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Expenditures	Amount Provided to Subrecipients
Indirect:				
Florida Department of Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027	262, 263	\$ 83,101,544.46	\$ -
Special Education - Preschool Grants	84.173	266, 267	1,583,059.25	
Total Special Education Cluster			<u>84,684,603.71</u>	
Adult Education - State Grant Program	84.002	191, 193, 194	5,605,918.15	
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	138,602,883.92	2,268,158.00
Migrant Education - State Grant Program	84.011	211, 217	976,552.83	
Vocational Education - Basic Grants to States	84.048	151	6,843,853.04	
Title IV To Reach Ultimate Success Program (TRUST)	84.186	103	2,296,983.58	
Education for Homeless Children and Youth	84.196	127	133,272.19	
Tech-Prep Education	84.243	157	317,999.34	
Charter Schools	84.282	298	1,244,494.56	1,218,104.06
21st Century Community Learning Centers	84.287	244	2,044,768.13	161,943.00
State Grants for Innovative Programs	84.298	113	625,000.53	
Education Technology State Grants	84.318	121, 122	974,620.33	
Comprehensive School Reform Demonstration	84.332	128, 129	8,650.95	
Reading First State Grants	84.357	211	11,272,296.48	81,129.00
Early Reading First - LEARN Project	84.359	None	43,913.37	
English Language Acquisition Grants	84.365	102	10,430,495.65	
Mathematics and Science Partnerships	84.366	235	1,051,400.19	
Improving Teacher Quality State Grants	84.367	224,225	27,058,286.32	
University of Miami - Rosenstiel				
Biological Response To Environmental Health Hazards	93.113	R25-E510713	43,845.36	
University of Miami - School of Education				
English Language Acquisition: National Professional Development	84.195	T195N020106	1,239.03	
Barry University				
Even Start - State Educational Agencies	84.213	Subcontract	281,996.24	
Total Indirect			<u>294,543,073.90</u>	<u>3,729,334.06</u>
Total United States Department of Education			<u>314,928,249.29</u>	<u>3,729,334.06</u>

The School Board of Miami-Dade County, Florida
 Schedule of Expenditures of Federal Awards (continued)

For the Fiscal Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Expenditures	Amount Provided to Subrecipients
United States Department of Health and Human Services:				
Direct:				
Substance Abuse and Mental Health Services Administration Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	None	\$ 237,785.00	\$ -
Center For Disease Control Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV & Other Important Health Problems	93.938	None	355,786.17	
Total Direct			<u>593,571.17</u>	
Indirect:				
Florida Department of Children & Families Refugee and Entrant Assistance - Discretionary Grants	93.576	137, LK604, LK704, LK804	4,961,300.10	
Abstinence Only Education Program	93.558	None	24,910.52	
Total Indirect			<u>4,986,210.62</u>	
Total United States Department of Health and Human Services			<u>5,579,781.79</u>	
Corporation for National and Community Service:				
Indirect:				
Florida Department of Education: Learn and Serve America - School and Community Based Programs	94.004	232, 233, 234	69,078.55	
Total Corporation for National and Community Service			<u>69,078.55</u>	
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	None	None	2,157,258.53	
Total Federal Financial Assistance			<u>\$ 417,656,235.72</u>	<u>\$ 3,729,334.06</u>

The School Board of Miami-Dade County, Florida
Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2008

1. General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards programs of The School Board of Miami-Dade County, Florida (the School Board) for the year ended June 30, 2008. The School Board's structure is described in Note 1 to the School Board's basic financial statements. Federal awards programs received directly, as well as passed through other government agencies, are included on the Schedule.

2. Basis of Accounting

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

3. Noncash Assistance

The Schedule includes noncash assistance representing the amount of donated food used during the fiscal year. Commodities are valued at fair value as determined at the time of donation.

4. Program Clusters

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

5. Contingency

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

The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs

Year Ended June 30, 2008

Section I—Summary of Auditors' Results

Financial Statements Section

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> X </u> Yes	<u> </u> None reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards Section

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	<u> X </u> Yes	<u> </u> No
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Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No
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The School Board of Miami-Dade County, Florida
 Schedule of Findings and Questioned Costs (continued)

Identification of major programs:

<u>Federal Agency/Program</u>	<u>CFDA No.</u>
United States Department of Agriculture:	
Indirect:	
Florida Department of Agriculture and Consumer Services:	
Food Donation	10.550
Florida Department of Education:	
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
After School Snack Program	10.555
Summer Food Service Program for Children	10.559
United States Department of Education:	
Direct:	
Fund for the Improvement of Education	84.215
Indirect:	
Florida Department of Education:	
Special Education Cluster:	
Special Education - Grants to States	84.027
Special Education - Preschool Grants	84.173
Adult Education - State Grant Program	84.002
United States Department of Health and Human Services:	
Indirect:	
Florida Department of Children and Families	
Refugee and Entrant Assistance - Discretionary Grants	93.576

The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs (continued)

Section II—Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting.

Finding # 2008-1

Financial Statement Close Process

Observation

In connection with our audit we noted certain deficiencies in the financial statement close process that resulted in financial reporting classification and similar audit differences in the District's basic financial statements, requiring audit adjustments. Examples of significant adjustments that were required to be posted to the financial statements include: reclassification of capital assets from non-depreciable to depreciable, an increase in reserved fund balance of approximately \$22 million to properly reflect the fact that corresponding prepaid expenses at the fund level are not available for appropriation, an increase in reserved fund balance for maintenance-related encumbrances that had not been recorded, an entry to reverse a receivable and other financing source in the amount of approximately \$24 million related to debt proceeds that had not been drawn by the School Board as of year end, and an adjustment to the general fund to properly report approximately \$5 million in unrestricted District monies that had previously been erroneously reported in the agency funds.

The financial statement close process is defined as the process where the results of various transactions are summarized, reviewed, consolidated, edited, and prepared into a variety of regulatory and management financial reports. The boundaries of this process may begin with the preparation of the preliminary trial balance and end with the preparation of the financial statements and related disclosures and analyses. The process includes closing the general ledger and preparing the trial balances and any consolidation entries, accumulating and posting journal entries, drafting the financial statements and disclosures, and preparing management's discussion and analyses. A key element of the process is adequate management review and approval of significant closing entries and overall analytical review of the financial statement presentation.

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

Section II—Financial Statement Findings Section (continued)

Recommendation

We recommend that management review its current procedures for key processes, including the financial statement closing process, and determine the appropriateness of those processes for deterring, preventing and detecting misstatements (including classification errors), preparing reliable, accurate monthly and annual reports and ensuring that such processes are consistent with best practices in the industry. The District should consider computer, computer-dependent and manual controls that affect such processes as part of the current system conversion project. This is particularly important given the matters related to deteriorating financial condition discussed in Finding No. 2008-2 in our management letter dated November 24, 2008.

Management's response

Management has taken steps to evaluate and enhance the review process for specific transactions to ensure appropriate year end classifications for financial statement reporting. As part of our year end closing, we will implement oversight review sessions to analyze high dollar and or non-routine transactions. As the District moves forward with the implementation of the new ERP System we anticipate that the new system will help automate certain processes allowing for additional review time and to compensate for the staff reductions resulting from the overall economic climate and the District's budgetary constraints.

The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs (continued)

Section III—Federal Awards Program Findings and Questioned Costs Section

This section identifies the audit findings required to be reported by Circular A-133 section .510(a), such as material weaknesses, significant deficiencies, and material instances of noncompliance, including questioned costs, as well as any abuse findings involving federal awards that are material to a major program.

Finding #	2008-2
Federal program information	CFDA # 93.576 Refugee and Entrant Assistance - Discretionary Grants
Compliance requirement	Level of Effort
Criteria or specific requirement	The grant agreement includes the following requirements: <ul style="list-style-type: none">• The provider shall enroll 1,000 unduplicated clients in Coordinated Academic Training Courses, resulting in 181,500 Coordinated Academic Training attendance hours.• Thirty-five percent of all English language Instruction courses attempted by clients within a reporting period will result in a Literacy Completion Point (LCP) at completion of the course as validated by standardized assessment instruments.
Questioned costs	N/A
Condition	The School Board did not meet the two performance and deliverable standards described above for the year ended June 30, 2008.
Context	The School Board's records indicated 145,221 attendance hours versus the required 181,500 and the required percentage of LCP was not achieved.
Effect	This could result in the School Board losing future funding under the grant agreement.

The School Board of Miami-Dade County, Florida

Schedule of Findings and Questioned Costs (continued)

Finding #

2008-2 (continued)

Recommendation

The School Board should review its program objectives and requirements for this grant and make revisions as necessary to ensure that the grant's performance and deliverable requirements are met.

Views of responsible officials/
corrective action plan

Management concurs with the observation.

As it relates to Deliverable #1, the SAVES Program experienced a sharp increase in SAVES enrollments from 2006 to 2007. Numbers of asylees and refugees served jumped from 6,202 in '06 to 8,057 in '07. This represents an increase of 1,855 eligible clients. It appears the deteriorating economic picture drove eligible SAVES asylees and refugees back to the classroom. In projecting performances for Deliverable #1, Miami-Dade County Public Schools met the enrollment figure of 1,000 enrollees, but were nevertheless 36,279 hours short of the 181,500 attendance hours projected. With such a volatile student pool, especially a pool where the majority has been in the United States less than two years, it is hard to project accurate figures.

SAVES greatly expanded targeted ESOL classes under the current contract. Given the expansion and smaller class-size, M-DCPS believes we will meet the enrollment criteria since SAVES enrollment has increased as a result of the current economic situation. For Trimester I, SAVES has already enrolled 736 CAT clients. There are two trimesters remaining on the contract to achieve the balance contracted. Also, the current SAVES contract has more attainable performance criteria for attendance hours (169,500). For Trimester I of the current contract, SAVES CAT students have earned 57,602 attendance hours putting M-DCPS on target to meet the performance/deliverable.

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

Finding #	2008-2 (continued)
	<p>In Performance Measure (Deliverable 2) related to attainment of LCP's, schools have been encouraged to promote student retention as well as to open targeted ESOL classes which are funded by Refugees Services. These smaller ESOL classes enhance the SAVES students' ability to achieve the desired LCP's. The SAVES District Office continues to encourage the opening of SAVES targeted ESOL classes in order to better achieve this measure of 35%. The 35% figure was determined by the funding source. There is no empirical data based on Miami-Dade County Public Schools adult population information to support this performance measure.</p> <p>LCP Data for the current contract is expected to meet the contracted performance standard given the increased number of Targeted ESOL Classes currently offered by SAVES. However, no LCP data is available as yet for Trimester I of the current contract.</p>
Finding #	2008-3
Federal program information	CFDA # 93.576 Refugee and Entrant Assistance - Discretionary Grants
Compliance requirement	Program Income
Criteria or specific requirement	The grant agreement states: "Interest earned on advanced funds shall be returned to the department on a quarterly basis or applied against the amount of the contract owed by the department."
Questioned costs	N/A

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

Finding #	2008-3 (continued)
Condition/context	Advance funds were received in September 2007 and interest earned was not applied against invoices submitted for reimbursement, but was instead remitted to the department via check in August 2008. Although the amount of interest earned was immaterial, based on the School Board's calculation, it should have been returned to the department, or applied against amounts owed, on a quarterly basis in accordance with the grant agreement.
Effect	The School Board did not meet the program income requirement included in the grant agreement for the remittance of program income on a quarterly basis. This could result in the School Board losing future advance funding under the grant agreement.
Recommendation	The School Board should review its current procedures and implement necessary changes and controls to ensure that interest earned on advanced funds is remitted, or applied against invoices submitted for reimbursement, on a quarterly basis.
Views of responsible officials/ corrective action plan	Management concurs with the observation. The quarterly requirement is administratively not cost-effective for a district of our size. The amount of interest earned was immaterial (approximately \$4,200.00). Nevertheless, the School Board intends to comply with the contract language for the remainder of the existing contract period. In future contract negotiations, the School Board will request a revision to the contract language in order to allow for more ease of administration and cost-effectiveness pertinent to the advanced funds by amending the quarterly requirement to a one-time annual process to occur anytime before the end of the contract period.

The School Board of Miami-Dade County, Florida

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2008

Finding #	Federal Program	Compliance Requirement	Recommendation	Current Status
2007-1	Adult Education – State Grant Program (CFDA No. 84.002)	Allowable Costs/Cost Principles – Vendor Payments	The School Board should document to the grantor (Florida Department of Education) the allowability of questioned costs, totaling \$175,855, or the moneys should be restored to the program. Also, the District should enhance procedures to ensure that all programs are adequately supported by detailed documentation and that Federal funds are properly managed, monitored, and spent on grant activities.	The merger of the offices of Adult Education and Workforce Education on July 1, 2007, established internal control measures, that directly address the allowable costs and performances related to each grant/contract. Extensive documentation was provided to the Florida Department of Education and it was agreed that \$64,980 would be restored to the Adult Education – State Grant Program. A revised FA 399 was submitted denoting the restoration of the funds.
2007-2	Adult Education – State Grant Program (CFDA No. 84.002)	Procurement – Contract Administration	The District should enhance its contract administration procedures to ensure that expenditures funded with Federal moneys are made pursuant to contracts that include the required contractual provisions.	Beginning in the 2008-09 grant cycle, each contract reflects the required language on all purchase orders.

The School Board of Miami-Dade County, Florida

Summary Schedule of Prior Audit Findings (continued)

Finding #	Federal Program	Compliance Requirement	Recommendation	Current Status
2007-3	Fund for the Improvement of Education (CFDA No. 84.215)	Activities Allowed or Unallowed	The District should document to the grantor (United States Department of Education) the allowability of the questioned costs, totaling \$106,814, or the moneys should be restored to the program.	District records did not evidence that the required United States Department of Education (USDOE) approval was obtained for specified grant personnel resulting in questioned costs in the amount of \$106,814. The District has implemented procedures to obtain the approval of the awarding agency (USDOE) for any programmatic changes, such as changes in key grant personnel specified in the application or award document. A letter was submitted to USDOE program administrators formalizing the positions of all grant directors therefore there are no questioned costs.

The School Board of Miami-Dade County, Florida

Summary Schedule of Prior Audit Findings (continued)

Finding #	Federal Program	Compliance Requirement	Recommendation	Current Status
2007-4	Fund for the Improvement of Education (CFDA No. 84.215) and Refugee and Entrant Assistance – Discretionary Grants (CFDA No. 93.576)	Matching, Level of Effort, Earmarking	The District should review its program objectives and requirements for the grants mentioned and make revisions as necessary to ensure that the grant’s performance requirements are met; thus ensuring that Federal moneys are properly used.	<p>The performance objective in Smaller Learning Communities Grant (CFDA No. 84.215) reads “<i>Increase in 10th grade students who meet or exceed standards on the Florida Comprehensive Achievement Test (FCAT) by 10 percentage points in reading, 5 percentage points in mathematics.</i>”</p> <p>It should be noted that the performance goals were written to cover the entire 5 year span of the grant and to promote the concept of high academic standards for all students. Professional development and other Smaller Learning Communities activities are all structured to support the overarching absolute priority of preparing all students to succeed in postsecondary education or careers.</p> <p>The District reviews its SAVES program (CFDA No. 93.576) objectives and requirements, resulting in more attainable performances in terms of deliverables being negotiated. Ultimately, the new requirements will ensure that Federal moneys are properly used.</p>

The School Board of Miami-Dade County, Florida

Summary Schedule of Prior Audit Findings (continued)

Finding #	Federal Program	Compliance Requirement	Recommendation	Current Status
2007-5	Food Donation (10.550) and Child Nutrition Cluster (CFDA No's. 10.553, 10.555, 10.559)	Program Administration	The District should strengthen procedures necessary to provide enhanced control over food service inventories and adequately monitor the operations of the food service program.	Internal procedures have been enhanced to control food service inventories and to adequately monitor the operations of the food service program. Food and Nutrition administrative staff is assigned on a weekly basis to review inventory, ensure inventory levels are appropriate, and food orders are monitored and adjusted by site based on the average participation and menu. Food and Nutrition Coordinators review each school site's monthly inventory reports and communicate with assigned food service managers regarding appropriate inventory levels based on meal participation, facility capacity and menu cycle. Food and Nutrition administrators conduct on-site visitations to review the accuracy of inventory counts taken by food service managers. The Department of Food and Nutrition maintains an on-line school site reporting and review system, termed VR2, through which all on-site operations monitoring reports are completed and simultaneously reported to the school principal, food service manager, and Food and Nutrition Director of Operations. <i>(continued on following page)</i>

The School Board of Miami-Dade County, Florida

Summary Schedule of Prior Audit Findings (continued)

Finding #	Federal Program	Compliance Requirement	Recommendation	Current Status
2007-5 (continued)				The Food and Nutrition Coordinators also monitor labor hours weekly for all sites. Recommendations are made to Principals to increase meal participation and/or adjustments are made accordingly by reducing hours, adjusting current schedules or direct transfer of employees to other work locations in order to meet the applicable meals per labor hour standard.
2006-1	Refugee and Entrant Assistance – Discretionary Grants (CFDA No. 93.576)	Level of Effort	The School Board should review its program objectives and requirements for this grant and make revisions as necessary to ensure that the grants performance requirements are met.	<p>The two performance standards not met involved cumulative attendance averages as well as documented progress.</p> <p>As noted in the Grantee response/ Corrective Action Plan “The performance benchmarks set by the Department of Children and Families (DCF) are unrealistically high compared to state averages for similar students.”</p> <p>M-DCPS negotiated more reasonable performances or deleted the performance. <i>(continued on following page)</i></p>

The School Board of Miami-Dade County, Florida

Summary Schedule of Prior Audit Findings (continued)

Finding #	Federal Program	Compliance Requirement	Recommendation	Current Status
2006-1 (continued)				<p>M-DCPS increased its Targeted ESOL course offerings and assigned a staff member to provide oversight in addition to SAVES –site supervision by staff. Documented Progress (Performance Measure 4) has been modified in the current contract. M-DCPS fully expects to meet deliverables under the current contract.</p> <p>The current SAVES contract has more attainable performance criteria for attendance hours (169,500). For Trimester 1 of the current contract, SAVES CAT students have earned 57,602 attendance hours putting M-DCPS on target to meet the performance/ deliverable.</p> <p>Training on retention was provided in the spring of 2008. In the fall of 2008, SAVES funded part-time hourly retention clerks at each SAVES site to improve SAVES client retention as well as student performance.</p>
2006-2	Refugee and Entrant Assistance – Discretionary Grants (CFDA No. 93.576)	Allowable Costs/Cost Principles	The School Board should review its current procedures and implement necessary changes to ensure that amounts billed are properly supported and maintained in its files.	Corrected in the prior year.