

STATE OF FLORIDA AUDITOR GENERAL

Financial and Federal Single Audit

Report No. 2023-177
March 2023

MIAMI-DADE COUNTY DISTRICT SCHOOL BOARD

For the Fiscal Year Ended
June 30, 2022



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2021-22 fiscal year, Dr. Jose L. Dotres served as Superintendent of the Miami-Dade County Schools from February 14, 2022, Mr. Alberto M. Carvalho served as Superintendent before that date, and the following individuals served as School Board Members:

	<u>District No.</u>
Dr. Steve Gallon III, Vice Chair	1
Dr. Dorothy Bendross-Mindingall	2
Ms. Lucia Baez-Geller	3
Ms. Perla Taberes Hantman, Chair	4
Ms. Christi Fraga	5
Ms. Maria Teresa "Mari Tere" Rojas	6
Ms. Lubby Navarro	7
Dr. Marta Pérez	8
Ms. Luisa Santos	9

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 team leader was Kristina L. Tinkler, CPA, and the audit was supervised by Hector J. Quevedo, CPA.

Please address inquiries regarding this report to Edward A. Waller, CPA, Audit Manager, by e-mail at tedwaller@aud.state.fl.us or by telephone at (850) 412-2887.

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MIAMI-DADE COUNTY DISTRICT SCHOOL BOARD

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SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of the Miami-Dade County District School Board (District) 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, however, we noted a certain additional matter as summarized below.

Additional Matter

Finding AM 2022-001: District financial reporting procedures need improvement to ensure consistent, proper reporting of discretely presented component units pursuant to Florida Department of Education directives.

SUMMARY OF REPORT ON FEDERAL AWARDS

We audited the District's compliance with applicable Federal awards requirements. The Emergency Connectivity Fund Program, Title I, Career and Technical Education, Magnet Schools Assistance, English Language Acquisition, Teacher and School Leader Incentive Grants, Education Stabilization Fund, 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

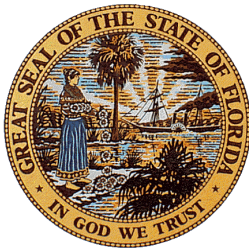
Our audit objectives were to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error, and to issue an auditor's report that included our opinions. Our audit objectives were also to obtain reasonable assurance about whether material noncompliance with applicable Federal awards requirements occurred, whether due to fraud or error, and to express an opinion on the District's compliance based on our audit. In doing so, we:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained an understanding of internal control relevant to the audit 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 District's internal control.

- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements and accompanying Schedule of Expenditures of Federal Awards.
- Concluded whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.
- Examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.
- Determined whether corrective actions were taken for findings included in our report No. 2020-163 and for Federal award findings included in the previous audit report.

AUDIT METHODOLOGY

We conducted our audit in accordance with 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.



Sherrill F. Norman, 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 Audit of the Financial Statements

Opinions

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 Miami-Dade County District School Board, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying 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 of the Miami-Dade County District School Board, as of June 30, 2022, 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.

We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the aggregate discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial***

Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**; the **Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund**; **Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Federal Education Stabilization Fund**; **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**; **Schedule of District Contributions – Florida Retirement System Pension Plan**; **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**; **Schedule of District Contributions – Health Insurance Subsidy Pension Plan**; **Schedule of Changes in the Net Pension Liability and Related Ratios – Supplemental Early Retirement Pension Trust Fund**; **Schedule of Investment Returns – Supplemental Early Retirement Pension Trust Fund**; **Schedule of Contributions – Supplemental Early Retirement Pension Trust Fund**; and **Schedule of Changes in the District's Total OPEB Liability and Related Ratios** be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 GAAS, 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**, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. In our opinion, the accompanying **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 our report dated March 28, 2023, on our consideration of the District'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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is solely 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 the effectiveness of the District's 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,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 28, 2023

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, 2022.

Since the focus of the MD&A is on 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, 2022 the General Fund had a total fund balance of \$295.2 million. This fund balance was comprised of \$31.3 million of non-spendable funds, \$4.4 million of restricted funds, \$95.8 million of assigned funds, and \$163.7 million of unassigned funds.

General Fund fund balance decreased by \$(100.4) million or (25.4)% from the previous year. The District experienced a decrease in revenues of \$(99.6) million, as well as an increase in expenditures of \$144.5 million. This increase in expenditures can be attributed to eligible expenditures in the prior year being charged to the Federal Education Stabilization Fund which provided COVID-19 relief funding, whereby these recurring expenditures reverted back to the General Fund in the current fiscal year.

Congress passed three bills that provided assistance to state and local educational agencies as a result of the COVID-19 pandemic in the United States. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES act established the Federal Education Stabilization Fund which is comprised of three emergency relief funds, the Governor's Emergency Education Relief (GEER) fund, the Elementary and Secondary School Emergency Relief (ESSER) fund, and the Higher Education Emergency Relief (HEERF) fund. Subsequently, Congress signed into law on December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) and on March 11, 2021, the American Rescue Plan Act (ARP Act). As of June 30, 2022, the District has been awarded \$169.2 million for ESSER/Other CARES Act Relief Fund, \$485.7 million for CRRSA/ESSER II and \$1.08 billion for ARP/ESSER III.

Special Revenue funds ended the year with a fund balance of \$67.1 million, an increase of \$33.6 million or 100.2% from the previous year due to a \$33.7 million fund balance increase in the Food Service fund resulting from a significant increase in Federal Reimbursement revenues because of higher participation as a result of students returning to in person learning after the pandemic.

Debt Service funds ended the year with a fund balance of \$163.1 million, an increase of \$14.0 million or 9.4% from the previous year primarily due to increases in the collection of taxes.

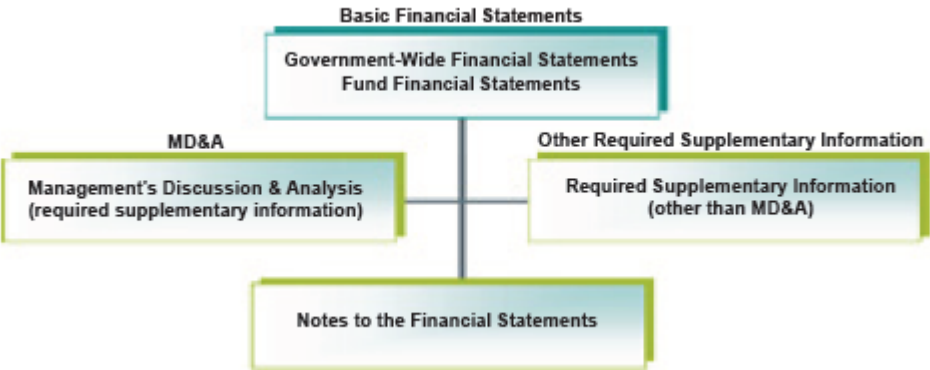
During the 2021-22 fiscal year, the District partially refunded the Series 2013 Government Obligation Bond (GOB) that provided future cash flow savings of \$30.5 million.

Capital Projects funds ended the year with a fund balance of \$445.2 million, a decrease of \$(8.2) million or (1.8)% from the previous year primarily due to the accelerated pace of the General Obligation Bond (GOB) program and a decrease in interest earnings.

In 2019, Moody’s Investors Service upgraded the District’s GOB and COPs rating to “Aa2/stable” and “Aa3/ stable”, respectively. However, as a direct result of their new US K-12 School Districts Methodology, which deemphasizes several strengths of our District, they changed these ratings back to “Aa3” and “A1”, giving both a stable outlook, noting the likelihood that the District’s financial position over the next few years will remain strong. Standard & Poor’s (S&P) rating agency maintained the District’s rating of “AA-/stable” for GOB and “A+/stable” for COP bonds based in part on good financial management practices and policies.

USING THIS REPORT

The Annual Financial Report of the District is comprised of different sections. The following graphic is provided to facilitate the understanding of the format and its components:



OVERVIEW OF 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 and required supplementary information (RSI) provide essential

information that is not disclosed on the face of the financial statements. Consequently, the notes and RSI 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, student 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-term 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, Federal Education Stabilization Fund, General Obligation School Bonds Funds, and Capital Improvement- Local Optional Millage Levy (LOML) 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 28, 32, and 33.

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 34 through 36.

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 37 and the statement of changes in fiduciary net position on Page 38. 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 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 presents required supplementary information beginning on Page 100.

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, 2022, and 2021.

CONDENSED STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES June 30, 2022, and 2021 (\$ in millions)

Categories	2021/22	2020/21	Difference Increase (Decrease)	% Increase (Decrease)
Current and Other Assets	\$ 1,469.4	\$ 1,520.7	\$ (51.3)	(3.4)%
Capital Assets	4,326.6	4,339.3	(12.7)	(0.3)%
Total Assets	<u>5,796.0</u>	<u>5,860.0</u>	<u>(64.0)</u>	<u>(1.1)%</u>
Deferred Outflows of Resources				
Deferred Loss on Refundings	58.5	67.0	(8.5)	(12.7)%
Pensions	659.7	834.1	(174.4)	(20.9)%
OPEB	80.3	93.9	(13.6)	(14.5)%
Total Assets and Deferred Outflows of Resources	<u>6,594.5</u>	<u>6,855.0</u>	<u>(260.5)</u>	<u>(3.8)%</u>
Current Liabilities	636.9	611.3	25.6	4.2%
Long-term Liabilities	4,535.4	6,138.3	(1,602.9)	(26.1)%
Total Liabilities	<u>5,172.3</u>	<u>6,749.6</u>	<u>(1,577.3)</u>	<u>(23.4)%</u>
Deferred Inflows of Resources				
Pensions	1,198.4	86.0	1,112.4	1293.5%
OPEB	54.1	69.4	(15.3)	(22.0)%
Lease Related Items	4.1	-	4.1	100.0%
Total Liabilities and Deferred Inflows of Resources	<u>6,428.9</u>	<u>6,905.0</u>	<u>(476.1)</u>	<u>(6.9)%</u>
Net Position				
Net Investment in Capital Assets	1,415.9	1,371.9	44.0	3.2%
Restricted	612.9	474.3	138.6	29.2%
Unrestricted (Deficit)	<u>(1,863.2)</u>	<u>(1,896.2)</u>	<u>33.0</u>	<u>1.7%</u>
Total Net Position (deficit)	<u>\$ 165.6</u>	<u>\$ (50.0)</u>	<u>\$ 215.6</u>	<u>431.2%</u>

The District's total assets plus deferred outflows of resources were \$6.6 billion and total liabilities and deferred inflows of resources were \$6.4 billion at the end of the current fiscal year.

The District's net position totaled \$165.6 million at June 30, 2022. The largest portion of the District's net position, \$1.4 billion, reflects its investment in capital assets (e.g., land, buildings, furniture, fixtures and equipment, right to use leased assets), net of depreciation/amortization and less any outstanding debt used to construct or acquire those assets. Restricted net position in the amount of \$612.9 million is reported separately to show legal constraints, from debt covenants and enabling

legislation. The \$(1.9) billion unrestricted deficit in net position reflects the shortfall the District would face in the event it would have to liquidate all of its non-capital liabilities, including insurance claims payable, compensated absences, pensions and other postemployment benefits, at June 30, 2022. Consequently, these long-term considerations have a significant impact on the resulting net position.

The decrease in long-term liabilities is primarily due to a decrease in the Net Pension Liability as reported by the FRS actuary. The decrease in the Net Pension Liability resulted primarily from differences between projected and actual investment earnings experienced by the FRS plan. Accordingly, the deferred inflow of resources – pensions increased because the year over year changes in plan assumptions, plan experience, and investment earnings are deferred and amortized over future periods.

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, 2022, and 2021.

CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES
For Fiscal Years Ended June 30, 2022, and 2021
(\$ in millions)

	<u>2021/22</u>	<u>2020/21</u>	<u>Difference Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Revenues				
Program Revenues:				
Charges for Services	\$ 25.2	\$ 14.1	\$ 11.1	78.7%
Operating Grants and Contributions	1,317.0	1,222.7	94.3	7.7%
Capital Grants and Contributions	93.9	93.5	0.4	0.4%
Total Program Revenues	<u>1,436.1</u>	<u>1,330.3</u>	<u>105.8</u>	8.0%
General Revenues:				
Ad Valorem Taxes	2,441.5	2,366.6	74.9	3.2%
Grants and Contributions Not Restricted to Specific Programs	605.8	705.0	(99.2)	(14.1)%
Investment Losses	(6.8)	(2.1)	(4.7)	(223.8)%
Miscellaneous	<u>49.3</u>	<u>34.4</u>	<u>14.9</u>	43.3%
Total General Revenues	<u>3,089.8</u>	<u>3,103.9</u>	<u>(14.1)</u>	(0.5)%
Total Revenues	<u>4,525.9</u>	<u>4,434.2</u>	<u>91.7</u>	2.1%
Expenses				
Instructional Services	2,513.9	2,607.7	(93.8)	(3.6)%
Instructional Support Services	425.3	426.9	(1.6)	(0.4)%
Student Transportation Services	93.0	82.6	10.4	12.6%
Operations and Maintenance of Plant	441.8	438.2	3.6	0.8%
Food Service	156.1	129.9	26.2	20.2%
School Administration	169.3	176.5	(7.2)	(4.1)%
General Administration	16.5	15.5	1.0	6.5%
Business/Central Services	73.2	74.3	(1.1)	(1.5)%
Facilities Acquisition and Construction	99.2	82.9	16.3	19.7%
Administrative Technology Services	1.5	1.5	-	0.0%
Interest on Long-Term Debt	113.3	118.6	(5.3)	(4.5)%
Community Services	23.4	18.7	4.7	25.1%
Unallocated Depreciation/Amortization	<u>183.8</u>	<u>181.2</u>	<u>2.6</u>	1.4%
Total Expenses	<u>4,310.3</u>	<u>4,354.5</u>	<u>(44.2)</u>	(1.0)%
Increase in Net Position	215.6	79.7	135.9	170.5%
Net Position (Deficit), Beginning	<u>(50.0)</u>	<u>(142.3)</u>	<u>92.3</u>	64.9%
Prior Year Restatement (1)	<u>-</u>	<u>12.6</u>	<u>12.6</u>	(100.0)%
Net Position (Deficit), Ending	<u>\$ 165.6</u>	<u>\$ (50.0)</u>	<u>\$ 215.6</u>	431.2%

(1) Beginning Net Position was restated due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, in prior fiscal year 2020/21.

The increase in Operating Grants and Contributions of \$94.3 million or 7.7% is primarily due to the new awards under the Federal Education Stabilization Fund. General Revenues for Ad Valorem Taxes increased by \$74.9 million due to higher property values resulting in increased property tax collections.

Revenues from Operating Grants and Contributions not restricted to specific programs decreased by \$(99.2) million primarily due to a decrease in funding for the Florida Education Finance Program (FEFP).

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 excluding unallocated depreciation/amortization expense totaled \$4,126.5 million, of which \$1,436.1 million were financed by charges for services and other program revenues. The

resulting net costs of \$2,690.4 million, excluding unallocated depreciation/ amortization expense, were financed primarily by 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 and Construction.

Net Cost of Governmental Activities For Fiscal Years Ended June 30, 2022, and 2021 (\$ in millions)

	2021/22	2020/21	Difference Increase (Decrease)	% Increase (Decrease)
Total Cost of Services				
School Level Services	\$ 3,397.5	\$ 3,453.6	\$ (56.1)	(1.6)%
Instructional Support Services	425.3	426.9	(1.6)	(0.4)%
Business/Central Services	188.0	194.4	(6.4)	(3.3)%
General Administration	16.5	15.5	1.0	6.5%
Facilities Acquisition and Construction	99.2	82.9	16.3	19.7%
Total Cost of Services*	\$ 4,126.5	\$ 4,173.3	\$ (46.8)	(1.1)%
Net Cost of Services				
School Level Services	\$ 2,011.1	\$ 2,174.6	\$ (163.5)	(7.5)%
Instructional Support Services	425.3	426.9	(1.6)	(0.4)%
Business/Central Services	186.6	193.0	(6.4)	(3.3)%
General Administration	16.5	15.5	1.0	6.5%
Facilities Acquisition and Construction	50.9	33.0	17.9	54.2%
Net Cost of Services*	\$ 2,690.4	\$ 2,843.0	\$ (152.6)	(5.4)%

*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, Federal Education Stabilization Fund, General Obligation School Bonds Funds and Capital Improvement-Local Optional Millage Levy (LOML) 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 2021/22 AND 2020/21 (\$ in thousands)

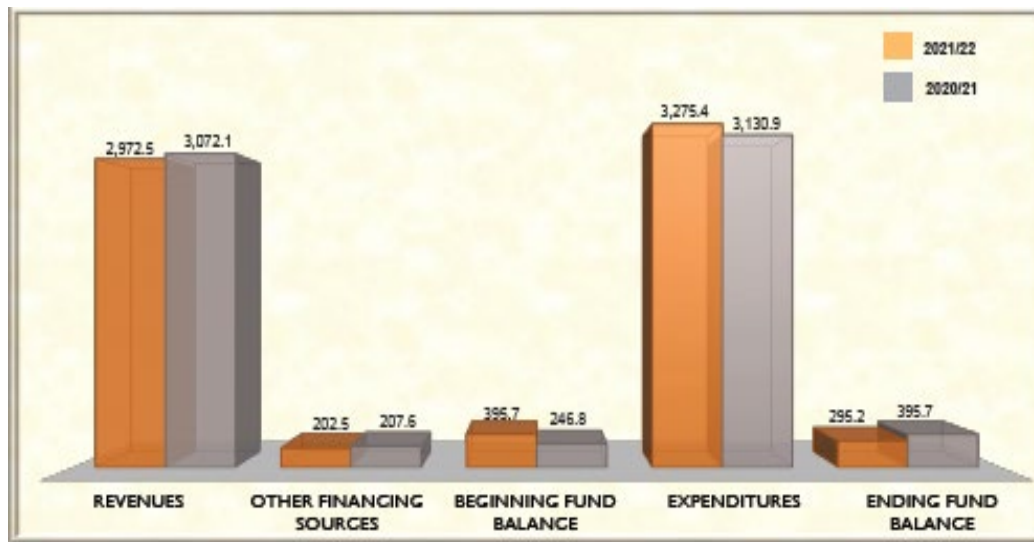
	<u>2021/22</u>	<u>2020/21</u>	<u>Difference Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Categories				
Revenues	\$ 2,972,475	\$ 3,072,110	\$ (99,635)	(3.2)%
Other Financing Sources	202,498	207,636	(5,138)	(2.5)%
Beginning Fund Balance	395,669	246,794	148,875	60.3%
Total	<u>\$ 3,570,642</u>	<u>\$ 3,526,540</u>	<u>\$ 44,102</u>	<u>1.3%</u>
Expenditures	\$ 3,275,409	\$ 3,130,871	\$ 144,538	4.6%
Ending Fund Balance	295,233	395,669	(100,436)	(25.4)%
Total	<u>\$ 3,570,642</u>	<u>\$ 3,526,540</u>	<u>\$ 44,102</u>	<u>1.3%</u>

The General Fund is the chief operating fund of the District. Overall Revenues decreased by \$(99.6) million or (3.2)% from the previous year. The decrease is primarily due to decreases in FEFP of (\$99.2) million, attributed to the increase in Family Empowerment Scholarships – Educational Options/Unique Abilities which are deducted upfront from the FEFP allocation, decreases in Class Size Reduction Operating Funds, offset by increases in property tax collections.

Expenditures increased by \$144.5 million or 4.6% from the previous year, due to eligible expenditures in the prior year being charged to the Federal Education Stabilization Fund which provided COVID-19 relief funding, whereby these recurring expenditures reverted back to the General Fund in the current fiscal year.

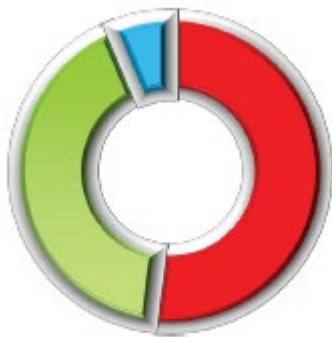
Ending Fund Balance decreased by \$(100.4) million or (25.4)% due to reduced revenues and increased expenditures.

CHANGES IN GENERAL FUND ACTIVITY
For Fiscal Years 2021/22 and 2020/21
(\$ in millions)



Revenues by Source

Revenues – Overall revenues decreased by \$(99.6) million or (3.2)% as follows:



REVENUES BY SOURCE
For Fiscal Years 2021/22 and 2020/21
(\$ in thousands)

Source	2021/22	2020/21	Difference Increase (Decrease)	% Increase (Decrease)
Federal	\$ 10,616	\$ 26,083	\$ (15,467)	(59.3)%
State	1,043,650	1,184,526	(140,876)	(11.9)%
Local	1,918,209	1,861,501	56,708	3.0 %
Total	\$ 2,972,475	\$ 3,072,110	\$ (99,635)	(3.2)%

■ Federal
■ State
■ Local

Federal sources decreased by \$(15.5) million or (59.3)% from the prior year. The decrease is primarily due to a reduction in Medicaid reimbursement, no FEMA revenues received for Hurricane Irma, and no Restart grant funding in the current fiscal year.

State sources decreased by \$(140.9) million or (11.9)% from the prior year. The decrease is primarily due to the decrease in FEFP revenues of \$(99.2) million, mostly comprised of the increase in Family Empowerment Scholarships and decrease in Class Size Reduction of \$(41.6) million.

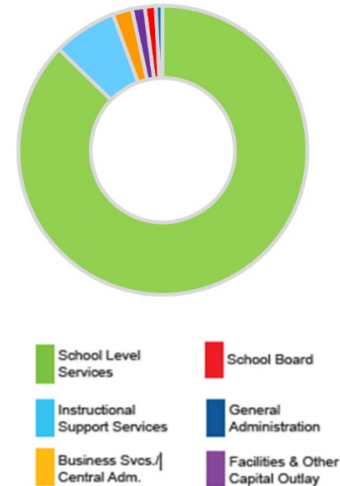
Local sources increased by \$56.7 million or 3.0% from the prior year. The increase is primarily due to the higher collection of property taxes and increase in child care fees with the return to in-person learning.

Expenditures by Function

Expenditures - Overall expenditures increased by \$144.5 million or 4.6% as follows:

EXPENDITURES BY FUNCTION For Fiscal Years 2021/22 and 2020/21 (\$ in thousands)

Functions	2021/22	2020/21	Difference Increase (Decrease)	% Increase (Decrease)
School Level Services	\$ 2,902,592	\$ 2,757,683	\$ 144,909	5.3%
Instructional Support Services	236,012	233,426	2,586	1.1%
Business Services/ Central Adm.	72,320	78,693	(6,373)	(8.1)%
School Board	8,663	8,472	191	2.3%
General Administration	6,619	6,185	434	7.0%
Facilities and Other Capital Outlay	49,203	46,412	2,791	6.0%
Total	\$ 3,275,409	\$ 3,130,871	\$ 144,538	4.6%



Salaries and fringe benefits represent the most significant expenditures of the District specifically as it relates to school level expenditures. During the 2021-22 fiscal year, expenditures increased with the students return to in-person learning, most notable in the school level services function.

FEDERAL EDUCATION STABILIZATION FUND

The Federal Education Stabilization Fund is comprised of funding from the CARES Act, CRRSA Act and the ARP Act. The US. Department of Education (Department) awarded grants to state educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs) that receive funds under part A of Title I of the Elementary and Secondary Education Act of 1965 (ESEA), including charter schools that are LEAs, with emergency relief funds to address the impact that the COVID-19 pandemic has had, and continues to have on elementary and secondary schools across the Nation. These funds have been essential in the development and implementation of plans for educational services and continued learning, for both school campuses that are open or closed and to sustain the safe operation of schools.

For the fiscal year ended June 30, 2022, the District spent \$16.4 million on ESSER, \$11.9 million on other CARES Act Relief (includes GEER and HEERF), \$156.4 million on ESSER II, \$4.7 million on Other CRRSA Act Relief (includes GEER II), \$170.6 million on ESSER III, and \$4.8 million on Other ARP Act Relief.

GENERAL OBLIGATION SCHOOL BONDS

On November 6, 2012, Miami-Dade County voters approved a referendum authorizing the issuance of \$1.2 billion of General Obligation (GO) Bonds for the modernization and construction of public school facilities, including educational technology upgrades. Thus far, five separate bond series have been

issued pursuant to this referendum. As of June 30, 2022, \$270.8 million bonds remain to be issued, and were issued in the early 2022-23 fiscal year. Despite remaining challenges from the COVID-19 pandemic and related supply chain backlogs, the bond program accelerated projects in fiscal year 2021-22 with an increase of more than 12.2% in GO Bond expenditure activity. The 2021-22 fiscal year ended with a total GO Bond fund balance of \$40.3 million.

CAPITAL IMPROVEMENT-LOCAL OPTIONAL MILLAGE LEVY (LOML)

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 back from the operating budget. Total fund balance of \$269.3 million represents an increase of nearly 29% from the previous year. This can be attributed to an increase in the collection of taxes and current expenditure/transfer activity. Fund balance was also preserved in the 2021-22 fiscal year by the Florida Legislature funding the entire \$44.2 million charter capital outlay allocation from State funds rather than from District capital millage revenue sharing.



BUDGETARY HIGHLIGHTS

General Fund

Most District operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the District through the 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 intent of the formulas used is to substantially equalize educational funding among the 67 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 2021-22 fiscal year were \$105.9 million less than the original adopted budget as follows:

Federal funds were \$4.5 million lower than anticipated primarily due to a decrease of \$5.4 million in Medicaid reimbursements. This decrease was slightly offset by an increase in Federal reimbursements related to Community School program of \$0.7 million, an increase of \$0.1 million in R.O.T.C. revenue and an increase of \$0.1 million in Hurricane Irma reimbursements from FEMA.

State funds were \$90.0 million less than the original adopted budget primarily due to the revenue reduction resulting from increases in Family Empowerment Scholarship (FES) funds which grew by \$101.2 million, as well as a decrease in the Class Size Reduction allocation of \$10.0 million and a decrease of \$2.0 million in Voluntary Pre-K revenue. These decreases as well as the rest of the decreases in FEFP funding were slightly offset by the Additional Student Reserve allocation of \$16.8 million provided to help mitigate the significant revenue reduction caused by the increased FES FTE.

Local revenues were \$11.6 million lower than the original adopted budget. The decrease in local revenues is primarily due to reductions in net property taxes collected of \$23.5 million, as well as decreased community school revenue of \$2.9 million which is still suffering the effects of the COVID-19 pandemic. These losses were offset by several miscellaneous local sources, one of which was an increase of \$3.2 million related to federal indirect cost reimbursement from the new Federal Education Stabilization Funds awarded during fiscal years 2020-21 and 2021-22.

Other Financing Sources increased \$0.2 million mostly due to the sale of capital assets.

The most significant decrease on the appropriation side between the budget as originally adopted and the final amended budget is reflected in Instructional Services expenditures. This decrease is primarily due to the transfer of payroll cost for certain teachers to the funds grouped under the Federal Education Stabilization Fund. This transfer allows the District to protect its workforce as well as assist the General Fund in mitigating the loss of revenue and increased costs incurred as a result of the pandemic.

The variance between final amended budget and actual expenditures relates to amounts that were encumbered as of June 30, 2022.

Ending fund balance as of June 30, 2022 was \$295.2 million comprised of nonspendable fund balances totaling \$31.3 million, representing a long-term receivable, inventories, and prepaid items, restricted fund balance totaling \$4.4 million in state categorical programs, assigned fund balance of \$95.8 million, which included rebudgets, outstanding purchase orders and purchase requisitions. Unassigned fund balance totaled \$163.7 million. This differs from the ending fund balance used for budgetary purposes since amounts encumbered are included as appropriations.

The District will continue to review the budget, focusing on maintaining essential educational services as it anticipates revenue shortfalls and cost increases. The federal funding received which is grouped under the Federal Education Stabilization Fund will continue to provide the District the funding it needs in order to face these revenue shortfalls and cost increases and to acquire much needed technology so it can continue to educate its students.



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the District had \$4.3 billion invested in different categories of capital assets, net of accumulated depreciation/amortization, as shown in the table below.

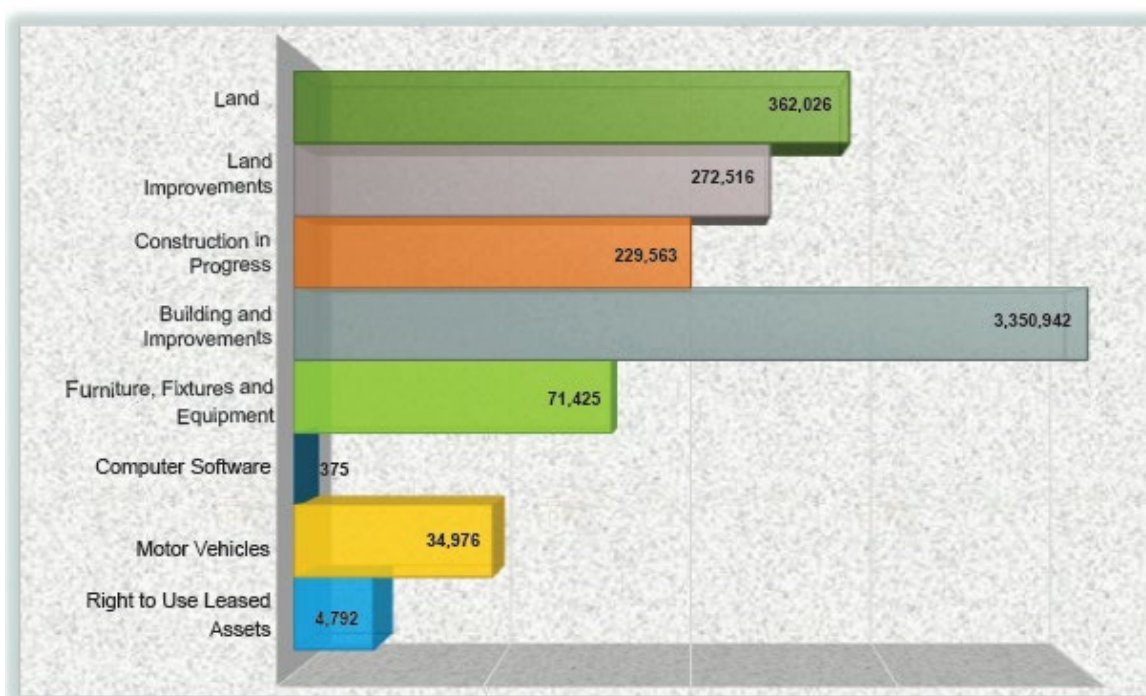
CAPITAL ASSET ACTIVITY **At June 30, 2022, and 2021** **(\$ in thousands)**

Categories	2021/22	2020/21	Difference Increase (Decrease)	% Increase (Decrease)
Land	\$ 362,026	\$ 361,986	\$ 40	0.0%
Land Improvements	272,516	271,175	1,341	50.0%
Construction in Progress	229,563	171,536	58,027	33.8%
Building and Improvements	3,350,942	3,433,037	(82,095)	(2.4)%
Furniture, Fixtures, and Equipment	71,425	61,868	9,557	15.4%
Computer Software	375	522	(147)	(28.2)%
Motor Vehicles	34,976	39,179	(4,203)	(10.7)%
Right to use Leased Assets	4,792	5,340	(548)	(10.3)%
Total	\$ 4,326,615	\$ 4,344,643	\$ (18,028)	(0.4)%

*The School Board adopted the provisions of GASB Statement No. 87, Leases. Accordingly, the balance was restated for 2020/21 in the amount of \$5.3 million.

Detailed information reflecting the District's capital asset balances and activity for the fiscal year ended June 30, 2022, is provided in Note 4 to the Financial Statements.

CAPITAL ASSETS
At June 30, 2022
(\$ in thousands)



Debt Administration

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

CHANGES IN LONG-TERM LIABILITIES
At June 30, 2022 and 2021
(\$ in thousands)

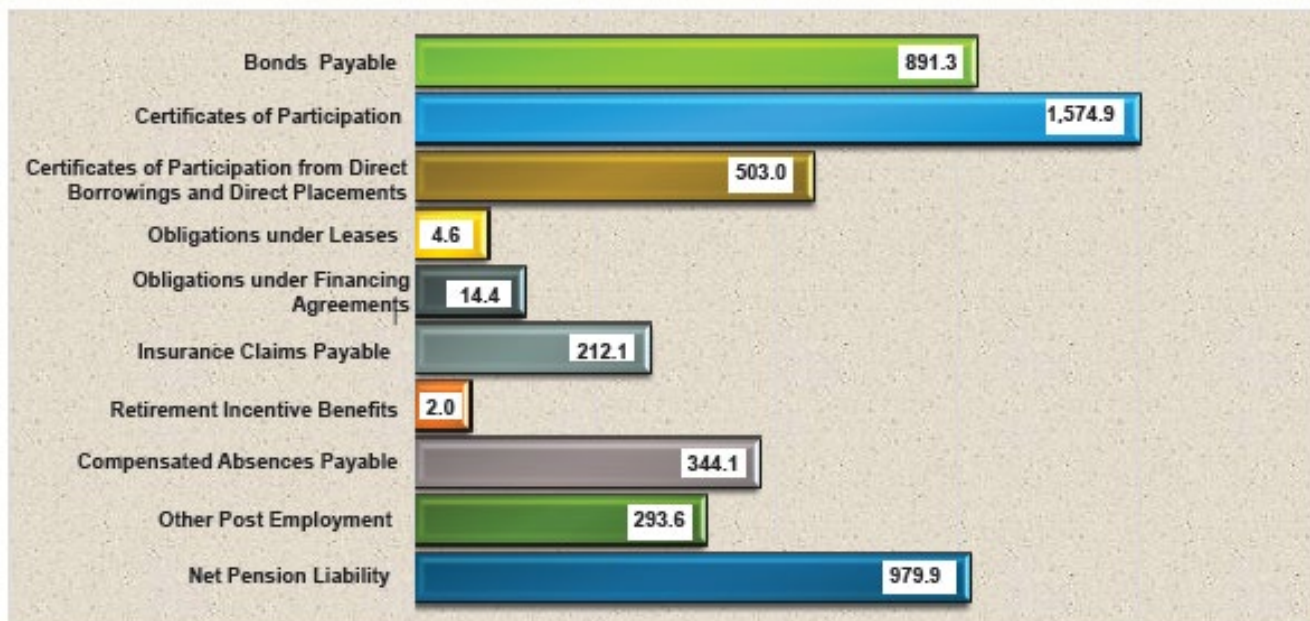
Categories	2021/22	2020/21	Difference Increase (Decrease)	% Increase (Decrease)
Bonds Payable	\$ 891,332	\$ 912,173	\$ (20,841)	(2.3)%
Certificates of Participation Payable, Net	1,574,881	1,678,446	(103,565)	(6.2)%
Certificates of Participation Payable from Direct Borrowings and Direct Placements	502,918	534,664	(31,746)	(5.9)%
Obligations under Leases	4,644	6,982 *	(2,338)	(33.5)%
Obligations under Financing Agreements	14,431	24,795 *	(10,364)	(41.5)%
Insurance Claims Payable	212,120	192,950	19,170	9.9%
Retirement Incentive Benefits	2,055	1,629	426	26.2%
Compensated Absences Payable	344,064	354,633	(10,569)	(3.0)%
Other Postemployment Benefits Liability	293,561	269,536	24,025	8.9%
Net Pension Liability	979,938	2,434,673	(1,454,735)	(59.8)%
Total	\$ 4,819,944	\$ 6,410,481	\$ (1,590,537)	(24.8)%

* The School Board adopted the provisions of GASB Statement No. 87, *Leases*. Accordingly, the balance was restated for 2020/21 in the amount of \$5.3 million.

Overall liabilities decreased by \$(1,590.5) million or (24.8)% from the prior year. The most significant decrease is reflected in the long-term net pension liability of \$(1,454.7) million as reported in the FRS actuarial for the District's proportionate share of pension liabilities that are administered by the Florida Retirement System.

Detailed information relating to changes in long-term liabilities for the fiscal year ended June 30, 2022 is provided in Note 14 to the Financial Statements.

LONG-TERM LIABILITIES
At June 30, 2022
(\$ in millions)



ECONOMIC FACTORS

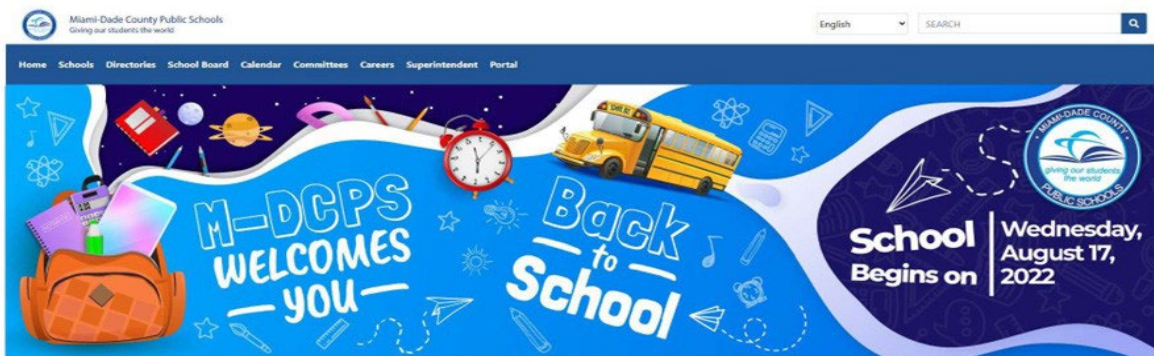
During 2021-22 fiscal year, the District commenced the school year with all students returning back to in person learning. The District continues to invest in accelerating academic recovery, promoting mental and physical health, retaining its workforce and ensuring effective operations and business practices. This year has been met with supply chain challenges, unusual vacancies in the labor market, property value increases, as well as cost of living increases. The District has strived to ensure that Federal Covid-19 relief funds are invested in a responsible manner being vigilant as these funds are non-recurring with staggered termination dates through 2024. Despite 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 Miami-Dade County, Florida
School Board Administration Building
Office of the Controller
1450 N.E. 2nd Avenue
Room 664
Miami, Florida 33132
or visit our web site at:

<http://www.dadeschools.net>



BASIC FINANCIAL STATEMENTS

Miami-Dade County District School Board
Statement of Net Position
June 30, 2022
(amounts expressed in thousands)

	Primary Government Governmental Activities	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 437,880	\$ 268,830
Investments	600,986	-
Cash and Investments with Fiscal Agents	126	-
Total Cash, Cash Equivalents, and Investments (Note 3)	1,038,992	268,830
Taxes Receivable, Net (Note 16)	70,605	-
Accounts and Interest Receivable	1,682	9,646
Due From Other Governments or Agencies (Note 6)	146,779	132,891
Inventories	14,155	-
Prepaid and Other Current Assets	19,043	11,716
Total Current Assets	1,291,256	423,083
Noncurrent Assets:		
Cash and Investments (Note 3)	157,237	-
Long-term Receivable	20,785	9,218
Other Noncurrent Assets	149	-
Capital Assets: (Note 4)		
Nondepreciable Capital Assets	864,105	26,621
Depreciable Capital Assets	7,068,580	1,297,313
Less Accumulated Depreciation	(3,606,070)	(195,632)
Total Capital Assets, Net	4,326,615	1,128,302
Total Noncurrent Assets	4,504,786	1,137,520
TOTAL ASSETS	5,796,042	1,560,603
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding of Debt, Net	58,524	446
Lease Related Items	-	2,566
Pensions (Note 17)	659,732	757
Other Postemployment Benefits (Note 17)	80,276	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	798,532	3,769

(Continued)

Miami-Dade County District School Board
Statement of Net Position (Continued)
June 30, 2022
(amounts expressed in thousands)

	Primary Governmental Activities	Component Units
LIABILITIES		
Current Liabilities:		
Accounts and Contracts Payable and Accrued Expenses	\$ 96,596	\$ 23,560
Accrued Payroll Payable	200,456	28,965
Due to Other Governments or Agencies (Note 6)	7,888	25,743
Unearned Revenue	593	3,212
Accrued Interest Payable	29,626	-
Retainage Payable on Contracts	17,218	-
Current Portion of Long-Term Liabilities (Note 14)	284,542	47,457
Total Current Liabilities	<u>636,919</u>	<u>128,937</u>
Noncurrent Liabilities:		
Noncurrent Portion of Long-Term Liabilities (Note 14)	3,261,903	1,081,129
Net Pension Liability	979,938	-
Total Other Postemployment Benefits Liability	293,561	-
Total Noncurrent Liabilities	<u>4,535,402</u>	<u>1,081,129</u>
TOTAL LIABILITIES	<u>5,172,321</u>	<u>1,210,066</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions (Note 17)	1,198,404	1,389
Other Postemployment Benefits (Note 17)	54,148	-
Lease Related Items	4,085	9,172
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,256,637</u>	<u>10,561</u>
NET POSITION		
Net Investment in Capital Assets	1,415,920	96,438
Restricted for:		
State Required Carryover Programs	4,466	-
Debt Service	133,475	-
Capital Projects	407,386	306
Food Service	56,482	-
Other Purposes	11,070	8,632
Unrestricted (Deficit)	(1,863,183)	238,369
TOTAL NET POSITION	<u>\$ 165,616</u>	<u>\$ 343,745</u>

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, 2022
(amounts expressed in thousands)

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
Primary Government				
Governmental Activities:				
Instructional Services	\$ 2,513,876	\$ 9,639	\$ 1,127,338	\$ -
Instructional Support Services	425,286	-	-	-
Student Transportation Services	93,023	396	-	-
Operation and Maintenance of Plant	441,762	-	-	44,204
School Administration	169,248	-	-	-
General Administration	16,505	-	-	-
Business/Central Services	73,246	-	-	-
Administrative Technology Services	1,526	-	-	-
Food Services	156,059	732	189,637	-
Community Services	23,442	14,402	-	-
Facilities Acquisition and Construction	99,219	-	-	48,277
Interest on Long-Term Debt	113,289	-	-	1,405
Unallocated Depreciation/Amortization* (Note 4)	183,796	-	-	-
Total Governmental Activities	\$ 4,310,277	\$ 25,169	\$ 1,316,975	\$ 93,886
Component Units	\$ 774,293	\$ 29,423	\$ 111,910	\$ 44,130

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 Losses

Miscellaneous

Total General Revenues

Change in Net Position

Net Position (Deficit) - Beginning

Net Position - Ending

* This amount excludes the depreciation/amortization that is included in the direct expenses of the various functions.

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

**Net (Expense) Revenue and Changes in
Net Position**

Primary Government		Component
Governmental		Units
Activities		
\$ (1,376,899)	\$	-
(425,286)		-
(92,627)		-
(397,558)		-
(169,248)		-
(16,505)		-
(73,246)		-
(1,526)		-
34,310		-
(9,040)		-
(50,942)		-
(111,884)		-
(183,796)		-
(2,874,247)		-
-		(588,830)
1,856,309		-
62,713		-
522,473		-
605,838	558,342	
(6,764)		-
49,282	42,205	
3,089,851	600,547	
215,604	11,717	
(49,988)	332,028	
\$ 165,616	\$ 343,745	

Miami-Dade County District School Board
Balance Sheet – Governmental Funds
June 30, 2022
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Federal Education Stabilization Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 174,577	\$ 392
Equity in Pooled Cash and Investments	245,565	533
Cash and Investments with Fiscal Agents (Note 12)	-	-
Total Cash, Cash Equivalents, and Investments (Note 3)	<u>420,142</u>	<u>925</u>
Taxes Receivable, Net (Note 16)	53,701	-
Accounts and Interest Receivable	976	-
Due from Other Governments or Agencies (Note 6)	22,034	41,131
Due from Other Funds (Note 5)	31,317	-
Inventories	10,318	-
Long-term Receivable	20,785	-
Prepaid and Other Assets	<u>2,324</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 561,597</u></u>	<u><u>\$ 42,056</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts and Contracts Payable and Accrued Expenditures	\$ 30,108	\$ 21,638
Accrued Payroll and Compensated Absences (Notes 8 and 14)	201,319	9,089
Due to Other Funds (Note 5)	10,643	10,538
Due to Other Governments or Agencies (Note 6)	5,158	667
Unearned Revenue	511	-
Estimated Liability for Claims (Notes 13 and 18)	2,512	-
Retainage Payable on Contracts	<u>78</u>	<u>124</u>
Total Liabilities	<u>250,329</u>	<u>42,056</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue and Lease Related Items	<u>16,035</u>	<u>-</u>
FUND BALANCES		
Nonspendable	31,311	-
Restricted	4,466	-
Assigned	95,796	-
Unassigned	<u>163,660</u>	<u>-</u>
Total Fund Balances	<u>295,233</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 561,597</u></u>	<u><u>\$ 42,056</u></u>

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

General Obligation School Bonds Funds	Capital Improvement LOML Funds	Nonmajor Governmental Funds	Total Governmental Funds
\$ 26,394	\$ 107,067	\$ 78,397	\$ 386,827
35,886	145,568	242,555	670,107
-	-	126	126
62,280	252,635	321,078	1,057,060
-	15,078	1,826	70,605
50	235	300	1,561
-	-	83,614	146,779
-	-	10,643	41,960
-	-	3,837	14,155
-	-	-	20,785
-	16,868	-	19,192
<u>\$ 62,330</u>	<u>\$ 284,816</u>	<u>\$ 421,298</u>	<u>\$ 1,372,097</u>
\$ 11,699	\$ 9,549	\$ 22,404	\$ 95,398
-	-	3,961	214,369
-	-	20,779	41,960
-	-	2,063	7,888
-	-	63	574
-	-	-	2,512
10,363	4,054	2,599	17,218
22,062	13,603	51,869	379,919
-	1,884	3,629	21,548
-	16,868	3,837	52,016
40,268	252,461	359,726	656,921
-	-	2,237	98,033
-	-	-	163,660
40,268	269,329	365,800	970,630
<u>\$ 62,330</u>	<u>\$ 284,816</u>	<u>\$ 421,298</u>	<u>\$ 1,372,097</u>

Miami-Dade County District School Board
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022
(amounts expressed in thousands)

Total Fund Balances - Governmental Funds \$ 970,630

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.

Capital assets	\$ 7,932,685	
Accumulated depreciation	<u>(3,606,070)</u>	4,326,615

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, not recorded as revenue in the governmental funds. 8,952

Receivables due from other governments or agencies are not available soon enough to pay for the current period's expenditures and, therefore, are not recorded as revenue in the governmental funds. 8,511

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	\$ 139,291	
Liabilities	<u>(43,806)</u>	
Net Position		95,485

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	\$ (1,557)	
Interest payable	<u>(29,626)</u>	(31,183)

Long-term liabilities are not due and payable in the fiscal year and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:

Bonds payable	\$ (891,332)	
Financing agreements	(14,431)	
Leases	(4,644)	
Compensated absences	(328,791)	
Retirement incentive benefits	(1,859)	
Certificates of participation	(2,077,799)	
Net pension liability	(979,938)	
Total other postemployment benefits liability	(293,561)	
Claims payable	<u>(167,019)</u>	(4,759,374)

Deferred charges on bond refundings are not expensed in the government-wide statements, but are reported as deferred outflows of resources and amortized over the life of the debt. 58,524

The deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows Related to Pensions	\$ 659,732	
Deferred Outflows Related to OPEB	80,276	
Deferred Inflows Related to Pensions	(1,198,404)	
Deferred Inflows Related to OPEB	<u>(54,148)</u>	(512,544)

Net Position - Governmental Activities \$ 165,616

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 – Governmental Funds
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	General Fund	Federal Education Stabilization Fund
Revenues		
Local Sources:		
Ad Valorem Taxes (Note 16)	\$ 1,849,483	\$ -
Food Service Sales	-	-
Interest Income	1,873	-
Net Decrease in Fair Value of Investments	(281)	-
Local Grants and Other	67,134	70
Total Local Sources	<u>1,918,209</u>	<u>70</u>
State Sources: (Note 15)		
Florida Education Finance Program	599,613	-
Public Education Capital Outlay	-	-
Food Services	-	-
State Grants and Other	444,037	-
Total State Sources	<u>1,043,650</u>	<u>-</u>
Federal Sources:		
Federal Grants and Other	10,616	364,627
Food Services	-	-
Total Federal Sources	<u>10,616</u>	<u>364,627</u>
Total Revenues	<u>2,972,475</u>	<u>364,697</u>
Expenditures:		
Current:		
Instructional Services:		
Basic Programs	1,699,545	186,863
Exceptional Child Programs	408,750	4,933
Adult and Vocational-Technical Programs	80,296	5,351
Total Instructional Services	<u>2,188,591</u>	<u>197,147</u>
Instructional Support Services	235,655	68,510
Student Transportation Services	74,107	6,761
Operation and Maintenance of Plant	431,039	14,052
School Administration	170,880	2,582
General Administration	86,769	14,733
Food Services	-	1,076
Community Services	21,898	1,577
Capital Outlay	65,786	58,259
Debt Service (Notes 9, 10, 11, and 12):		
Principal Retirement	-	-
Interest and Fiscal Charges	684	-
Total Expenditures	<u>3,275,409</u>	<u>364,697</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(302,934)</u>	<u>-</u>
Other Financing Sources (Uses)		
Transfers In (Note 5)	202,078	-
Transfers Out (Note 5)	-	-
Issuance of Debt for Refunding (Notes 10 and 11)	-	-
Premium on Issuance of Debt for Refunding	-	-
Payments to Refunded Bond Escrow Agent	-	-
Proceeds from Sale of Capital Assets	420	-
Total Other Financing Sources (Uses)	<u>202,498</u>	<u>-</u>
Net Change in Fund Balances	<u>(100,436)</u>	<u>-</u>
Fund Balances, Beginning	395,669	-
Fund Balances, Ending	<u>\$ 295,233</u>	<u>\$ -</u>

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

General Obligation School Bonds Fund	Capital Improvement LOML Funds	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 520,590	\$ 62,471	\$ 2,432,544
-	-	732	732
289	998	612	3,772
(44)	(203)	(10,008)	(10,536)
-	-	56,256	123,460
245	521,385	110,063	2,549,972
-	-	-	599,613
-	-	44,204	44,204
-	-	1,529	1,529
-	-	20,844	464,881
-	-	66,577	1,110,227
-	-	331,498	706,741
-	-	171,249	171,249
-	-	502,747	877,990
245	521,385	679,387	4,538,189
-	-	123,145	2,009,553
-	-	27,758	441,441
-	-	12,588	98,235
-	-	163,491	2,549,229
-	-	122,499	426,664
-	-	11,284	92,152
-	-	407	445,498
-	-	58	173,520
-	-	9,686	111,188
-	-	155,596	156,672
-	-	372	23,847
90,431	81,930	50,618	347,024
-	-	154,264	154,264
-	-	120,734	121,418
90,431	81,930	789,009	4,601,476
(90,186)	439,455	(109,622)	(63,287)
-	-	233,076	435,154
-	(379,435)	(55,719)	(435,154)
-	-	168,005	168,005
-	-	1,183	1,183
-	-	(167,474)	(167,474)
-	-	-	420
-	(379,435)	179,071	2,134
(90,186)	60,020	69,449	(61,153)
130,454	209,309	296,351	1,031,783
\$ 40,268	\$ 269,329	\$ 365,800	\$ 970,630

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, 2022
(amounts expressed in thousands)

Total Net Change in Fund Balances - Governmental Funds \$ (61,153)

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 statement's property tax revenues are recorded when there is an enforceable lien. Additionally, the governmental funds reflect revenues that were recognized in the statement of activities in the prior fiscal year:

Prior Year revenues recorded this year at the fund level	\$ -	
Revenues not recorded this year in the fund level statements are recorded as revenue in the government-wide statements.	<u>8,952</u>	8,952

Revenues that provide current financial resources are recorded in the governmental funds. However, for the government-wide statements revenues are recorded when earned. (131)

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. (18,931)

The changes in net pension liability and related deferred inflows and outflows are not reported in the fund statements and the net effect is to increase net position. 167,980

The changes in total other postemployment benefits liability and related deferred inflows and outflows are not reported in the fund statements and the net effect is to decrease net position. (22,400)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, recoveries, and donations) is to increase net position. 91

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	\$ 184,386	
Depreciation expense for the fiscal year	<u>(202,424)</u>	(18,038)

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 General Obligation Bonds	\$ (168,005)	
Premium on refunding of General Obligation School Bonds	<u>(1,183)</u>	(169,188)

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 compensated absences liability	\$ 10,053	
Decrease in accrued salaries and benefits	4	
Increase in claims payable	<u>(13,974)</u>	(3,917)

(Continued)

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 (Continued)
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

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	\$ 121,550	
Repayment of debt principal for General Obligation Bonds	21,225	
Repayment of debt principal for Financing Agreements	10,364	
Repayment of debt principal for Capital Leases	2,338	
Repayment of debt principal for State Board of Education Bonds	<u>1,125</u>	156,602

Repayment to refund debt is 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.

167,474

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 decrease to interest expense on the statement of activities. Gains (losses) incurred as a result of advance refundings are also amortized over the life of the debt and are recorded as an decrease (increase) to interest expense on the statement of activities.

Accrued interest payable	\$ (29,626)	
Amortization of premium on State Board of Education Capital Outlay Bonds (SBEs)	144	
Amortization of premium on Certificates of Participation (COPs)	13,760	
Amortization of premium General Obligation School Bonds (GOBs)	3,718	
Amortization of gain related to Advance Refunding of SBES	6	
Amortization of gain related to Advance Refunding of COPs	427	
Amortization of loss related to Advance Refunding of SBES	(18)	
Amortization of loss related to Advance Refunding of COPs	(12,268)	
Amortization of loss related to Advance Refunding of GOBs	(221)	
Prior year accrued interest paid during current fiscal year	<u>32,341</u>	<u>8,263</u>

Total Change in Net Position - Governmental Activities

\$ 215,604

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, 2022
(amounts expressed in thousands)

	Health Insurance Fund
ASSETS	
Cash and Cash Equivalents	\$ 55,635
Investments	83,534
Accounts and Interest Receivable	122
TOTAL ASSETS	139,291
LIABILITIES	
Accounts Payable	1,197
Unearned Revenue	19
Estimated Unpaid Health Claims	42,590
TOTAL LIABILITIES	43,806
NET POSITION	
Unrestricted	95,485
TOTAL NET POSITION	\$ 95,485

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, 2022
(amounts expressed in thousands)

	Health Insurance Fund
OPERATING REVENUES	
Charges for Services	\$ 379,789
Other Operating Revenues	13,487
Total Operating Revenues	<u>393,276</u>
OPERATING EXPENSES	
Salaries	124
Employee Benefits	39
Purchased Services	1,164
Claims	408,084
Administrative Fees and Other	3,142
Total Operating Expenses	<u>412,553</u>
Operating Loss	<u>(19,277)</u>
NONOPERATING REVENUES	
Interest Revenue	346
Change in Net Position	(18,931)
Net Position - Beginning	114,416
Net Position - Ending	<u>\$ 95,485</u>

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, 2022
(amounts expressed in thousands)

	Health Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Interfund Services Provided	\$ 379,773
Payments for Claims	(403,374)
Payments to Suppliers for Goods and Services	(4,290)
Payments to Employees	(163)
Other Receipts	13,468
Net Cash Used by Operating Activities	<u>(14,586)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts from Interest	333
Purchase of Investments	(14,285)
Net Cash Used by Investing Activities	<u>(13,952)</u>
Net Decrease in Cash and Cash Equivalents	(28,538)
Cash and Cash Equivalents, Beginning of Year	84,173
Cash and Cash Equivalents, End of Year	<u><u>\$ 55,635</u></u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (19,277)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Increase in Accounts Receivable	(8)
Increase in Accounts Payable	16
Decrease in Unearned Revenue	(26)
Increase in Estimated Unpaid Health Claims	4,709
Total Adjustments	<u>4,691</u>
Net Cash Used by Operating Activities	<u><u>\$ (14,586)</u></u>
Supplemental Disclosure of Noncash Investing Activities:	
Net Change in fair value of Investments	<u><u>\$ (85)</u></u>

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, 2022
(amounts expressed in thousands)

	Pension Trust Fund	Custodial Fund Schools' Internal Fund
ASSETS		
Cash and Cash Equivalents	\$ 1,595	\$ 2,465
Investments:		-
Fixed Income Mutual Funds	7,354	-
Equity Mutual Funds	13,116	-
Money Market Mutual Funds	672	5,536
Total Cash, Cash Equivalents and Investments	22,737	8,001
Accounts Receivable	-	31
TOTAL ASSETS	<u>22,737</u>	<u>8,032</u>
LIABILITIES		
Accounts Payable	-	41
Due to Other Governments or Agencies	-	62
TOTAL LIABILITIES	<u>-</u>	<u>103</u>
NET POSITION		
Restricted for Pension Benefits	22,737	-
Restricted for Individuals and Organizations	-	7,929
TOTAL NET POSITION	<u>\$ 22,737</u>	<u>\$ 7,929</u>

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, 2022
(amounts expressed in thousands)

	Pension Trust Fund	Custodial Fund Schools' Internal Fund
ADDITIONS		
Employer Contributions (Note 17)	\$ 1,880	\$ -
Interest on Investments	2,283	-
Classes & Clubs, Donations, and Other Student Activities	-	18,788
Net Decrease in the Fair Value of Investments	(5,768)	
Less Investment Expenses	(9)	-
Total Additions (Decreases)	<u>(1,614)</u>	<u>18,788</u>
DEDUCTIONS		
Retirement Benefit Payments	3,723	-
Trustee Services	70	-
Materials, Supplies, and Other Expenses	-	11,746
Purchased Services	-	6,250
Total Deductions	<u>3,793</u>	<u>17,996</u>
Change in Net Position	(5,407)	792
Net Position - Beginning	<u>28,144</u>	<u>7,137</u>
Net Position - Ending	<u>\$ 22,737</u>	<u>\$ 7,929</u>

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

NOTES TO FINANCIAL STATEMENTS

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, the Superintendent of Schools 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 those of 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 to GASB Statements No. 14 and 34*. The Statement modifies certain 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.

The Florida Department of Education (FDOE) concluded, based on FDOE's interpretation of GASB Statement No. 61, that school districts should report charter schools as discretely presented component units. This conclusion is based, in part, on FDOE's interpretation that exclusion of the charter schools from financial reporting would cause school district financial statements to be misleading as, pursuant to the Article IX, Section 4 of the State Constitution, charter schools are public schools and each school district has constitutional responsibility for all public schools within the school district. As a result, we have included charter school audited financial information for State reporting purposes. In addition, the District included the Miami-Dade County School Board Foundation, Inc. and the Foundation for New Education Initiatives, Inc. as component units.

Blended Component Unit. 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. Separate financial statements for the Foundation are not published.

Discretely Presented Component Units. The component units' columns in the government-wide financial statements include the financial data of the District's component units that are required to be presented separately. These component units consist of multiple charter schools and the Foundation for New Education Initiatives, Inc. The charter schools and the Foundation for New Education Initiatives, Inc. are reported, in the aggregate, in separate columns in the government financial statements to emphasize that they are legally separate from the District.

Charter schools are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The District's charter schools operate under charters approved by the District and are recognized as public schools within the District. As such, charter schools are funded on the same basis as the District. Additionally, Section 1002.33, Florida Statutes, 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 grants in accordance with 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 145 charter schools were approved to operate during the 2021-22 fiscal year. All of the charter schools are included as component units of the District or another legal entity. For financial reporting purposes, 139 of the charter schools are included in the financial statements of the District as discretely presented component units. The remaining 6 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 East at Doral (0412)	11300 NW 41 Street Doral, FL 33178	786-360-6033
AcadeMir Charter School Middle (6082)	5800 SW 135th Ave Miami, FL 33183	305-967-8492
AcadeMir Charter School of Math and Science (4242)	13330 SW 288th Street Homestead, FL 33033	786-601-7668
AcadeMir Charter School Preparatory (1015)	19185 SW 127th Avenue Miami, FL 33177	305-964-7542

School	School Address	Telephone Number
AcadeMir Charter School West (0410)	14880 SW 26th Street Miami, FL 33185	305-485-9911
AcadeMir Preparatory Academy (2002)	5800 SW 135th Ave Miami, FL 33183	305-967-8492
Academy for International Education Charter School (5044)	1080 LaBaron Drive Miami Springs, FL 33166	305-883-3900
Academy for International Education Upper Charter School for Science and Technology (6093)	1080 LaBaron Drive Miami Springs, FL 33166	305-883-3900
Alpha Charter of Excellence (ACE) (5410)	1217 SW 4th Street. Miami, FL 33135	305-643-2132
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
Arts Academy of Excellence (7043)	780 Fisherman Street Opa-Locka, FL 33054	786-534-4528
Beacon College Preparatory Elementary School (4002)	13400 NW 28th Ave Miami, FL 33054	786-353-6109
Beacon College Preparatory Middle School (6034)	13400 NW 28th Ave Miami, FL 33054	786-353-6109
Ben Gamla Charter School (5022)	11155 SW 112th Ave Miami, FL 33176	305-596-6266
BridgePrep Academy Interamerican (5020)	621 Beacom Boulevard Miami, FL 33135	305-643-4833
BridgePrep Academy Greater Miami (2013)	137 NE 19th Street Miami, FL 33132	786-477-4372
BridgePrep Academy of Miami Dade (5028)	3500 NW 89 Court Doral, FL 33172	786-305-7834
BridgePrep Academy of North Miami Beach (4050)	18801 NE 22nd Ave Miami, FL 33180	786-300-4980
BridgePrep Academy of Village Green (3034)	13300 SW 120th Street Miami, FL 33186	305-253-8775
BridgePrep Academy South (2003)	10700 SW 56th Street Miami, FL 33165	305-271-3109
C.G. Bethel High School (7062)	16150 NE 17th Ave North Miami Beach, FL 33162	786-629-7053
Chambers High School (7065)	698 N Homestead Boulevard Homestead, FL 33030	305-909-6307

School	School Address	Telephone Number
Charter High School of the Americas (7080)	970-998 W Flagler Street Miami, FL 33130	305-325-1001
Charter High School of the Americas (Florida City Campus) (7144)	103 East Lucy Street Homestead, FL 33034	305-242-3330
Collegiate Preparatory Academy ^a (6016)	305 NE 2nd Road Homestead, FL 33030	305-242-8992
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 5th Ave Miami Shores, FL 33168	305-754-2381
Doral Academy (3030)	2450 NW 97th Ave Doral, FL 33172	305-597-9999
Doral Academy Charter Middle School (6030)	2601 NW 112th Ave 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 Ave Doral, FL 33172	305-591-0020
Doral International Academy of Math and Science (3026)	6700 NW 104th Ave Doral, FL 33172	786-270-2088
Doral Performing Arts & Entertainment Academy (7009)	11100 NW 27th Street Doral, FL 33172	305-597-9950
Downtown Doral Charter Elementary School (3002)	8390 NW 53rd Street Doral, FL 33166	305-569-2223
Downtown Doral Charter Upper School, (7044)	7905 NW 53rd Street Doral, FL 33166	305-513-3013
Downtown Miami Charter School (3600)	305 NW Third Ave 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 Preparatory Charter School of Hialeah (5029)	369 E Tenth Street Hialeah, FL 33010	305-887-9004
Excelsior Preparatory Charter School of Miami Gardens (5032)	18200 NW 22nd Ave Miami Gardens, FL 33056	786-565-9188

School	School Address	Telephone Number
Green Springs High School (7067)	3555 NW 7th Street Miami, FL 33125	305-720-2996
Highly Inquisitive & Versatile Education (HIVE) Preparatory School (1014)	5855 NW 171st Street Miami, FL 33015	305-231-4888
iMater Academy (5384)	600 W 20th Street Hialeah, FL 33010	305-884-6320
iMater Academy Middle School (6014)	651 W 20th Street Hialeah, FL 33010	305-805-5722
iMater Preparatory Academy High School (7090)	651 W 20th Street Hialeah, FL 33010	305-805-5722
Integrated Science and Asian Culture Academy (ISAAC). (2004)	301 Westward Drive Miami Springs, FL 33166	305-863-8030
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
International Studies Virtual Academy (6017)	2480 SW 8th Street Miami, FL 33135	305-643-2955
Just Arts and Management Charter Middle (6083)	2450 NW 97th Ave Doral, FL 33172	305-597-9999
Kendall Greens High School (7516)	8610 SW 107th Ave Miami, FL 33173	305-230-4942
Keys Gate Charter High School (7050)	2325 & 2355 SE 28th Ave Homestead, FL 33035	786-272-9600
Keys Gate Charter School (3610)	2000 SE 28th Ave Homestead, FL 33035	305-230-1616
KIPP Miami-Liberty City (2332)	3400 NW 87th Street Miami, FL 33147	305-694-4204
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 at Mount Sinai (5054)	4300 Alton Road Miami Beach, FL 33140	305-604-1453
Mater Academy Bay (4010)	22025 SW 87th Ave Miami, FL 33190	305-969-5989
Mater Academy Bay High School (7120)	22025 SW 87th Ave Miami, FL 33190	305-969-5989

School	School Address	Telephone Number
Mater Academy Bay Middle (6032)	22025 SW 87th Ave Miami, FL 33190	305-969-5989
Mater Academy Biscayne North Miami (2022)	12900 NE 17th Ave North Miami, FL 33181	305-359-8580
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 East Charter Middle School (6009)	998 SW First Street Miami, FL 33130	305-324-6963
Mater Academy Lakes High School (7018)	17300 NW 87th Ave Hialeah, FL 33015	305-512-3917
Mater Academy Lakes Middle School (6033)	17300 NW 87th Ave Hialeah, FL 33015	305-512-3917
Mater Academy Miami Beach (5047)	8625 Byron Ave Miami Beach, FL 33141	305-864-2889
Mater Academy of International Studies (1017)	795 NW 32nd Street Miami, FL 33127	305-634-0445
Mater Academy Virtual Charter School (6997)	17300 NW 87th Street Hialeah, FL 33015	305-698-1880
Mater Gardens Academy (0312)	9010 NW 178th Lane Hialeah, FL 33018	305-512-9775
Mater Grove Academy, Inc. (5045)	2805 SW 32nd Ave Miami, FL 33133	305-442-4992
Mater International Academy (3000)	3405 NW 27th Ave Miami, FL 33142	305-638-8016
Mater International Preparatory (6047)	795 NW 32nd Street Miami, FL 33127	305-634-0445
Mater Performing Arts & Entertainment Academy (7014)	7901 NW 103rd Street Hialeah Gardens, FL 33016	305-828-1886
Mater Preparatory Academy (3003)	601 NW 12th Ave Miami, FL 33136	305-648-4580
Miami Arts Charter School (7059)	3900 Biscayne Boulevard. 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 352th Street Florida City, FL 33034	786-601-8003

School	School Address	Telephone Number
Miami Community Charter Middle School (6048)	18720 SW 352nd Street Florida City, FL 33034	786-601-8003
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)	3400 NW 135th Street Opa-Locka, FL 33054	305-720-2995
Palm Glades Preparatory Academy (3032)	22655 SW 112th Ave Miami, FL 33170	786-272-2269
Palm Glades Preparatory High School (7032)	22655 SW 112th Ave Miami, FL 33170	786-272-2269
Phoenix Academy of Excellence (6099)	7900 NW 27th Avenue Miami, FL 33147	786-391-3652
Phoenix Academy of Excellence North (6057)	13301 NW 24th Ave Miami, FL 33167	786-865-1346
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 Cove Academy (5049)	4101 SW 107th Ave Miami, FL 33165	305-480-2097
Pinecrest Glades Academy (2031)	15250 SW 8th Street Miami, FL 33194	305-229-6949
Pinecrest Glades Preparatory Academy Middle High School (7027)	15250 SW 8th Street Miami, FL 33194	305-229-6949
Pinecrest North Preparatory (Fountainebleau Campus) (5004)	8925 Fountainebleau Boulevard Miami, FL 33172	305-456-5071
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
Pinecrest Preparatory Academy Charter Middle School (6022)	14901 SW 42nd Street Miami, FL 33185	305-559-8583
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
Somerset Academy (0520)	18491 SW 134th Ave Miami, FL 33177	305-969-6074
Somerset Academy Bay (5062)	9500 SW 97th Ave Miami, FL 33176	305-274-0682

School	School Address	Telephone Number
Somerset Academy Bay Middle School (6128)	9500 SW 97th Ave Miami, FL 33176	305-274-0682
Somerset Academy Charter Elementary School (South Homestead) (0339)	300 SE First Drive Homestead, FL 33030	305-254-6108
Somerset Academy Charter High School (7042)	12425 SW 248th Street Miami, FL 33032	786-504-2929
Somerset Academy Charter High School (South Homestead) (7034)	305 NE Second Road Homestead, FL 33030	305-258-7497
Somerset Academy Charter Middle School (6004)	18491 SW 134th Ave Miami, FL 33177	305-969-6074
Somerset Academy Charter Middle School (South Homestead) (6013)	305 NE Second Road Homestead, FL 33030	305-258-7497
Somerset Academy Elementary School (South Miami Campus) (2007)	5876 SW 68th Street South Miami, FL 33143	305-740-0509
Somerset Academy Kendall (4037)	9790 SW 107th Court Miami, FL 33176	786-860-5975
Somerset Academy Middle Charter School (South Miami Campus) (6053)	5876 SW 68th Street South Miami, FL 33143	305-740-0509
Somerset Academy Silver Palms (0332)	23255 SW 115th Ave Homestead, FL 33032	305-257-3737
Somerset Academy Silver Palms at Princeton (4012)	23255 SW 115th Ave Homestead, FL 33032	786-504-2038
Somerset Arts Academy (2012)	1700 Krome Ave Homestead, FL 33030	305-246-4949
Somerset Gables Academy (5008)	624 Anastasia Ave Coral Gables, FL 33134	305-442-8626
Somerset Oaks Academy (3033)	1000 Old Dixie Highway Homestead, FL 33030	305-247-3993
Somerset Palms Academy (5015)	120001 SW 72nd Street Miami, FL 33183	786-574-5287
Somerset Preparatory Academy (Homestead) (0754)	3000 SE 9th Street Homestead, FL 33033	786-509-6901
Somerset Preparatory Academy High School (Homestead) (7242)	3000 SE 9th Street Homestead, FL 33033	786-509-6901
Somerset Preparatory Academy Middle School (Homestead) (6046)	3000 SE 9th Street Homestead, FL 33033	786-509-6901
Somerset Preparatory Academy Sunset (5002)	11155 SW 112th Ave Miami, FL 33176	305-274-5696
South Florida Autism Charter School (1070)	13805 NW 75th Place Miami, FL 33015	305-823-2700
South Point Scholars Academy (5836)	24555 SW 112th Ave Homestead, FL 33032	786-504-3639

School	School Address	Telephone Number
Sports Leadership and Management (SLAM) High School (North Campus) (7108)	16551 NE 16th Ave North Miami Beach, FL 33162	305-333-5702
Sports Leadership and Management (SLAM) Middle School (North Campus) (6024)	16551 NE 16th Ave North Miami Beach, FL 33162	305-333-5702
Sports Leadership Arts Management (SLAM) Charter High School (7016)	604 NW 12th Ave Miami, FL 33136	305-326-0003
Sports Leadership Arts Management (SLAM) Charter Middle School (6015)	604 NW 12th Ave Miami, FL 33136	305-326-0003
Stellar Leadership Academy (7015)	7900 NW 27th Ave, 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
The Seed School of Miami (6018)	1901 NW 127th Street Miami, FL 33016	855-818-7333
Theodore R. & Thelma A. Gibson Charter School (2060)	1698 NW 4th Ave Miami, FL 33136	305-438-0895
True North Classical Academy (1000)	9393 Sunset Drive Miami, FL 33173	305-749-5725
True North Classical Academy High School (7039)	9393 Sunset Drive Miami, FL 33173	305-405-7373
True North Classical Academy Kendall (1024)	6500 SW 97th Ave Miami, FL 33173	786-788-5600
True North Classical Academy South (1002)	9393 Sunset Drive Miami, FL 33173	305-405-7373

(a) Formerly known as Somerset Academy Virtual Middle High School

On January 16, 2008, the Board authorized the establishment of the Foundation for New Education Initiatives, Inc., a Florida not-for-profit(c)(3) Direct Support Organization (DSO). The DSO was formed to support academic achievement by receiving, holding, investing, and administering property and making expenditures for the benefit of public education programs in the District. The DSO is organized and operated exclusively in accordance with School Board Policy 9215, DSOs, and Section 1001.453, Florida Statutes. The Foundation for New Education Initiatives, Inc. is included in the financial statements of the District as a discretely presented component unit. The audited financial statements of the Foundation for New Education Initiatives, Inc. can be obtained at the District's administrative offices at 1450 N.E. Second Avenue, Suite 931, Miami, Florida 33132.

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. The District eliminates from the statement of net position and the statement of activities interfund receivables and payables and transfers between funds. Interfund services provided and used are not eliminated in the process of consolidation. 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, which include Florida Education Finance Program (FEFP) revenues, property taxes, and other miscellaneous sources.

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.

Federal Educational Stabilization Fund accounts for and reports funding from the coronavirus aid relief and economic security (CARES) Act, the coronavirus response and relief supplemental appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act and associated expenditures.

General Obligation School Bonds (GOB) Funds account for and report on resources from the issuance of GOBs approved by the Miami-Dade County voters on November 6, 2012, for the modernization, construction, expansion, or otherwise improvement of school buildings, including technology upgrades.

Capital Improvement – Local Optional Millage Levy (LOML) Funds account for and report on funds levied by the School District, as authorized by Section 1011.71, Florida Statutes, mainly for capital outlay purposes.

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.

Custodial Fund – Schools’ Internal Fund accounts for resources of the schools’ Internal Fund which is used to administer monies collected at the schools reported as fiduciary 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.

Property taxes, when levied for, and intergovernmental revenues when eligibility requirements have been met, are the significant revenue sources considered susceptible to accrual. The District 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 obligations are recognized when due, such as compensated absences, other postemployment benefits, pensions, claims payables, bonds, loans and leases.

The Proprietary Fund is accounted for in accordance with GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements. The District’s internal service fund accounts 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 non-operating 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 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 deferred outflows and all liabilities and deferred inflows associated with the operation of the funds 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).

Fiduciary (Custodial) funds are prepared under the economic resources measurement focus and the accrual basis of accounting.

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

The Foundation for New Education Initiatives, Inc. uses the economic resources measurement focus and accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred, and follows FASB standards of accounting and financial reporting for not-for-profit organizations.

D. New Pronouncements – Adopted and Unadopted

The GASB issued Statement No. 87, Leases in June 2017. The requirements of this Statement are effective for periods beginning after June 15, 2021.* The District adopted GASB 87 in the current fiscal year financial statements (refer to Note 1W).

The GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period in June 2018. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.* The District adopted GASB 89 in the current fiscal year financial statements.

The GASB issued Statement No. 91, Conduit Debt Obligations in May 2019. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

The GASB issued Statement No. 92, Omnibus 2020 in January 2020. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.* The District adopted GASB 92 in the current fiscal year financial statements.

The GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements in March 2020. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

* Effective dates represent postponement as per GASB Statement No. 95.

The GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance in May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The effective dates of

certain provisions contained in the following pronouncements are postponed by one year: Statement No. 84, Fiduciary Activities; Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; Statement No. 90, Majority Equity Interests; Statement No. 91, Conduit Debt Obligations; Statement No. 92, Omnibus 2020; Statement No. 93, Replacement of Interbank Offered Rates. The effective date of the following pronouncement is postponed by 18 months: Statement No. 87, Leases. The requirements of GASB statement No. 95 are effective immediately.

The GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements in May 2020. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

The GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32) in June 2020. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 97 did not impact the District's financial position or results of operations.

The GASB issued Statement No. 99, Omnibus 2022 in April 2022. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

The GASB issued Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62 in June 2022. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

The GASB issued Statement No. 101, Compensated Absences, in June 2022. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statements Nos. 91, 94, 96, 99, 100, and 101 have not yet been adopted. As a result, 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 Chapter 280, Florida Statutes. 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.

Investments are categorized according to the fair value hierarchy established by GASB Statement No. 72. Investments include (U.S.) agency and Treasury obligations, which are recorded at fair value.

Money Market Mutual Funds are recorded at their Net Asset Value (NAV). Guaranteed Investment Contracts are recorded at the amount specified by the contracts at each year-end. Pension Trust Fund investments are recorded at fair value based on quoted market prices and include money market funds and fixed income/equity mutual funds.

F. Inventories

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. Prepaid and Other Assets

Other assets consist mainly of prepaid expenses which are payments for goods or services that have not been consumed or used 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. Additionally, other assets consist of lease receivables which are scheduled payments to be received during the lease term.

I. Net Position

Net position reflects the net results of all transactions and represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net position is displayed in three components:

- Net Investment in Capital Assets – reports capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt and the related deferred inflows/outflows that are attributable to the acquisition, construction, or improvement of capital assets.
- Restricted Net Position – reports amounts that are restricted to specific purposes either by:
a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position (Deficit) – this amount represents the accumulated results of all past year's operations not included in the above two components. The deficit in net position resulted primarily from unfunded non-capital long-term liabilities, such as insurance claims payable, compensated absences, pensions and other post-employment benefits.

When both restricted and unrestricted resources are available for a specific purpose, it is the District's policy to use restricted resources 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, motor vehicles and right to use leased assets 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 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. Right to use leased assets are recorded at cost, which approximates fair value at acquisition date and does not exceed the present value of future minimum lease payments. Donated assets are recorded at the acquisition 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/amortized using the straight-line method based on the following estimated useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	20 - 50 years
Furniture, Fixtures, and Equipment	5 - 20 years
Right-to-use Leased Assets	5 - 20 years
Vehicles	7 - 18 years
Computer Software	5 years

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. Leases

The District is a lessee for noncancellable leases of vehicles, equipment, building space, and parking spaces. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease assets and liabilities with an initial value of \$1,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The District is a lessor for noncancellable leases of land, a parking facility, and spaces housing telecommunication equipment. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

L. Long-Term Obligations

The government-wide financial statements report long-term liabilities or obligations that are expected to be paid beyond a one-year period. Long-term liabilities reported include bonds payable, certificates of participation payable, derivative instrument liabilities, capital leases payable, self-insurance estimated claims payable, retirement incentive benefits, compensated absences, other post-employment benefits, and net pension liability. Bond premiums are amortized over the life of the bonds using the effective-interest method.

In the fund financial statements, debt premiums and discounts 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.

M. Compensated Absences

Compensated absences are obligations to employees for accumulated vacation and sick leave. 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. 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.

N. 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 claims reported and on 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 governmental fund level and government-wide presentations.

The District provides medical and health coverage benefits for its employees and eligible dependents. The District has 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 self-insured 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.

O. State and Federal 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. Such revenues are recognized as revenues consistent with our policy in Note 1C. 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 reviews, as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as adjustments of revenue in the year the adjustment is made by the FDOE.

The District receives revenue from State and Federal agencies to administer certain educational programs. Revenues earmarked for these programs are 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 requirements 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.

P. 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 and if available. Taxes collected by the Miami-Dade County Tax Collector and received by the District within 60 days subsequent to the fiscal year-end are considered to be available and recognized as revenue.

Q. Unearned Revenues

The unearned revenues are payments received in advance from various sources. Revenues will be recognized in future periods when earned.

R. 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/deferred outflows and liabilities/deferred inflows 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.

S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement section, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenses/expenditure) until that time. The District currently reports the net deferred loss on refunding of debt and deferred outflows related to pensions and OPEB in this category.

In addition to liabilities, the statement of net position and the governmental funds balance sheet report a separate section for deferred inflows of resources. This separate financial statement section, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District currently reports deferred inflows related to pensions, OPEB, and certain leases in the government-wide

statements and unavailable revenue primarily related to taxes and lease related items in the governmental funds.

T. 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.
- **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 as stated in School Board Policy 6220.01 – Fund Balance Reserve.
- **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.

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.

U. Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS), Health Insurance Subsidy (HIS) defined benefit plans, and the Supplementary Early

Retirement Plan (SERP) additions to/deductions from both Plans fiduciary net position have been determined on the same basis as they are reported by the Plans and are recorded in the government-wide financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

V. Post-Employment Benefits Other Than Pensions

The District applies GASB Statement No. 75, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, for the measurement, recognition, and display of OPEB expenditures or expenses, liabilities and assets as discussed in Note 17.

W. Implementation of GASB Statement No. 87

Effective July 1, 2021, the District implemented GASB Statement No. 87, Leases. In response to the Covid 19 pandemic, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. Accordingly, GASB Statement No. 87, Leases became effective starting in fiscal year 2021-22.

Under previous guidance, leases were classified as either operating or capital leases, depending on whether the lease met any of the four criteria. This statement establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset, with the present value measurements of payments expected to be made during the lease term. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of GASB No. 87 required a remeasurement of lease liabilities and lease receivables. See Notes 4, 9, and 14 for further information on the implementation of GASB 87, Leases.

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.

Section 1013.61, Florida Statutes 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 7, 2022, for the fiscal year ended June 30, 2022.

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 reappropriated 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.

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. The District's State Board of Education (SBE) bond proceeds are held and administered by the SBE with any related investments 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, including the Supplemental Early Retirement Funds that are part of Board Policy 6535 - Supplemental Early Retirement Plan. Board Policy 6144 - Investments policy, permits the following investments and is structured to place the highest priority on the safety of principal and liquidity of funds:

- Savings, Money Markets and Time Deposits – District 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
- State Board of Administration (SBA) Local Government Investment Pool (LGIP)
- 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 or investment trust registered under the Investment Company Act of 1940, 15 U.S.C.
- Taxable Government Bonds rated investment grade
- Equity/Fixed Income Securities including index and actively managed mutual funds

- Guaranteed Investment Contracts (GIC) as allowed by bond/lease purchase covenants
- Municipal Bonds

The District follows (GASB) Statement No. 72, Fair Value Measurement and Application, and categorizes its investments according to the fair value hierarchy established by this Statement. The hierarchy is based on the valuation input used to measure the fair value of the asset with Level 1 assets being those where quoted prices in an active market for identical assets can be readily obtained and Level 2 assets valued using a matrix pricing technique of quoted prices for similar assets or liabilities in active markets.

As of June 30, 2022, the School Board investments were categorized as follows (in thousands):

Investment Type	Amount	Level 1	Level 2	Weighted Average Maturity (Years)
Debt Securities				
State Board of Education - COBI	\$ 126	\$ -	\$ 126	
U.S. Government Agency	99,278	-	99,278	2.33
U.S. Treasury Strips	127,009	-	127,009	4.86
Total Debt Securities	226,413	-	226,413	
Mutual Funds Securities				
Equity Securities	13,788	13,788	-	
Fixed Income Mutual Funds	7,354	7,354	-	
Total Mutual Funds Securities	21,142	21,142	-	
Total Investments	247,555	\$ 21,142	\$ 226,413	
Balance not measured at fair value				
Guaranteed Investment Contract (GIC)	2,558			0.46
Money Market Mutual Funds	530,334			
Cash and Cash Equivalents	446,520			
Total Cash, Cash Equivalents, and Investments	\$ 1,226,967			

At June 30, 2022, \$62.8 million in cash and investments relates to unspent debt proceeds pertaining to various financings including general obligation bonds, and Obligations under Financing Agreements 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.

The total cash, cash equivalents and investments of \$1,227 million at June 30, 2022, was comprised of \$1,057.1 million in Governmental Funds, \$139.2 million in Proprietary Fund - Health Insurance Fund, \$22.7 million in Fiduciary Funds – Pension Trust Fund, and \$8 million in Fiduciary Fund – Custodial Fund (Schools' Internal Fund).

The School Board currently has one GIC associated with its Qualified Zone Academy Bonds (QZAB's). This contract totals approximately \$2.6 million with an internal rate of return of 3.53% and a maturity date of December 2022. The GIC is recorded at the amount specified by the contract at each fiscal year end.

Interest Rate Risk: The District manages its exposure to declines in fair values by substantially limiting the weighted average maturity on all investments to 1 year or less. U.S. Governmental agency securities are callable bonds that are assumed to be called on the next call date and, as such, the weighted average maturity reflects the call date as the maturity date for these securities. As of June 30, 2022, the weighted average maturity for all callable U.S. Government agency securities is 301 days.

Credit Risk: In accordance with Board Policy 6144, the District manages its exposure to credit risk by limiting investments to the highest rated government backed securities such as Government Agencies and Treasury Notes. The policy also requires Commercial Paper to be rated A-1 or better, and Money Market Mutual Funds rated AAAm.

<u>Investment Type</u>	<u>Rating*</u>	<u>Amounts (in thousands)</u>	<u>Percentage of Investments</u>
Money Market Mutual Funds	AAAm	\$ 530,333	67.40%
Federal Home Loan Bank Agency	AA+	99,278	12.72%
U.S. Treasury Note Strips	AAA	127,009	16.27%
Mutual Funds -Pension Trust Funds	Not Rated	21,142	2.71%
Guaranteed Investment Contract	Not Rated	2,558	0.33%
State Board of Education - COBI	Not Rated	126	0.02%

*Standards & Poor's ratings as of June 30, 2022.

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 10% of the total portfolio in Commercial Paper with a single issuer and 60% in total, 60% in Federal Farm Credit Bank, 60% in Federal Home Loan Bank, 60% in Federal Home Loan Mortgage Corporation, and unlimited U.S. Treasury Notes as well as Government obligations money market mutual funds. The above listed concentration percentages are based on total investments.

Custodial Credit Risk: Custodial credit risk is the risk of losses due to the failure of a counterparty that is in possession of investment or collateral securities. All securities in accordance with the District's investment policy under Board Policy 6144, with the exception of Cash and Cash Equivalents, SBA LGIP and U.S. Government money market mutual funds, are held by a third party custodian in an account separate and apart from the assets of the custodian and are designated as assets of the District.

Cash/Deposits

The District's cash deposits include money market savings, demand deposits, and petty cash. All District bank balances are fully insured or collateralized as required by Chapter 280, Florida Statutes, through the Qualified Public Depositor Program. At June 30, 2022, bank deposit balances were \$446,520 (in thousands).

4. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2022 are as follows (in thousands):

	<u>Balance July 1, 2021</u>	<u>GASB 87 Reclass</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2022</u>
Nondepreciable Capital Assets:					
Land	\$ 361,986	\$ -	\$ 40	\$ -	\$ 362,026
Land Improvements	271,175	-	1,341	-	272,516
Construction in Progress	171,536	-	158,374	100,347	229,563
Total Nondepreciable Capital Assets	<u>804,697</u>	<u>-</u>	<u>159,755</u>	<u>100,347</u>	<u>864,105</u>
Depreciable Capital Assets:					
Buildings and Improvements	6,436,857	-	99,336	10,540	6,525,653
Furniture, Fixtures, and Equipment	299,787	(1,625)	24,751	10,485	312,428
Computer Software	93,469	-	79	40	93,508
Motor Vehicles	131,850	(2,583)	1,977	3,134	128,110
Right to Use Leased Assets	5,340	4,208	-	667	8,881
Total Depreciable Capital Assets	<u>6,967,303</u>	<u>-</u>	<u>126,143</u>	<u>24,866</u>	<u>7,068,580</u>
Less Accumulated Depreciation/ Amortization for:					
Buildings and Improvements	3,003,820	-	181,431	10,540	3,174,711
Furniture, Fixtures, and Equipment	237,919	(1,118)	13,755	9,553	241,003
Computer Software	92,947	-	226	40	93,133
Motor Vehicles	92,671	(1,500)	4,874	2,911	93,134
Right to Use Leased Assets	-	2,618	2,138	667	4,089
Total Accumulated Depreciation/ Amortization	<u>3,427,357</u>	<u>-</u>	<u>202,424</u>	<u>23,711</u>	<u>3,606,070</u>
Net Capital Assets	<u>\$ 4,344,643</u>	<u>\$ -</u>	<u>\$ 83,474</u>	<u>\$ 101,502</u>	<u>\$ 4,326,615</u>

* The School Board adopted the provisions of GASB Statement No. 87, *Leases*. Accordingly, the beginning balance was restated as of July 1, 2021.

Right to Use Leased Assets

Lessee - The District has recorded right to use assets as a result of implementing GASB Statement No. 87. The Property Under Lease are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payment made. The Property Under Lease are amortized on a straight-line basis over the shorter of the life of the assets or of the related lease.

For fiscal year ended June 30, 2022, depreciation/amortization by function is as follows (in thousands):

Function	Amount
Instructional Services	\$ 2,386
Instructional Support Services	1,541
Student Transportation Services	2,179
Operation and Maintenance of Plant	4,507
School Administration	114
General Administration	12
Business/Central Services	281
Food Services	1,625
Community Services	30
Facilities Acquisition and Construction	5,953
Unallocated	183,796
Total Depreciation/Amortization	\$ 202,424

Depreciation and amortization expense for the year ended June 30, 2022, of approximately \$183.8 million was not allocated to specific functions. The District's capital assets essentially serve all functions and as such, the depreciation and amortization expense is included as a separate line item in the statement of activities.

Construction-in-progress, as of June 30, 2022, is comprised of the following (in thousands):

Location	Incurred to Date
Elementary Schools	\$ 117,911
Middle Schools	40,982
Senior High Schools	68,959
Special Schools	982
Administration/Other	729
Total	\$ 229,563

As part of its capital outlay program, the District has entered into various construction contracts. At June 30, 2022, the District had construction commitments of approximately \$145.8 million.

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables consisted of the following balances as of June 30, 2022 (in thousands):

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Funds:		
General	\$ 31,317	\$ 10,643
Federal Education Stabilization Fund	-	10,538
Nonmajor Funds	<u>10,643</u>	<u>20,779</u>
Total Governmental Funds	<u>\$ 41,960</u>	<u>\$ 41,960</u>

Interfund receivables/payables are primarily short-term balances between funds for payments made by one fund on behalf of another fund. The \$31,317 represents a short-term balance for payments made by the General Fund on behalf of Other Federal Programs, Federal Education Stabilization Fund, and Miscellaneous Special Revenue Funds. The \$10,643 represents deposits held in the General Fund for other capital projects.

A summary of transfers for the year ended June 30, 2022, is as follows (in thousands):

	<u>General Fund</u>	<u>Transfers to Nonmajor Funds</u>	<u>Total</u>
Transfers from:			
Major Funds:			
Capital Improvement LOML	\$ 150,859	\$ 228,576	\$ 379,435
Nonmajor Funds	<u>51,219</u>	<u>4,500</u>	<u>55,719</u>
Total Governmental Funds	<u>\$ 202,078</u>	<u>\$ 233,076</u>	<u>\$ 435,154</u>

Transfers to the General Fund relate primarily to funding for the maintenance, renovations and/or repair of school facilities from the Capital Improvement LOML Fund of \$150,859, and from other capital projects fund of \$51,219, pursuant to Section 1011.71 of the Florida Statutes. Additionally, transfers to other non-major funds relate to amounts transferred to make debt service payments of \$233,076.

6. DUE FROM/TO OTHER GOVERNMENTS OR AGENCIES

Due from other governments or agencies at June 30, 2022, are as follows (in thousand):

	General Fund	Federal Education Stabilization Fund	Nonmajor Governmental Funds	Total
Federal:				
Medicaid Federal	\$ 7,603	\$ -	\$ -	\$ 7,603
Food Service				
Reimbursement	-	-	23,397	23,397
Early Head Start/ Head Start	-	-	4,208	4,208
FEMA	8,388	-	-	8,388
USDOE HEERF	-	699	-	699
Miscellaneous Federal	157	92	2,378	2,627
State:				
Department of Education				
Security Grant	-	-	843	843
ESSER	-	2,169	-	2,169
ESSER II	-	3,014	-	3,014
ARP ESSER II	-	34,968	-	34,968
IDEA	-	-	4,872	4,872
Title I	-	-	18,344	18,344
Title II	-	-	2,310	2,310
Title IV	-	-	1,547	1,547
Carl Perkins	-	-	1,137	1,137
Voluntary Prekindergarten Program	2,455	-	-	2,455
CO & DS	-	-	13,458	13,458
Miscellaneous State	984	189	2,310	3,483
Local:				
Miami-Dade County	-	-	8,473	8,473
Charter Schools	1,711	-	-	1,711
Miscellaneous Local	736	-	337	1,073
Total	\$ 22,034	\$ 41,131	\$ 83,614	\$ 146,779

Due to other governments or agencies at June 30, 2022, are as follows (in thousands):

	General Fund	Federal Education Stabilization Fund	Nonmajor Governmental Funds	Total
Federal:				
Miscellaneous Federal	\$ -	\$ 34	\$ 36	\$ 70
Local:				
Charter Schools	5,158	-	-	5,158
Miscellaneous Local	-	633	2,027	2,660
Total	\$ 5,158	\$ 667	\$ 2,063	\$ 7,888

7. SHORT-TERM DEBT

Short term debt activity for the fiscal year ended June 30, 2022, is as follows (in thousands):

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Tax Anticipation Note (TAN), Series 2021, issued on October 12, 2021, effective yield of 0.07%, with a maturity date of February 23, 2022.	\$ -	\$ 446,340	\$ 446,340	\$ -

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 3 sick/personal days during that time and have a remaining balance, after payment, of 21 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 13 years of service; 50% after 10 years; 45% after 6 years; 40% after 3 years and 35% during the first 3 years of qualified service upon retirement, death or resignation. Vacation accrual is limited to 60 days for 12-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 Deferred Retirement Option Program (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.

The program is mandatory as a result of Board action which became effective on May 15, 2003, for all personnel (except AFSCME employees) 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, 2022, the accrued liability for compensated absences in the General Fund was \$15.3 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, 2022, the current and long-term portions were \$23,999 and \$322,120, respectively (in thousands).

9. LEASE OBLIGATIONS:

District as Lessee

The District leases certain assets from various third parties. The assets leased include vehicles, equipment, building and parking facilities. Payments are generally fixed monthly with any related operating costs excluded from the lease liability. Lease asset activity of the District is included in Note 4.

The classes and amounts of right to use leased assets at June 30, 2022 are as follows (in thousands):

	Asset Balances	Accumulated Amortization	Net Book Value
Copiers	\$ 979	\$ 725	\$ 254
Vehicles	2,896	1,816	1,080
Facilities	5,006	1,548	3,458
Total	\$ 8,881	\$ 4,089	\$ 4,792

Future principal and interest payment requirements related to the District's lease liability and obligations under financing agreements at June 30, 2022 are as follows (in thousands):

Fiscal Year Ending June 30	Total	Principal	Interest
2023	\$ 7,041	\$ 6,824	\$ 217
2024	5,157	5,050	107
2025	2,579	2,557	22
Total Minimum Lease Payments	\$ 14,777	\$ 14,431	\$ 346

The amount representing interest was calculated using rates ranging from 1.3% to 2.12%.

Additionally, there were \$563 (in thousands) of unspent proceeds relating to Obligations Under Financing Agreements at June 30, 2022.

District as Lessor

The District leases two pieces of land to third parties, the Educational Federal Credit Union (formerly known as the South Florida Educational Federal Credit Union) and the Downtown Doral Charter Elementary. The Doral ground lease was prepaid by the lessee so there is no related receivable.

The District also leases one parking facility and five spaces housing telecommunication equipment. During the year ended June 30, 2022, the District recognized \$654 (in thousands) of lease revenue and \$4 (in thousands) of interest income related to leases. At June 30, 2022, the District recorded a lease receivable of \$616 (in thousands) and a deferred inflow of resources of \$4,085 (in thousands) related to leases.

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, 2022, amounts withheld and in the custody of the State totaled \$126 thousand and are included as cash and investments with fiscal agent in the statement of net position.

General Obligation Bonds

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, 2022, six separate bond series have been issued pursuant to this referendum. The General Obligation Bond Series 2013 and 2014A were sold on July 10, 2013. The General Obligation Bond Series 2013, for \$190 million was issued on July 24, 2013, and the General Obligation Bond Series 2014A, for \$96.5 million, negotiated on a forward settle basis, was issued on February 11, 2014. The General Obligation Bond Series 2015, for \$192.7 million, was sold on July 21, 2015, and issued on August 12, 2015. The General Obligation Bond Series 2016, for \$200 million, was sold on August 2, 2016, and issued on August 18, 2016. The General Obligation Bond Series 2017, for \$250 million, was sold on April 18, 2017, and issued on May 2, 2017. The General Obligation Bond Series 2021, for \$168 million, was sold on November 3, 2021 and issued on December 2, 2021. As of June 30, 2022, \$270.8 million bonds remain to be issued.

Principal and interest on these and any 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.

A summary of bonds payable as of June 30, 2022, is as follows (in thousands):

	Authorized	Issued	Outstanding
SBE Capital Outlay Bonds – Series 2011A Refunding, due in varying annual payments through January 1, 2023, with interest rates ranging from 3% to 5%. 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	\$ 105
SBE Capital Outlay Bonds – Series 2014A Refunding, due in varying annual payments through July 1, 2024, with interest rates ranging from 2% to 5%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2024, at par. A portion of the proceeds was used to refund SBE Capital Outlay Bonds Series 2004A to achieve debt service savings.	\$ 2,963	\$ 2,963	\$ 796
SBE Capital Outlay Bonds – Series 2017A Refunding, due in varying annual payments through July 1, 2028, with interest rates ranging from 3% to 5%. Interest is payable semi-annually on January and July 1. A portion of the proceeds was used to refund SBE Capital Outlay Bonds Series 2008A to achieve debt service savings.	\$ 5,201	\$ 5,201	\$ 3,605
SBE Capital Outlay Bonds – Series 2019A Refunding, due in varying annual payments through January 1, 2029, with interest rates of 5%. Interest is payable semi-annually on January and July 1. A portion of the proceeds was used to refund SBE Capital Outlay Bonds Series 2009A to achieve debt service savings.	\$ 787	\$ 787	\$ 623
SBE Capital Outlay Bonds, Series 2020A Refunding, due in varying annual payments through January 1, 2030, with interest rates ranging from 2% to 5%. Interest is payable semi-annually on January and July 1. A portion of the proceeds was used to refund SBE Capital Bonds Series 2010A to achieve debt service savings.	\$ 649	\$ 649	\$ 263
General Obligation School Bonds, Series 2013, consisting of serial and term bonds due in varying payments through March 15, 2043. Interest rates ranging from 4% to 5% is payable March 15 and September 15. True interest cost is 4.54%. Bonds maturing on March 15, 2024, and thereafter are callable.	First in a series not to exceed \$1,200,000	\$ 190,005	\$ 4,505
General Obligation School Bonds, Series 2014A, consisting of serial and term bonds, due in varying payments through March 15, 2044. Interest, at a rate of 5%, is payable March 15 and September 15. True interest cost is 4.68%. Bonds maturing on March 15, 2025, and thereafter are callable.	Second in a series not to exceed \$1,200,000	\$ 96,475	\$ 83,875
General Obligation School Bonds, Series 2015, consisting of serial and term bonds, due in varying payments through March 15, 2045. Interest rates ranging from 3.5% to 5% is payable March 15 and September 15. True interest cost is 3.8973%. Bonds maturing in March 2026 and thereafter, with the exception of the bond maturing on March 15, 2030, are callable.	Third in a series not to exceed \$1,200,000	\$ 192,720	\$ 168,390
General Obligation School Bonds, Series 2016, consisting of serial and term bonds, due in varying payments through March 15, 2046. Interest, at a rate of 5%, is payable March 15 and September 15. True interest cost is 3.4066%. Bonds maturing in March 2027, and thereafter are callable.	Fourth in a series not to exceed \$1,200,000	\$ 200,000	\$ 180,565

	Authorized	Issued	Outstanding
General Obligation School Bonds, Series 2017, consisting of serial and term bonds, due in varying payments through March 15, 2047. Interest rates ranging from 3.25% to 5% is payable March 15 and September 15. True interest cost is 3.5808%. Bonds maturing in March 2028 and thereafter, with the exception of bonds maturing on March 15, 2033, and March 15, 2035, are callable.	Fifth in a series not to exceed \$1,200,000	\$ 250,000	\$ 228,265
General Obligation Refunding School Bonds, Series 2021, consisting of serial and term bonds, due in varying payments through March 15, 2043. Interest rates ranging from 2.10% to 3% is payable March 15 and September 15. The bonds are not subject to redemption prior to maturity.	\$ 168,005	\$ 168,005	\$ 165,870
Total Long-Term Bonds Payable			\$ 836,862

Several of the SBE long-term bonds are callable by the State of Florida prior to maturity during the years 2020 through 2024. The General Obligation Bond and SBE 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
2023	\$ 22,799	\$ 34,653	\$ 57,452
2024	23,852	33,662	57,514
2025	24,513	32,598	57,111
2026	25,653	31,506	57,159
2027	26,829	30,377	57,206
2028-2032	148,336	134,548	282,884
2033-2037	179,060	102,986	282,046
2038-2042	218,685	64,072	282,757
2043-2047	167,135	18,101	185,236
Total	\$ 836,862	\$ 482,503	\$ 1,319,365

11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION, QUALIFIED ZONE ACADEMY BONDS, QUALIFIED SCHOOL CONSTRUCTION BONDS

On August 1, 1994, the District entered into a Lease Purchase Agreement, with the Dade County School Board Foundation, Inc., (the "Foundation") a Florida not-for-profit corporation 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 sites 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 Agreement, 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 Florida 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 Agreement 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 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.

Basic lease payments are deposited with the Trustee semi-annually. For accounting purposes, due to the consolidation of the Foundation within the financial statements, basic lease payments are reflected as debt service expenditures when payable to Certificate holders. A trust fund was established with the Trustee to facilitate payments in accordance with the Lease Purchase Agreements and the Trust Agreements. Various accounts are maintained by the Trustee in accordance with the Trust Indenture. All funds held in the various accounts are invested by the Trustee, as directed by the School Board. Interest earned on funds in the Acquisition Account is transferred to the Lease Payment Account.

Under the American Recovery and Reinvestment Act of 2009, Qualified School Construction Bonds (QSCBs) were established to provide for taxable obligations to be issued by the School District with a federal subsidy for interest. The Series 2009B was issued under the Qualified School Construction Bond program and provides federal tax credits in lieu of interest payments to the Certificate holder, which is similar to the Series 2006 and 2015 Qualified Zone Academy Bonds (QZAB) program. The Series 2010 QZAB was issued as direct pay bonds whereby the interest subsidy is paid directly to the School District by the U.S. Treasury.

The Internal Revenue Services (IRS) announced on March 4, 2013, that payments to issuers of these bonds were subject to a reduction of 8.7% of the amount budgeted for such payments. This sequester reduction rate has been modified annually, and all refund payments processed on or after

October 1, 2021 and on or before September 30, 2022, will be reduced by the fiscal year 2022 sequestration rate of 5.7%. Accordingly, unless Congress acts to again change the sequester percentage or otherwise changes the application of the cuts, the District anticipates its aggregate expected QSCB Issuer Subsidy and QZAB Issuer Subsidy of 6,583 (in thousands) to be reduced by 5.7% which equates to a reduction of approximately \$375 (in thousands) for fiscal year 2022, resulting in a corresponding increase in interest costs for the District that must be paid from other revenue sources.

A summary of Certificates, QZABs, and QSCBs as of June 30, 2022, is as follows (in thousands):

<u>Debt Series</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate(s)</u>	<u>Issued</u>	<u>Outstanding</u>
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	\$ 2,599	\$ 2,599
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
2015 Qualified Zone Academy Bonds – Interest is paid by U.S. Government through issuance of Federal income tax credits.	10/06/15	09/15/34	True Interest Cost 1.105% 0% to 1.37%	25,000	18,480
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
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
2012A Series – Include fixed rate and term rate certificates partially refunding Series 2003D (\$148,850). Term Bonds fully refunded by the 2016B Series.	07/05/12	08/01/29	True Interest Cost 3.606% 2% to 5%	149,365	68,430
2014A Series – Term Rate Certificates fully refunding the 2011A Term Rate Certificates. The bonds have a mandatory 10-year soft put on 5/1/2024 at 100%. If cannot be remarketed, interest shall accrue at 11% per year.	03/11/14	05/01/31	True Interest Cost 4.056% 5%	70,980	70,980
2014C Series – Serial Certificates.	06/30/14	05/1/24	True Interest Cost 2.210%	4,085	900
2014D Series – Serial Certificates. Partially refunding 2006A (\$146,565) and 2006B (\$151,230).	11/20/14	11/01/31	True Interest Cost 3.053% 4% to 5%	276,995	206,555
2015A Series – Serial Certificates. Partially refunding 2007A (\$249,470) and 2007B (\$76,740).	01/21/15	05/01/32	True Interest Cost 3.166% 5%	306,820	225,420

<u>Debt Series</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate(s)</u>	<u>Issued</u>	<u>Outstanding</u>
2015B Series – Serial and Term Certificates partially refunding 2008B (\$230,370).	07/30/15	05/01/28	True Interest Cost 3.162% 1% to 5%	239,630	176,695
2015C Series – Serial Certificates partially refunding 2008B (\$34,265).	07/31/15	05/01/25	True Interest Cost 3.095% 5%	33,565	33,565
2015D Series – Serial Certificates partially refunding 2008B (\$110,715) and 2009A (\$241,560).	12/16/15	02/01/34	True Interest Cost 3.456% 3.5% to 5%	345,890	320,725
2016A Series – Serial Certificates fully refunding 2011B Term Rate Certificates (\$70,000).	02/03/16	05/01/32	True Interest Cost 4.265% 5%	66,425	66,425
2016B Series – Serial Certificates fully refunding 2012A Term Rate Certificates (\$58,780).	02/03/16	08/01/27	True Interest Cost 3.351% 5%	55,995	31,450
2016C Series – Serial Certificates partially refunding 2008B (\$90,695) and 2009A (\$8,575).	04/07/16	02/01/33	True Interest Cost 3.329% 3.25% to 5%	100,495	68,170
2018A Series – Serial Certificates fully refunding on a forward refunding basis the 2008A Serial Certificates (\$130,950).	05/03/18	08/01/26	True Interest Cost 2.84% 2.84%	119,995	75,385
2019A Series – Serial Certificates fully refunding 2002A and 2002B variable rate certificates and associated swaps (\$78,495) with a net present value savings of \$430.	03/29/19	08/01/27	True Interest Cost 1.91% 1.91%	87,265	60,530
2019B Series – Serial Certificates fully refunding 2008C variable rate certificates and associated swap (\$47,280) with a net present value savings of (\$190).	03/29/19	07/15/27	True Interest Cost 2.00% 2.00%	54,630	46,000
2019C Series – Serial Certificates fully refunding 2001B (\$33,075) and 2007C (\$90,825) variable rate certificates.	12/31/19	05/01/37	True Interest Cost 2.47% 2.47%	119,235	112,895
2020A Series – Serial Certificates fully refunding 2010B Build America Bond (\$27,990).	06/15/20	06/15/32	True Interest Cost 2.99% 2.99%	28,100	27,995
2021A Series – Serial Certificates fully refunding 2011B (\$67,660).	05/03/21	05/01/31	True Interest Cost 2.43% 2.43%	67,855	67,590
2021B Series – Serial Certificates fully refunding, on a taxable basis, the 2013A (\$68,230) and 2013B (\$8,160).	04/29/21	08/01/31	True Interest Cost 2.18% 2.18%	86,000	84,770
				\$ 2,465,694	\$ 1,990,289

At June 30, 2022, the following defeased certificates remain outstanding.

<u>Defeased Certificates</u>	<u>Amount Outstanding (in thousands)</u>
2013A	\$ 68,230
2013B	8,160

The schedule below details debt service requirements for obligations under lease purchase agreements (Certificates of Participation and QZABs) to maturity, assuming the obligations will be remarketed based on the specified soft put dates disclosed below. Additionally, the schedule also discloses principal and interest payments due from the District's direct borrowings and direct placements as follows (in thousands):

<u>Year Ending June 30</u>	<u>Bonds</u>		<u>Certificates of Participation Payable from Direct Borrowings and Direct Placements</u>		<u>Total Debt Service Requirements*</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 113,493	\$ 66,811	\$ 36,009	\$ 12,259	\$ 228,572
2024**	114,123	63,014	34,434	11,470	223,041
2025	118,143	58,211	34,784	10,656	221,794
2026	194,525	53,193	35,624	9,865	293,207
2027	188,176	120,772	36,574	9,052	354,574
2028-2032	687,935	108,396	237,479	43,141	1,076,951
2033-2037	70,790	3,031	88,200	6,719	168,740
Total	\$ 1,487,185	\$ 473,428	\$ 503,104	\$ 103,162	\$ 2,566,879

* The schedule above reflects required annual payments to the sinking funds for the retirement of the debt, and are not considered reduction of principal until the year of maturity. The total outstanding balance for the QZABs as of year-end is \$45,559 (in thousands).

** Series 2014A has a 10 year soft put on May 1, 2024, of \$71 million. If the District is unable to remarket the debt, the interest rate on the COP will increase to 11%.

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):

<u>Categories</u>	<u>Fund Balance</u>
Restricted for Payment of State Board of Education and Capital Outlay Bonds*	\$ 126
Restricted for Payment of District Bond Funds	31,629
Restricted for Certificates of Participation	17,460
ARRA Economic Stimulus Debt Service	113,886
Total Available in Debt Service Funds	\$ 163,101

*The Cash and Investment amount of \$126 (in thousands) Restricted for Payment of State Board of Education and Capital Outlay bonds is held with fiscal agent.

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.

General Obligation School Refunding Bonds, Series 2021. On December 2, 2021, the District issued General Obligation School Refunding Bonds (GOB), Series 2021, totaling \$168,005, with interest rates ranging from 2.10% to 3% which partially refunded, on a taxable basis \$156,365 of outstanding GOB Series 2013, which had interest rates ranging from 4% to 5%. Proceeds of \$167,474 were deposited with an escrow agent, who will pay off the refunded bonds. As of June 30, 2022, \$4,505 of the 2013 GOB bonds remain outstanding, the rest of the 2013 GOB bonds in the amount of \$156,365 have been defeased and the liability for those bonds have been removed from the statement of net position. The refunding reduced the total debt service payments by \$39,718 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$30,502.

13. ESTIMATED LIABILITY FOR 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 Section 768.28, Florida Statutes. 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	\$1,500,000	Statutory/\$3,000,000
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; \$1,000,000 per incident for all other perils	\$200,000,000 per occurrence/annual aggregate for all perils including windstorms, earthquakes, and floods
	\$100,000 for each act of terrorism	\$50,000,000 annual aggregate
Individual Stop Loss (ISL) for Self-Insured Medical Program	\$1,500,000	100%

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, 2022. 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, 2022, 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 1.5%.

The School Board authorized the purchase of Individual Stop Loss (ISL) coverage for its self-insured health program effective January 1, 2022, from Cigna with an attachment point of \$1,500,000 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 firm of Aon and Cigna. The calendar year 2022 monthly rates for the three offered Open Access Programs (OAP) are \$771 (OAP High), \$746 (OAP Standard) and \$724 (SureFit). The Board's contribution for employee only coverage is limited to the \$724 (SureFit); therefore, employees who choose the OAP High or OAP Standard 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, 2022.

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, 2022.

There were no losses which exceeded coverage in the last three fiscal years.

A total estimated liability amount of \$212.1 million was actuarially determined to cover reported and unreported claims payable at June 30, 2022. It is estimated that of the current portion, \$79.1 million is due within a year. The remaining \$133.0 million will be due in future years.

	Estimated Liability For Pending Claims (in thousands)		
	Current Portion	Long-Term Portion	Total
Workers' Compensation	\$ 28,534	\$ 102,193	\$ 130,727
General and Occupational Liability	5,508	26,477	31,985
Fleet Liability	2,479	4,339	6,818
Group Health	42,590	-	42,590
Total	\$ 79,111	\$ 133,009	\$ 212,120

Changes in the balance of claims liabilities for the years ended June 30, 2021 and 2022 are as follows (in thousands):

	Balance July 1, 2020	Current Year Claims and Changes in Estimates	Claim Payments	Balance June 30, 2021
Workers' Compensation	\$ 115,316	\$ 29,421	\$ (24,630)	\$ 120,107
General and Occupational Liability	30,733	3,234	(6,226)	27,741
Fleet Liability	6,978	1,910	(1,667)	7,221
Group Health	28,806	387,142	(378,067)	37,881
Total	\$ 181,833	\$ 421,707	\$ (410,590)	\$ 192,950

	Balance July 1, 2021	Current Year Claims and Changes in Estimates	Claim Payments	Balance June 30, 2022
Workers' Compensation	\$ 120,107	\$ 42,394	\$ (31,774)	\$ 130,727
General and Occupational Liability	27,741	6,295	(2,051)	31,985
Fleet Liability	7,221	1,283	(1,686)	6,818
Group Health	37,881	408,084	(403,375)	42,590
Total	\$ 192,950	\$ 458,056	\$ (438,886)	\$ 212,120

14. CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities balances and activity for the year ended June 30, 2022, are as follows (in thousands):

	Balance July 1, 2021	Additions and Changes in Estimates	Deductions	Balance June 30, 2022	Amounts Due Within One Year
Bonds Payable	\$ 912,173	\$ 169,189 *	\$ (190,030)	\$ 891,332 **	\$ 22,799
Certificates of Participation Payable, net	1,678,446	-	(103,565)	1,574,881 ***	113,493
Certificates of Participation Direct Borrowings and Direct Placements	534,664 ****	-	(31,746)	502,918 ***	36,009
Obligation under Leases	6,982 *****	-	(2,338)	4,644	2,307
Obligations under Financing Agreements	24,795 *****	-	(10,364)	14,431	6,824
Self-Insurance Estimated Claims Payable	192,950	458,056	(438,886)	212,120	79,111
Retirement Incentive Benefits	1,629	426	-	2,055	196
Compensated Absences	354,633	21,472	(32,041)	344,064	23,803
Other Postemployment Benefits Liability	269,536	30,437	(6,412)	293,561	-
Net Pension Liability	2,434,673	46,762	(1,501,497)	979,938	-
Total	\$ 6,410,481	\$ 726,342	\$ (2,316,879)	\$ 4,819,944	\$ 284,542

* Includes unamortized premium in the amount of \$1,183.

** Includes unamortized premium in the amount of \$54,470.

*** Amount is \$87,510 more than the principal balance of \$1,990,289 in Note 11, the difference represents the net unamortized premium on outstanding debt issues.

**** Reflects disclosures to comply with GASB Statement No. 88.

***** The School Board adopted the provisions of GASB Statement No. 87, *Leases*. Accordingly, the beginning balance was restated as of July 1, 2021.

Payments for insurance claims (other than health insurance claims that are paid from the internal service fund), retirement incentive benefits, compensated absences, pension liabilities and other postemployment benefits are paid from the General Fund, as in prior years. Leases are primarily paid from capital project funds.

15. STATE REVENUE SOURCES

A major source of the District's revenue is received from the State of Florida, who provided approximately 25% of total revenues in the 2021-22 fiscal year. The following is a schedule of state revenue sources and amounts (in thousands):

Sources	Amount
Florida Education Finance Program	\$ 599,613
Categorical Educational Programs	359,031
Workforce Development	80,670
Charter School Capital Outlay Funding	44,204
Capital Outlay and Debt Service (CO&DS) Distributed	13,357
Educational Facilities Security Grant	4,997
Food Service Supplement	1,529
CO&DS Withheld for SBE/COBI Bonds	1,405
Adults with Disabilities	1,023
State School Trust Fund/Section 16 Lands Provision	978
Computer Science Grant	793
Youth Mental Health Awareness & Training	451
Workforce Education Performance Incentive	249
CO&DS Withheld for Administrative Expense	225
State License Tax	217
Interest on Undistributed CO&DS	107
Miscellaneous	1,378
Total	\$ 1,110,227

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 Miami-Dade County Property Appraiser and are collected by the Miami-Dade 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 for. 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 2021 have been recognized for the fiscal year ended June 30, 2022.

The State Constitution limits the levying of non-voted taxes by the District to 10 mills (\$10 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 the 2021-22 fiscal year, 7.009 mills was levied. The total adjusted assessed value for calendar year 2021 on which the 2021-22 fiscal year levy was based, was approximately \$366.1 billion.

State law prescribes that the District budgets 96% of the current year's tax levy. However, actual property taxes collected and reflected in the table below totaled 92.5% 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.

The following is a summary of millages and taxes levied on the 2021 tax roll for the 2021-22 fiscal year (in thousands):

		Taxes	
	Millages	Levied	Collected
<u>GENERAL FUND</u>			
Nonvoted School Tax:			
Required Local Effort	3.831	\$ 1,402,585	\$ 1,296,884
Discretionary Local Effort	0.748	273,854	253,216
Voted School Tax:			
Additional Operating Millage*	0.750	274,586	253,893
	5.329	\$ 1,951,025	\$ 1,803,993
<u>CAPITAL PROJECT FUNDS</u>			
Nonvoted Tax:			
Local Capital Improvements	1.500	\$ 549,172	\$ 507,786
<u>DEBT SERVICE FUNDS</u>			
Voted Tax:			
Debt Service - General			
Obligation Bonds	0.180	\$ 65,901	\$ 60,934

* Millage related to Miami-Dade County Secure our Future referendum #362.

Taxes reported in the governmental funds, as reflected above, include 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 the 2021-22 fiscal year, the District considered \$127.6 million or 5.092% of levied taxes as uncollectible.

17. RETIREMENT BENEFITS

The School Board provides retirement benefits to its employees through the Florida Retirement System (FRS and HIS), the Supplemental Early Retirement Plan (SERP), and a Deferred Retirement Option Program (DROP), as well as State-approved other postemployment benefits (OPEB) in the form of subsidized health insurance premiums.

Florida Retirement System

The School Board participates in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the DROP under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The District's FRS and HIS pension expense totaled \$44.7 million for the fiscal year ended June 30, 2022.

At June 30, 2022, the District reported a payable of \$41.8 million for the outstanding amount of employer and employee contributions to the FRS and HIS Plans required for the fiscal year ended June 30, 2022.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers* – Members who hold specified elective offices in local government.
- *Senior Management Service* – Members in senior management level positions.
- *Special Risk* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of (service except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service.) All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing

employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Members Initially Enrolled Before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Members Initially Enrolled On or After July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular Class	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2021-22 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	10.82
FRS, Elected County Officers	3.00	51.42
FRS, Senior Management Service	3.00	29.01
FRS, Special Risk	3.00	25.89
FRS, Special Risk Administrative	3.00	37.76
DROP – Applicable to Members from All of the Above Classes	0.00	18.34
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The District's contributions to the Plan totaled \$179.9 million for the fiscal year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the District reported a liability of \$324.2 million for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the District's 2020-21 fiscal year contributions relative to the total 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the District's proportionate share was 4.29%, which was an increase of 0.23% from its proportionate share measured as of June 30, 2020.

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to Section 216.136(10), Florida Statutes. The 6.80% rate of return assumption used in the June 30, 2021 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes, which differs from the rate used for funding purposes, which is used to establish the contribution rates for the Plan. The discount rate used in the July 1, 2020, valuation was 6.80%.

For the fiscal year ended June 30, 2022, the District recognized a pension expense of \$5.3 million. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 55,560	\$ -
Change of Assumptions	221,802	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	1,130,888
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	82,879	14,446
District FRS Contributions Subsequent to the Measurement Date	179,942	-
Total	\$ 540,183	\$ 1,145,334

The deferred outflows of resources related to pensions totaling \$179.9 million, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

<u>Fiscal Year Ending June 30</u>	<u>Deferred Outflows/ (Inflows), Net</u>
2023	\$ (139,198)
2024	(160,449)
2025	(215,820)
2026	(280,179)
2027	10,553
Total	\$ (785,093)

Actuarial Assumptions. The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.80 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions

and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate (Property)	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	100%			
Assumed inflation - Mean			2.4%	1.2%

(1) As outlined in the Plan's investment policy.

Discount Rate. The discount rate used to measure the total pension liability was 6.8 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.8 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 % point lower (5.8%) or 1% point higher (7.8%) than the current rate:

	<u>1% Decrease (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase (7.8%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 1,449,634	\$ 324,153	\$ (616,623)

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2022, the contribution rate was 1.6% of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$31.4 for the fiscal year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the District reported a net pension liability of \$653.3 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, and update procedures were used to determine the net pension liability as of June 30, 2021. The District's proportionate share of the net pension liability was based on the District's 2020-21 fiscal year contributions relative to the total 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the District's proportionate share was 5.33%, which was a decrease of 0.11% from its proportionate share measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized the HIS Plan pension expense of \$39.4 million. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 21,861	\$ 274
Change of Assumptions	51,336	26,918
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	681	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	13,040	22,075
District HIS Contributions Subsequent to the Measurement Date	31,402	-
Total	\$ 118,320	\$ 49,267

The deferred outflows of resources related to pensions, totaling \$31.4 million, resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Deferred Outflows, Net</u>
2023	\$ 8,563
2024	1,330
2025	6,890
2026	10,729
2027	8,759
Thereafter	1,380
Total	\$ 37,651

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.16 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 2.21% to 2.16%.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
District's Proportionate Share of the Net Pension Liability	\$ 755,292	\$ 653,311	\$ 569,762

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

FRS – Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State's Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2021-22 fiscal year were as follows:

<u>Membership Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions

are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$34.3 million for the fiscal year ended June 30, 2022.

Supplemental Early Retirement Plan

Plan Description. In addition to participating in the FRS Plan, the School Board established an early retirement plan on July 1, 1984. The plan is a single employer, non-contributory defined benefit plan administered by an independent trustee and investments are managed by the District, through a third-party asset manager.

Benefits Provided. 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 and 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 Section 1012.685, Florida Statutes.

At June 30, 2022 the total number of retirees and beneficiaries of deceased retirees currently receiving benefits is 373, averaging \$813.14 per month. 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 is included as a Pension Trust Fund in the accompanying financial statements. Separate stand-alone statements are not issued for the Plan.

Contributions. The District 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 2021-22 fiscal year of \$1,229 (in thousands) were made in

accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2021.

Net Pension Liability. The District's net pension liability was measured as of July 1, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The following table represents the components of the net pension liability of the District at June 30, 2022 (in thousands).

	<u>June 30, 2022</u>
Total Pension Liability	\$ 30,618
Less: Plan Fiduciary Net Position	<u>28,144</u>
Net Pension Liability	<u>\$ 2,474</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.92%
Measurement Date	July 1, 2021

Actuarial Assumptions. The total pension liability in the July 1, 2021, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Inflation	2.10%
Investment Rate of Return	5.85%

The long-term expected rate of return on pension plan investments are developed for each major asset class by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash/Money Market	2%	0.30%
Domestic Equity	39%	5.10%
International Equity	21%	4.90%
Domestic Fixed Income	<u>38%</u>	1.70%
Total	<u>100%</u>	

Mortality rates were based on the mortality table used by FRS.

Female: Pub-2010 Headcount Weighted Teachers Healthy Retiree Female Table, set forward one year, with MP-2018 mortality improvement projection scale.

Male: Pub-2010 Amounts Weighted Teachers Healthy Retiree Below Median Male Table, set forward two years, with MP-2018 mortality improvement projection scale.

Discount Rate. The discount rate used to measure the total pension liability was 5.85%. The discount rate reflects the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits, to the extent that the pension plan's fiduciary net position is projected to be sufficient to make projected benefit payments and pension plan assets are expected to be invested using a strategy to achieve that return. The projection of cash flows used to determine the discount rate assumes the District will continue to make future contributions at the actuarially determined contribution rate.

Changes in Net Pension Liability

	Increase (Decrease) (amounts in thousands)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	\$ 33,043	\$ 24,095	\$ 8,948
Changes for the year:			
Interest	1,745	-	1,745
Differences between expected and actual experience	85	-	85
Changes of Assumption	(447)	-	(447)
Contributions - employer	-	1,886	(1,886)
Net investment income	-	6,034	(6,034)
Benefit payments, including refunds of employee contributions	(3,808)	(3,808)	-
Administrative expense	-	(63)	63
Net Changes	(2,425)	4,049	(6,474)
Balances at June 30, 2022	\$ 30,618	\$ 28,144	\$ 2,474

Sensitivity. The following table illustrates the impact of interest rate sensitivity on the net pension liability for the fiscal year ended June 30, 2022 (in thousands):

	1% Decrease (4.85%)	Current Rate (5.85%)	1% Increase (6.85%)
Net Pension Liability	\$ 4,335	\$ 2,474	\$ 800

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2022, the District recognized a reduction in pension expense of \$1,053 (in thousands). In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ 3,803
District Contributions Subsequent to the Measurement Date	1,229	-
Total	\$ 1,229	\$ 3,803

The deferred outflows of resources related to pensions, totaling \$1.2 million, resulting from District contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

<u>Fiscal Year Ended June 30</u>	<u>Deferred Inflows, Net</u>
2023	\$ (1,021)
2024	(919)
2025	(915)
2026	(948)
2027	-
Total	\$ (3,803)

The following summarizes total pension liability, deferred inflow and outflow of resources and pension expense at June 30, 2022 for each pension plan (in thousands).

<u>Pension Plan</u>	<u>Total Pension Liability</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Pension Expense (Credit)</u>
FRS	\$ 324,153	\$ 1,145,334	\$ 540,183	\$ 5,289
HIS	653,311	49,267	118,320	39,409
SERP	2,474	3,803	1,229	(1,053)
Total	\$ 979,938	\$ 1,198,404	\$ 659,732	\$ 43,645

Other Postemployment Benefits

As authorized by the Board, employees who retire in the first year of their eligibility under the FRS 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 2022, approximately 264 retirees will receive an estimated \$196 thousand in premium reimbursements for the year ended June 30, 2022.

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 10 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 \$2.1 million is fully accrued and included in the government-wide financial statements.

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 Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical and prescription drugs. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any employee who retires under a state retirement system or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. Such provisions may be amended at any time by further action from the Florida Legislature. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements or required supplementary information.

Benefits Provided. The OPEB Plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Employees Covered by Benefit Terms. The actuarial valuation was based on personnel information as of May 1, 2021. The following employees were covered by the benefit terms:

Inactive Participants	715
Active Participants	<u>30,014</u>
Total	<u>30,729</u>

Total OPEB Liability. The District's total OPEB liability of \$293,561 (in thousands) was measured as of June 30, 2021, and was determined by an actuarial valuation as of May 1, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
Salary increases	3.00%
Discount rate	2.16%
Healthcare cost trend rates	5.85% for 2022, grading down to an ultimate rate of 4.50% for 2028-2029

The plan is unfunded so no projection of Fiduciary Net Position is required.

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index with no blending of the expected return on assets.

Healthy mortality rates were based on the Pub-2010 for Teachers (head-count weighted) projected with scale MP-2021.

Disabled mortality rates were based on the Pub-2010 Disabled Mortality for Teachers (head count weighted) projected with scale MP-2021.

The demographic actuarial assumptions for OPEB Liability used in the June 30, 2021 measurement were based on data at May 1, 2021.

The remaining actuarial assumptions health care cost trends used in the May 1, 2021 valuation were based on experience for the 36-month period ended April 30, 2021.

Changes in the Total OPEB Liability.

	Amount (in thousands)
Balance at June 30, 2021	\$ 269,536
Changes for the year:	
Service Cost	22,303
Interest	6,380
Differences Between Expected and Actual Experiences	680
Changes of Assumptions or Other Inputs	950
Contributions from the employer	(6,288)
Net Changes	24,025
Balance at June 30, 2022	\$ 293,561

Changes of assumptions and other inputs were based on the following:

- The discount rate decreased from 2.21% at June 30, 2020 to 2.16% at June 30, 2021.
- The mortality projection scale was updated from MP-2020 to MP-2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 310,325	\$ 293,561	\$ 276,230

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.85% decreasing to 3.50%) or 1 percentage point higher (6.85% decreasing to 5.50%) than the current healthcare cost trend rates (in thousands):

	1% Decrease (4.85% Decreasing to 3.50%)	Healthcare Cost Trend Rates (5.85% Decreasing to 4.50%)	1% Increase (6.85% Decreasing to 5.50%)
Total OPEB Liability	\$ 259,165	\$ 293,561	\$ 334,075

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$30,556 (in thousands). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 595	\$ 31,639
Changes of Assumptions or Other Inputs	71,401	22,509
Benefits Paid Subsequent to the Measurement Date	8,280	-
Total	\$ 80,276	\$ 54,148

The amount reported as deferred outflows of resources related to OPEB, totaling \$8.3 million, resulting from District contributions made subsequent to the measurement date, will be included as a reduction of the total OPEB liability for the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Fiscal Year Ending June 30	Deferred Outflows, Net
2023	\$ 1,873
2024	2,457
2025	2,799
2026	4,179
2027	6,133
Thereafter	407
Total	\$ 17,848

18. COMMITMENTS AND CONTINGENCIES

A. Commitments

As part of its capital outlay program, the District has entered into various construction commitments totaling approximately \$145.8 million as of June 30, 2022 (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 rent expense under these leases was approximately \$4.0 million for the fiscal year ended June 30, 2022.

B. Contingencies

Florida Education Finance Program and Federal, State and Local Grants

The District 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 District 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 remitted back to 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.

Hurricane Irma

On September 10, 2017, the President declared Hurricane Irma a major disaster as a result of damage sustained throughout the State of Florida. This declaration allows the District to seek reimbursement for all eligible costs through the Federal Emergency Management Agency (FEMA) as well as Miami-Dade County for shelter related expenses. The District sustained relatively minor property damage to its facilities. However, the District did incur significant debris removal costs as well as costs associated with operating shelters. These costs did not exceed the District's \$100 million named windstorm deductible.

Estimated losses from Hurricane Irma are approximately \$21.3 million, which consist of: labor \$7.5 million, debris monitoring and removal \$6.3 million, and temporary/permanent repairs and related expenses \$7.5 million. These amounts may increase or decrease as permanent repairs are finalized. The District has submitted project worksheets for eligible scope of work and is awaiting approval from FEMA. As of fiscal year 2022, the District has approved project worksheets in the amount of \$14.8 million and payments for eligible work in the amount of \$4.4 million.

The District also applied and utilized funds made available by the Florida Department of Education through the Immediate Aid to Restart School Operations ("Restart Program"). Requested funds through this grant will not be duplicated through the FEMA program.

C. Litigation

The District is a defendant in numerous lawsuits as of June 30, 2022. In the opinion of management, the District's estimated aggregate liability, with respect to probable losses, has been provided for in the estimated claim liability accrual 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's 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, 2022, 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 \$18.6 million in prepaid items, \$20.8 million of long-term receivable, and \$12.7 million in inventories that are considered nonspendable.

Restricted – The District reported restricted fund balances totaling \$656.9 million comprised of \$4.5 million of State Required Carryover programs, \$52.6 million in Food Service, \$10.6 million in Miscellaneous Special Revenue, \$163.1 million in Debt Services and \$426.1 million in Capital Projects.

Committed – The District did not have any committed fund balances at June 30, 2022.

Assigned – The District has assigned fund balances totaling \$98.0 million which consist of \$56 million for rebudgets and obligations; \$2.2 million for capital projects, and \$39.8 million of outstanding encumbrances for goods and services comprised of \$27.7 million for purchased services, \$3.3 million for energy services, \$1.8 million for materials and supplies, \$4 million for capital outlay, and \$3 million for other expenses.

Unassigned – The portion of fund balance that is the residual classification for the General fund. This balance represents amounts that have not been restricted, committed, or assigned for specific purposes. The unassigned fund balance for the General Fund is \$163.7 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 General Fund fund balance, as a percentage of total General Fund revenues at fiscal year end. At June 30, 2022, the combined assigned and unassigned General Fund fund balance totaled \$259.5 million or 10.86% of General Fund revenues net of charter schools' revenues.

Below is a table of fund balance categories and classifications for the fiscal year ended June 30, 2022, for the Districts' governmental funds (in thousands):

	General Fund	General Obligation School Bonds Funds	Capital Improvement LOML Funds	Other Governmental Funds Nonmajor*	Total
FUND BALANCES					
Nonspendable:					
Inventory	\$ 8,818	\$ -	\$ -	\$ 3,837	\$ 12,655
Prepaid Amounts	1,708	-	16,868	-	18,576
Long-Term Receivable	20,785	-	-	-	20,785
Restricted:					
State Required Carryover	4,466	-	-	-	4,466
Special Revenue:					
Food Service	-	-	-	52,645	52,645
Miscellaneous	-	-	-	10,584	10,584
Debt Service	-	-	-	163,101	163,101
Capital Projects	-	40,268	252,461	133,396	426,125
Assigned:					
Rebudgets and Obligations	55,980	-	-	-	55,980
Encumbrances:					
School Level Services	32,076	-	-	-	32,076
Instructional Support Services	2,919	-	-	-	2,919
Business/Central Services	4,606	-	-	-	4,606
General Administration	215	-	-	-	215
Capital Projects	-	-	-	2,237	2,237
Unassigned	<u>163,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,660</u>
Total Fund Balance	<u>\$ 295,233</u>	<u>\$ 40,268</u>	<u>\$ 269,329</u>	<u>\$ 365,800</u>	<u>\$ 970,630</u>

*Aggregates all of the District's nonmajor fund balances.

20. SUBSEQUENT EVENTS

General Obligation School Bonds

On July 12, 2022, the District issued \$270.8 million in General Obligation School Bonds, Series 2022A, the final issuance of new money bonds approved under the 2012 referendum. These are serial and term bonds, maturing on March 15, 2052. True interest cost on this issuance is 4.01%.

Tax Anticipation Notes

On August 16, 2022, the District issued \$395.14 million in Tax Anticipation Notes, Series 2022 ("the Notes") with an effective yield of 1.40%. 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, 2022. The Notes matured on February 23, 2023.

Secure Our Future Referendum Renewal

On November 8, 2022, the voters of Miami-Dade County approved the referendum renewal which will levy one (1) mill of ad valorem taxes beginning with the 2023-24 fiscal year and ending June 30, 2027. This levy will generate approximately \$468.8 million annually for the District, which includes the charter school proportionate share, over the next four years. Funding from the levy will be used to increase teacher compensation and improve school safety and security.

Certificates of Participation

On November 21, 2022, the District successfully issued Certificates of Participation (COPs) Series 2022A to fully refund the Certificates of Participation (COPs) Series 2014A. The Series 2022A certificates will mature on May 1, 2031 and the refunding resulted in \$1.6 million net present value economic savings and the District will pay a true interest cost (TIC) of 4.50%.

On February 1, 2023, the District successfully converted the taxable Certificates of Participation (COPs) Series 2021B to tax exempt Certificates of Participation (COPs) Series 2023A. The Series 2023A certificates will mature on August 1, 2031 and the conversion resulted in \$2.9 million net present value economic savings and the District will pay a true interest cost (TIC) of 1.65%.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Miami-Dade County District School Board Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund For the Fiscal Year Ended June 30, 2022 (amounts expressed in thousands)

	Budget as Originally Adopted	Final Amended Budget	Actual GAAP Basis	Variance With Final Amended Budget
Revenues				
Local:				
Ad Valorem Taxes	\$ 1,872,983	\$ 1,849,483	\$ 1,849,483	\$ -
Interest Income	622	1,596	1,873	277
Net Increase in Fair Value of Investments	-	-	(281)	(281)
Local Grants and Others	56,207	67,130	67,134	4
Total Local Revenues	1,929,812	1,918,209	1,918,209	-
State Sources:				
Florida Education Finance Program	678,236	599,613	599,613	-
State Grants and Others	455,404	444,037	444,037	-
Total State Revenues	1,133,640	1,043,650	1,043,650	-
Federal Sources:				
Federal Direct	1,795	1,922	1,922	-
Federal Through State and Local	13,300	8,694	8,694	-
Total Federal Revenues	15,095	10,616	10,616	-
Total Revenues	3,078,547	2,972,475	2,972,475	-
Expenditures				
Current:				
Instructional Services	2,498,718	2,195,613	2,188,591	7,022
Instructional Support Services:				
Student Personnel Services	125,270	140,214	138,284	1,930
Instructional Media Services	10,016	11,788	11,728	60
Instruction and Curriculum Development Service	26,878	40,530	40,184	346
Instructional Staff Training Services	1,908	9,860	9,854	6
Instruction-Related Technology	39,222	35,824	35,605	219
Total Instructional Support Services	203,294	238,216	235,655	2,561
Student Transportation Services	72,552	74,496	74,107	389
Operation and Maintenance of Plant:				
Operation of Plant	304,183	355,848	340,734	15,114
Maintenance of Plant	99,297	95,797	90,305	5,492
Total Operation and Maintenance of Plant	403,480	451,645	431,039	20,606
School Administration	193,294	171,423	170,880	543

(Continued)

Miami-Dade County District School Board
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
General Fund (Continued)
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Budget as Originally Adopted	Final Amended Budget	Actual GAAP Basis	Variance With Final Amended Budget
Expenditures (Continued)				
Current (Continued):				
General Administration:				
Central Services	\$ 54,772	\$ 57,687	\$ 56,535	\$ 1,152
Board of Education	8,801	8,750	8,659	91
General Administration	4,604	6,647	6,620	27
Administrative Technology Services	1,282	1,568	1,548	20
Fiscal Services	13,736	16,681	13,407	3,274
Total General Administration	<u>83,195</u>	<u>91,333</u>	<u>86,769</u>	<u>4,564</u>
Community Services	<u>29,983</u>	<u>21,939</u>	<u>21,898</u>	<u>41</u>
Capital Outlay	<u>58,287</u>	<u>69,774</u>	<u>65,786</u>	<u>3,988</u>
Debt Service				
Principal Retirement	5,350	-	-	-
Interest and Fiscal Charges	-	684	684	-
Total Debt Service	<u>5,350</u>	<u>684</u>	<u>684</u>	<u>-</u>
Total Expenditures	<u>3,548,153</u>	<u>3,315,123</u>	<u>3,275,409</u>	<u>39,714</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(469,606)</u>	<u>(342,648)</u>	<u>(302,934)</u>	<u>39,714</u>
Other Financing Sources				
Transfers In	202,284	202,078	202,078	-
Loss Recoveries	-	1	-	(1)
Proceeds from Sale of Capital Assets	-	420	420	-
Total Other Financing Sources	<u>202,284</u>	<u>202,499</u>	<u>202,498</u>	<u>(1)</u>
Net Change in Fund Balances	<u><u>\$ (267,322)</u></u>	<u><u>\$ (140,149)</u></u>	<u><u>(100,436)</u></u>	<u><u>\$ 39,713</u></u>
Fund Balances, Beginning			<u>395,669</u>	
Fund Balances, Ending			<u><u>\$ 295,233</u></u>	

Miami-Dade County District School Board
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Federal Education Stabilization Fund
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Budget as Originally Adopted	Final Amended Budget	Actual GAAP Basis	Variance With Final Amended Budget
Revenues				
Local:				
Local Grants and Others	\$ 704	\$ 704	\$ 70	\$ (634)
Total Local Revenues	<u>704</u>	<u>704</u>	<u>70</u>	<u>(634)</u>
Federal Sources:				
Federal Direct	4,578	8,340	15,018	6,678
Federal Through State and Local	1,408,449	1,417,245	349,609	(1,067,636)
Total Federal Sources	<u>1,413,027</u>	<u>1,425,585</u>	<u>364,627</u>	<u>(1,060,958)</u>
Total Revenues	<u>1,413,731</u>	<u>1,426,289</u>	<u>364,697</u>	<u>(1,061,592)</u>
Expenditures				
Current:				
Instructional Services	750,786	751,374	197,147	554,227
Instructional Support Services	76,800	189,691	68,510	121,181
Student Transportation Services	3,098	8,107	6,761	1,346
Operation and Maintenance of Plant	97,766	20,559	14,052	6,507
School Administration	112	2,582	2,582	-
General Administration	57,255	49,192	14,733	34,459
Food Services	1,269	1,076	1,076	-
Community Services	-	1,577	1,577	-
Capital Outlay	<u>426,645</u>	<u>402,131</u>	<u>58,259</u>	<u>343,872</u>
Total Expenditures	<u>1,413,731</u>	<u>1,426,289</u>	<u>364,697</u>	<u>1,061,592</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances, Beginning			-	
Fund Balances, Ending			<u>\$ -</u>	

**Schedule of the District's Proportionate Share
of the Net Pension Liability –
Florida Retirement System Pension Plan
(amounts expressed in thousands)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021
District's proportion of the FRS net pension liability	4.656%	4.633%	4.400%	4.097%	4.025%	3.975%	3.919%	4.064%	4.291%
District's proportionate share of the FRS net pension liability	\$ 801,597	\$ 282,715	\$ 568,422	\$ 1,034,599	\$ 1,190,686	\$ 1,197,412	\$ 1,349,797	\$ 1,761,531	\$ 324,153
District's covered payroll	\$ 1,743,078	\$ 1,765,382	\$ 1,717,736	\$ 1,719,598	\$ 1,747,073	\$ 1,765,529	\$ 1,786,995	\$ 1,910,701	\$ 1,905,286
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	45.99%	16.01%	33.09%	60.17%	68.15%	67.82%	75.53%	92.19%	17.01%
FRS Plan fiduciary net position as a percentage of the total pension liability	88.54%	96.09%	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30. GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

In 2021, the maximum amortization period was decreased to 20 years for all current and future amortization bases.

**Schedule of District Contributions –
Florida Retirement System Pension Plan
(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required FRS contribution	\$ 101,495	\$ 107,295	\$ 100,527	\$ 104,999	\$ 113,560	\$ 122,577	\$ 135,039	\$ 164,458	\$ 179,942
FRS contributions in relation to the contractually required contribution	\$ (101,495)	\$ (107,295)	\$ (100,527)	\$ (104,999)	\$ (113,560)	\$ (122,577)	\$ (135,039)	\$ (164,458)	\$ (179,942)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,765,382	\$ 1,717,736	\$ 1,719,598	\$ 1,747,073	\$ 1,765,529	\$ 1,786,995	\$ 1,910,701	\$ 1,905,286	\$ 1,912,921
FRS contributions as a percentage of covered payroll	5.75%	6.25%	5.85%	6.01%	6.43%	6.86%	7.07%	8.63%	9.41%

Note: The amounts presented for each fiscal year were determined as of June 30. GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

**Schedule of the District's Proportionate Share
of the Net Pension Liability –
Health Insurance Subsidy Pension Plan
(amounts expressed in thousands)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021
District's proportion of the HIS net pension liability	5.881%	5.830%	5.576%	5.490%	5.401%	5.327%	5.271%	5.439%	5.326%
District's proportionate share of the HIS net pension liability	\$ 512,051	\$ 545,094	\$ 568,680	\$ 639,889	\$ 577,474	\$ 563,850	\$ 589,744	\$ 664,194	\$ 653,311
District's covered payroll	\$1,743,078	\$1,765,382	\$1,717,136	\$1,719,598	\$1,747,073	\$1,765,529	\$1,786,995	\$1,910,701	\$1,905,286
District's proportionate share of the HIS net pension liability as a percentage of its covered payroll	29.38%	30.88%	33.11%	37.21%	33.05%	31.94%	33.00%	34.76%	34.29%
HIS Plan fiduciary net position as a percentage of the total pension liability	1.78%	0.99%	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30. GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

In 2021, the municipal bond rate used to determine total pension liability was decreased from 2.21 percent to 2.16 percent.

**Schedule of District Contributions –
Health Insurance Subsidy Pension Plan
(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required HIS contribution	\$ 19,971	\$ 21,316	\$ 28,170	\$ 28,593	\$ 28,908	\$ 29,293	\$ 31,352	\$ 31,306	\$ 31,402
HIS contributions in relation to the contractually required HIS contribution	\$ (19,971)	\$ (21,316)	\$ (28,170)	\$ (28,593)	\$ (28,908)	\$ (29,293)	\$ (31,352)	\$ (31,304)	\$ (31,402)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$1,765,382	\$1,717,736	\$1,719,598	\$1,747,073	\$1,765,529	\$1,786,995	\$1,910,701	\$1,905,286	\$1,912,921
HIS contributions as a percentage of covered payroll	1.13%	1.24%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%

Note: The amounts presented for each fiscal year were determined as of June 30. GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

**Schedule of Changes in Net Pension
Liability and Related Ratios –
Supplemental Early Retirement Pension Trust Fund
(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Interest Cost	\$ 2,662	\$ 2,467	\$ 2,470	\$ 2,374	\$ 2,344	\$ 2,178	\$ 1,976	\$ 1,745
Differences Between Expected and Actual Experiences	(1,432)	(969)	1,694	1,204	(966)	(437)	146	85
Changes of Assumptions		2,651	1,339			(1,083)	1,256	(447)
Benefit Payments, Including Refunds of Member Contributions	(4,147)	(4,098)	(4,106)	(4,108)	(4,086)	(3,951)	(3,845)	(3,808)
Net Change in Total Pension Liability	(2,917)	51	1,397	(530)	(2,708)	(3,293)	(467)	(2,425)
Total Pension Liability - Beginning	41,510	38,593	38,644	40,041	39,511	36,803	33,510	33,043
Total Pension Liability - Ending	<u>\$ 38,593</u>	<u>\$ 38,644</u>	<u>\$ 40,041</u>	<u>\$ 39,511</u>	<u>\$ 36,803</u>	<u>\$ 33,510</u>	<u>\$ 33,043</u>	<u>\$ 30,618</u>
Plan Fiduciary Net Position								
Employer Contributions	2,276	2,276	1,890	2,167	2,156	2,028	2,566	1,886
Net Investment Income	4,476	864	273	2,380	1,984	1,496	1,299	6,034
Benefit Payments, Including Refunds of Member Contributions	(4,147)	(4,098)	(4,106)	(4,108)	(4,086)	(3,951)	(3,845)	(3,808)
Administrative expense	(42)	(87)	(49)	(7)	(48)	(63)	(31)	(63)
Net Change in Plan Fiduciary Net Position	2,563	(1,045)	(1,992)	432	6	(490)	(11)	4,049
Plan Fiduciary Net Position - Beginning	24,632	27,195	26,150	24,158	24,590	24,596	24,106	24,095
Plan Fiduciary Net Position - Ending	<u>\$ 27,195</u>	<u>\$ 26,150</u>	<u>\$ 24,158</u>	<u>\$ 24,590</u>	<u>\$ 24,596</u>	<u>\$ 24,106</u>	<u>\$ 24,095</u>	<u>\$ 28,144</u>
Net Pension Liability - Ending	<u>\$ 11,398</u>	<u>\$ 12,494</u>	<u>\$ 15,883</u>	<u>\$ 14,921</u>	<u>\$ 12,207</u>	<u>\$ 9,404</u>	<u>\$ 8,948</u>	<u>\$ 2,474</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	70.47%	67.67%	60.33%	62.24%	66.83%	71.94%	72.92%	91.92%
Covered payroll	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*
Net Pension Liability as a Percentage of Covered Payroll	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*

*The School Board closed the Supplemental Early Retirement Plan to new employees on July 1, 2000, with no additional employees vesting after July 1, 2003

Note: The amounts presented for each fiscal year were determined as of June 30. GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

**Schedule of Investment Returns –
Supplemental Early Retirement Pension Trust Fund**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.39%	13.37%	18.53%	3.29%	1.39%	10.60%	8.22%	6.37%	5.57%	26.15%

**Schedule of Contributions –
Supplemental Early Retirement Pension Trust Fund
(amounts expressed in thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 2,276	\$ 2,276	\$ 1,890	\$ 2,167	\$ 2,156	\$ 2,007	\$ 1,817	\$ 1,855	\$ 1,229
Contributions in Relation to the Actuarially Determined Contribution	(2,276)	(2,276)	(1,890)	(2,167)	(2,156)	(2,007)	(1,817)	(1,855)	(1,229)
Contribution Deficiency (Excess)	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Covered Payroll	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*
Contributions as a Percentage of Covered Payroll	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of July 1 of the year before the fiscal year in which contributions are reported. The contribution calculated on July 1, 2021, was contributed during the 2021-22 fiscal year.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Inflation	2.10%
Cost of Living Increase	3.0%
Investment Rate of Return	5.60%, Net of Pension Plan Investment Expense, Including Inflation
Retirement Age	Not Applicable

Mortality

Female: Pub-2010 Headcount Weighted Teachers Healthy Retiree Female Table, set forward one year, with MP-2018 mortality improvement Scale.

Male: Pub-2010 Amounts Weighted Teachers Healthy Retire Below Median Male Table, set forward two years, with MP-2018 mortality improvement projection scale.

*The School Board closed the Supplemental Early Retirement Plan to new employees on July 1, 2000, with no additional employees vesting after July 1, 2003.

The amounts presented for each fiscal year were determined as of June 30. GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

**Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
(amounts expressed in thousands)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability					
Service Cost	\$ 11,360	\$ 10,496	\$ 12,768	\$ 11,670	\$ 22,303
Interest	6,198	7,829	9,117	7,369	6,380
Differences Between Expected and Actual Experience	-	(23,334)	(2,354)	(30,381)	680
Changes of Assumptions or Other Inputs	(7,759)	26,867	(37,411)	85,725	950
Benefit Payments	<u>(8,028)</u>	<u>(7,384)</u>	<u>(7,102)</u>	<u>(6,190)</u>	<u>(6,288)</u>
Net Change in Total OPEB Liability	<u>1,771</u>	<u>14,474</u>	<u>(24,982)</u>	<u>68,193</u>	<u>24,025</u>
Total OPEB Liability - Beginning	<u>210,080</u>	<u>211,851</u>	<u>226,325</u>	<u>201,343</u>	<u>269,536</u>
Total OPEB Liability - Ending	<u>\$ 211,851</u>	<u>\$ 226,325</u>	<u>\$ 201,343</u>	<u>\$ 269,536</u>	<u>\$ 293,561</u>
Covered-Employee Payroll	\$ 1,782,854	\$ 1,819,691	\$ 1,833,336	\$ 1,969,262	\$ 1,933,154
Total OPEB Liability as a Percentage of Covered Payroll	11.88%	12.44%	10.98%	13.69%	15.19%

Notes to Schedule:

No assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits

The discount rate decreased from 2.21% at June 30, 2020, to 2.16% at June 30, 2021.

The mortality projection scale was updated from MP-2020 to MP-2021.

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, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Number	Pass - Through Entity Number	Passed Subrecipients	Total Expenditures
Clustered				
Child Nutrition Cluster				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	21002, 22002	\$ -	\$ 27,580,555
National School Lunch Program	10.555	21001, 21003, 22001, 22003	-	138,344,094
Summer Food Service Program for Children	10.559	21006, 21007, 22006, 22007	-	2,643,127
Fresh Fruit and Vegetable Program	10.582	21004, 22004	-	353,767
Total Child Nutrition Cluster			-	168,921,543
Student Financial Assistance Cluster				
United States Department of Education:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	-	236,076
Federal Pell Grant Program	84.063	N/A	-	4,274,723
Total Student Financial Assistance Cluster			-	4,510,799
Special Education Cluster				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	186,480	72,729,335
COVID-19 Special Education - Grants to States	COVID-19, 84.027	263	-	11,909
Total Special Education - Grant to States	84.027		186,480	72,741,244
Special Education - Preschool Grants	84.173	267	-	1,521,069
COVID-19 Special Education - Preschool Grants	COVID-19, 84.173	267	-	105,531
Total Special Education - Preschool Grants	84.173		-	1,626,600
Total Special Education Cluster			186,480	74,367,844
477 Cluster				
United States Department of Health and Human Services:				
South Florida Workforce Investment Board:				
Temporary Assistance for Needy Families	93.558	WSCTVAPY210900, WSYSSPPY212100, WSCTVAPY202900, WSYSSPPY202100	-	1,455,167
Childcare and Development Fund Cluster				
United States Department of Health and Human Services:				
Early Learning Coalition of Miami Dade/Monroe:				
Child Care and Development Block Grant	COVID-19, 93.575	None	-	4,486,669
Head Start Cluster				
United States Department of Health and Human Services:				
Miami Dade Board of County Commissioners:				
Head Start	93.600	None	-	15,241,286
COVID-19 Head Start	COVID-19, 93.600	None	-	325,972
United Way of Miami-Dade County, Inc.:				
Head Start	93.600	None	-	14,193
Total Head Start Cluster	93.600		-	15,581,451
Not Clustered				
United States Department of Agriculture				
Farm to School Grant Program	10.575	N/A	-	26,785
Florida Department of Health:				
Child and Adult Care Food Program	10.558	I-1591, I-1592, I-790, A-4091, S-5415	-	16,838,672
COVID-19 Child and Adult Care Food Program	COVID-19, 10.558	22018	-	2,371,080
Total Child and Adult Care Food Program	10.558		-	19,209,752
Florida Department of Agriculture and Consumer Services:				
Child Nutrition Discretionary Grants Limited Availability	10.579	21015	-	32,306
Total United States Department of Agriculture			-	19,268,843
United States Department of Defense				
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	1,907,057
United States Department of Justice				
Public Safety Partnership and Community Policing Grant	16.710	N/A	-	179,768
STOP School Violence	16.839	N/A	-	76,255
Total United States Department of Justice			-	256,023
United States Department of Labor				
Florida Association for Career and Technical Education				
Apprenticeship USA Grants	17.285	N/A	8,004	8,004

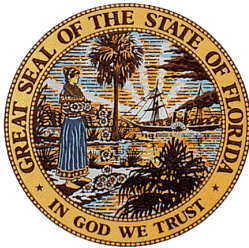
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Miami-Dade County District School Board
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Number	Pass - Through Entity Number	Passed Subrecipients	Total Expenditures
Not Clustered (Continued)				
United States Federal Communications Commission				
Emergency Connectivity Fund Program	COVID-19, 32.009	N/A	\$ -	\$ 4,406,201
United States Department of Education				
Impact Aid	84.041	N/A	-	50,630
Career and Technical Education - National Programs	84.051	N/A	-	192,499
Magnet Schools Assistance	84.165	N/A	-	4,536,837
Teacher and School Leader Incentive Grants	84.374	N/A	-	5,720,864
Education Innovation and Research	84.411	N/A	-	709,209
Education Stabilization Fund:	84.425			
Higher Education Emergency Relief Fund - Student Aid Portion	COVID-19, 84.425E	N/A	-	4,524,469
Higher Education Emergency Relief Fund - Institutional Portion	COVID-19, 84.425F	N/A	-	5,524,039
Higher Education Emergency Relief Fund - Fund for the Improvement of Postsecondary Education Formula Grant	COVID-19, 84.425N	N/A	-	582,898
Florida Department of Education:				
Governor's Emergency Education Relief Fund	COVID-19, 84.425C	123	389,148	1,229,932
Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425D	124, 128	18,856,808	172,745,088
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425U	121	292,547	170,635,106
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth Fund	COVID-19, 84.425W	122	-	69,124
Total Education Stabilization Fund	84.425		19,538,503	355,310,656
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	-	5,205,605
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	23,363,893	144,324,146
Migrant Education - State Grant Program	84.011	217	-	1,760,126
Education for Homeless Children and Youth	84.196	127	-	170,438
Charter Schools	84.282	298	3,395,216	3,424,367
English Language Acquisition State Grants	84.365	102	202,169	10,933,988
Supporting Effective Instruction State Grants	84.367	224	1,579,315	14,029,037
School Improvement Grants	84.377	126	-	46,622
Student Support and Academic Enrichment Program	84.424	241	2,275,456	10,415,960
Miami-Dade College:				
Career and Technical Education - Basic Grants to States	84.048	None	-	190,000
Florida Department of Education:				
Career and Technical Education - Basic Grants to States	84.048	161	-	6,347,705
Total Career and Technical Education - Basic Grants to States	84.048		-	6,537,705
Florida International University:				
Twenty-First Century Community Learning Centers	84.287	None	-	4,395,680
Florida Department of Education:				
Twenty-First Century Community Learning Centers	84.287	244	350,013	2,344,514
Total Twenty-First Century Community Learning Centers	84.287		350,013.00	6,740,194
New Teacher Center:				
Supporting Effective Educator Development Grant	84.423	None	-	941,819
Total United States Department of Education			50,704,565	571,050,702
Center for Disease Control and Prevention				
National Institute of Occupational Safety and Health	93.UNK	N/A	-	2,213
United States Department of Health and Human Services				
Provider Relief Fund and American Rescue Plan Rural Distribution	COVID-19, 93.498	N/A	-	1,051
Florida International University:				
Minority Health and Health Disparities Research	93.307	000199	-	4,040
Florida Department of Children and Families:				
Refugee and Entrant Assistance - State/Replacement Designee Administered Program	93.566	XK056	-	1,399,743
Florida Developmental Disabilities Council, Incorporated:				
Developmental Disabilities Basic Support and Advocacy Grants	93.630	1038TRS20F	-	21,335
Total United States Department of Health and Human Services			-	1,426,169
United States Department of Homeland Security				
Citizenship Education and Training	97.010	N/A	-	121,757
Total Expenditures of Federal Awards			\$ 50,899,049	\$ 867,770,442

The accompanying notes are an integral part of this Schedule.

- Notes:
- (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Miami-Dade County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
 - (2) Summary of Significant Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
 - (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
 - (4) Noncash assistance:
 - (A) National School Lunch Program. Includes \$14,626,898 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
 - (B) Twenty-First Century Community Learning Centers. The amount of \$4,395,680 represents Federal in-kind support received through Florida International University's After-School All Stars Program.
 - (C) Career and Technical Education – Basic Grants to States. The amount of \$190,000 represents Federal in-kind support received through Miami-Dade College for the Cessna Citation CJ2 Flight Simulator Program.
 - (D) Emergency Connectivity Fund. Includes \$4,406,201 of services received at fair value during the fiscal year.
 - (5) Head Start. Expenditures include \$14,193 for grant number/program year 4810000/22, \$2,080,072 for grant number/program year 48750000/22; \$11,179,442 for grant number/program year 48760000/22; \$621,262 for grant number/program year 48860000/21; \$1,360,511 for grant number/program year 48870000/21; \$1,773 for grant number/program year 54390000/23; \$172,604 for grant number/program year 54400000/23; \$144,211 for grant number/program year 55590000/23 and \$7,383 for grant number/program year 55600000/23.



Sherrill F. Norman, 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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2022, 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 28, 2023, 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 District'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.

Report on 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) as a basis for designing 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 a 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 financial statements. 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 identified a certain additional matter finding which is described as Finding AM 2022-001 on pages 119 through 121.

District's Response to Finding

The District's response to the additional matter finding identified in our audit is included as District Response on pages 120 and 121 in Finding AM 2022-001. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

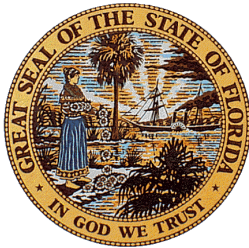
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 28, 2023



Sherrill F. Norman, CPA
Auditor General

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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 REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Miami-Dade County District School Board's compliance with the types of compliance requirements identified as subject to audit in the OMB *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, 2022. The District's major Federal program are identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the **Auditor's Responsibilities for the Audit of Compliance** section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each

major Federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The District's basic financial statements include the operations of Academir Charter School Preparatory, Beacon College Preparatory Elementary School, BridgePrep Academy of Village Green, Downtown Doral Charter Upper School, Downtown Miami Charter School, Highly Inquisitive & Versatile ED Preparatory School, iMater Academy, iMater Academy Middle School, iMater Preparatory Academy High School, Keys Gate Charter High School, Keys Gate Charter School, KIPP Miami-Liberty City, Mater Academy, Mater Academy Charter High School, Mater Academy Charter Middle School, Mater Academy East Charter School, Mater Academy of International Studies, Mater Preparatory Academy, Miami Community Charter School, Pinecrest Glades Preparatory Academy Middle High School, Somerset Academy at Silver Palms, Somerset Academy Charter High School, Somerset Academy Charter High School (South Homestead), Somerset Oaks Academy, Somerset Preparatory Academy (Homestead), Sports Leadership Arts Management Charter High School, Sports Leadership and Management (SLAM) Charter Middle School, The Charter School at Waterstone, True North Classical Academy, True North Classical Academy High School, and True North Classical Academy South (Charter Schools) as part of the aggregate discretely presented component units on the accompanying basic financial statements. The Charter Schools expended Federal awards which are not included in the District's **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** during the fiscal year ended June 30, 2022. Our compliance audit, described in the ***Opinion on Each Major Federal Program*** section of our report, did not include the operations of these Charter Schools because, pursuant to Section 218.39(1)(e), Florida Statutes, the Charter Schools engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major Federal programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

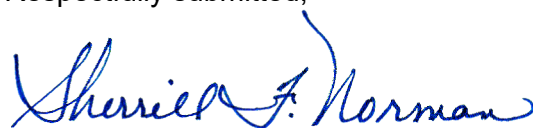
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the ***Auditor's Responsibilities for the Audit of Compliance*** section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name "Sherrill" and last name "Norman" clearly legible, and "F." as a small initial in the middle.

Sherrill F. Norman, CPA
Tallahassee, Florida
March 28, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: 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 Federal programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major Federal programs:

Assistance Listing Numbers:

32.009

84.010

84.048

84.165

84.365

84.374

84.425

93.600

Name of Federal Program or Cluster:

Emergency Connectivity Fund Program

Title I Grants to Local Educational Agencies

Career and Technical Education – Basic
Grants to States

Magnet Schools Assistance

English Language Acquisition State Grants

Teacher and School Leader Incentive
Grants

Education Stabilization Fund

Head Start

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

Auditee qualified as low risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported.

ADDITIONAL MATTER

FINANCIAL REPORTING

Finding Number	AM 2022-001
Opinion Units	Aggregate Discretely Presented Component Units
Financial Statements Account Titles	Various
Fund Name	Not Applicable
Adjustment Amounts	Not Applicable
Prior Year Findings	2019-001, Report No. 2020-163, and 2016-001, Report No. 2017 -194.
Finding	District financial procedures need improvement to ensure consistent, proper reporting of charter schools as discretely presented component units (DPCUs) pursuant to Florida Department of Education (FDOE) directives.
Criteria	State Board of Education (SBE) Rule 6A-1.0071, Florida Administrative Code, and related instructions from the FDOE prescribe the exhibits and schedules that should be prepared as part of the District's annual financial report (AFR). Section 1010.01, Florida Statutes, requires that these exhibits and schedules be prepared in accordance with generally accepted accounting principles (GAAP). GAAP provide that the financial reporting entity consists of the primary government and its component units. GAAP further defines component units as legally separate organizations for which the primary government is financially accountable. Among several other reasons, the FDOE determined school districts are financially accountable for charter schools because districts establish charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools. The FDOE issued guidance to school districts to report charter schools as DPCUs, unless the charter schools were reported as component units of other governmental entities in accordance with GAAP.
Condition	The District sponsored and was therefore responsible for reporting 134, 133, and 139 charter schools as DPCUs on the District's financial statements for the 2019-20, 2020-21, and 2021-22 fiscal years, respectively. The District appropriately reported the charter schools as DPCUs on the AFRs submitted to the FDOE for those 3 fiscal years. However, for those same years, the District did not report the charter schools as DPCUs on the District's financial statements presented for audit to the District's contracted certified public accounting firm, and the District posted the Annual Comprehensive Financial Reports (ACFRs) with the auditor reports issued by the firm on the District Web site. While the District did not report charter schools as DPCUs on the financial statements presented to the firm for audit, the District reported the charter schools as DPCUs in the financial statements for the 2021-22 fiscal year presented to the Auditor General for the financial and Federal Single Audit.
Cause	In response to our inquiries, District personnel indicated that they again considered the matter pertinent to the DPCUs, held that the District's position is appropriate, and determined that the matter did not warrant further action as indicated in responses to prior year findings. Specifically, District personnel stated that they again reviewed GASB pronouncements; GASB Statements Nos. 14, 34, 39 and 61; the GASB Codification of Governmental Accounting and Financial Reporting Standards, as well as the opinions of the District's independent auditors; and still held the position that the GASB literature as well as the independent auditor's opinion

support the District's conclusion that the charter schools are not deemed to be component units and should be excluded from the audited financial statements. The District received unmodified opinions from their independent auditors since the fiscal year ended June 30, 2013, the first year of implementation through the most current audit for the fiscal year ended June 30, 2022. District personnel also indicated that the District intends to continue complying with the FDOE's requirement to report the charter schools as part of the District's AFR.

Notwithstanding this response, the District's inconsistent financial reporting of charter schools is contrary to the FDOE's conclusion that charter schools are component units of their respective school districts, unless the charter schools were reported as component units of other governmental entities in accordance with GAAP.

Effect

The District did not always comply with FDOE directives for financial reporting. Excluding charter schools as DPCUs from the District's audited ACFR shown on the District Web site may cause financial statement users to misunderstand the reporting entity's financial activities in comparison with other Florida school districts, as virtually all other Florida school districts appropriately and consistently report applicable charter schools as DPCUs in their audited financial statements. In addition, the District's inconsistent reporting of charter schools between various financial reports (AFR and ACFR) thwarts the comparability of the reported financial information.

Recommendation

The District should improve financial reporting procedures to ensure consistent, proper reporting of the DPCUs on the District's financial statements pursuant to FDOE directives.

District Response

Management has once again taken into consideration the matter pertinent to Aggregate Discretely Presented Component Units and continues to hold that the District's position is appropriate and the matter does not warrant further action, as in our previous years responses to Finding 2019-001, Report No. 2020-163, and Finding 2016-001, Report No. 2017-194.

The District has again reviewed the Governmental Accounting Standards Board (GASB) pronouncements, GASB Statements No. 14, 39, and GASB Statement No. 61 The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14, and No. 34, the GASB Codification of Governmental Accounting and Financial Reporting Standards, as well as consulted with the District's independent auditors and still holds the position that the GASB literature as well as the independent auditor's opinion supports the District's conclusion that the charter schools are not deemed to be component units, as defined therein, and therefore should be excluded from the audited financial statements, The Annual Comprehensive Financial Report.

The District has been consistent in the application of GASB Statement No. 61 since its adoption for the fiscal year ended June 30, 2013. The District has received unmodified opinions from our independent auditors since the first year of implementation June 30, 2013 through the most current audit for the fiscal year ended June 30, 2022.

As to comparability with other Florida school districts, there are other Florida school district(s) that have held our same position in their audited Annual Comprehensive Financial Report(s) for the fiscal year ended June 30, 2022.

To comply with the FDOE financial reporting requirements and per the Auditor General request, the District included charter schools as DPCUs in the

unaudited Annual Financial Report (AFR) and the Florida Auditor General Financial and Federal Single Audit for the fiscal year ended June 30, 2022.

The District intends to continue complying with the Florida Department of Education's requirement to report the charter schools as part of the District's unaudited Annual Financial Report (AFR).

Auditor's Remarks

The District response provides that District staff reviewed GASB pronouncements based on the GAAP hierarchy and will continue to comply with any state reporting requirements determined to be non-GAAP. Notwithstanding this response, in a memorandum to all school district finance officers, the FDOE documented consideration of applicable GASB pronouncements and established a compelling argument based on those pronouncements that school districts are financially accountable for charter schools and should report the charter schools as DPCUs.

Specifically, the FDOE acknowledged that, based on GASB pronouncements, a primary government is financially accountable for an organization and should report that organization as a DPCU if the primary government appoints a voting majority of an organization's officials and has the ability to impose its will on the organization. GASB pronouncements provide that:

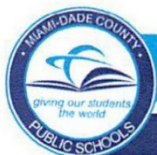
- The creation of an organization is "tantamount to the initial appointment of the governing body" and a primary government's authority to unilaterally abolish an organization also provides the basis for the primary government's accountability. Because the District can, pursuant to State law, create a charter school by approval of the charter contract and unilaterally abolish the charter contract of the charter school, the District met the criterion for appointing a voting majority of each District-sponsored charter school.
- "A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization." Since State law requires the District to operate, control, and supervise all public schools within the District and defines charter schools as public schools, the District can and did impose its will upon each District-sponsored charter school.

Based on these deliberations, along with other GASB considerations, the FDOE determined that school districts should report charter schools as DPCUs and virtually all other school districts adopted this widely recognized and prevalent practice. Consequently, we continue to recommend that the District ensure consistent, proper reporting of DPCUs on the District financial statements.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in previous audit reports, except as discussed in Finding AM 2022-01.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS



Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools

Dr. Jose L. Dotres

Assistant Superintendent

Rene Mantilla

Miami-Dade County School Board

Mari Tere Rojas, Chair
 Danny Espino, Vice Chair
 Roberto J. Alonso
 Lucia Baez-Geller
 Dr. Dorothy Bendross-Mindingall
 Mary Blanco
 Monica Colucci
 Dr. Steve Gallon III
 Luisa Santos

Audit Report No. (Finding No.)	Program/Area	Brief Description	Status	Comments
RSM US, LLIP (2021-001)	Student Financial Assistance Cluster (ALNs 84.007 and 84.063)	The cost of attendance was incorrectly reported in the Common Origination and Disbursement (COD) System.	Not Corrected	Financial Aid Officers (FAO) created disbursement profiles in ED Express. Students were assigned a profile based on their ISIR dependency status. The 2022-2023 Cost of Attendance (COA) guidelines for dependent students are \$10,080 and \$15,970 for independent students. District management has established guidelines to monitor this action.
RSM US, LLIP (2021-002)	Student Financial Assistance Cluster (ALNs 84.007 and 84.063)	The information in the Institutional Student Information Records (ISIR) did not agree with the information included in student files. Therefore, the verification of information by the US Department of Education was not properly performed by District management.	Fully Corrected	Student selected for verification are verified using resources and tools provided by Financial Students Assistance (FSA). Any professional judgement or verification exception is fully documents in the student's file. District management has established guidelines to monitor this action.

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RSM US, LLP (2021-003)	Student Financial Assistance Cluster (ALNs 84.007 and 84.063)	Withdrawals related to the return of Title IV funds were not properly reported on the National Student Loan Data System (NSLDS). In addition, post-withdrawal disbursements were not always issued timely.	Fully Corrected	When staff (program instructor, FAO, registrar) is notified of a student's exit, a completion code is entered into the student enrollment record. Any changes to the student enrollment are communicated via the FM-7752: <i>Career & Technical Education Withdrawal Form</i> and the FM-7742: <i>FSAINSLDS Status Change Form Graduates</i> and Withdrawal Dates are routed to the FAO. The FAO will report the student's enrollment status into National Student Loan Data System (NSLDS) within 5 days of receipt. The Return to Title IV (R2T4) worksheet is used to calculate any funds over/under payments within 30 days of the student's exit. Post-withdrawal disbursement or R2T4 funds will be disbursed within 45 days. District management has established guidelines to monitor this action.
RSM US, LLP (2021-004)	Student Financial Assistance Cluster (ALNs 84.007 and 84.063)	Student enrollment Information was not properly reported on NSLDS.	Fully Corrected	Form Number - FM-7742 and FM-7752 are used to track a student's program enrollment change. When a code is entered into the student's enrollment status, FM-7742 and FM-7752 are routed to the FAO. The FAO will report the student's enrollment status change into NSLDS per its guidelines. District management has established guidelines to monitor this action.

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