

**SCHOOL BOARD OF  
BROWARD COUNTY, FLORIDA**

**COMMUNICATION WITH THOSE CHARGED  
WITH GOVERNANCE**

**AUDIT PLANNING 2021**

**Year Ended June 30, 2021**



August 12, 2021

Members of the School Board  
School Board of Broward County, Florida

Our professional standards require that we inform you of certain matters related to our audit of the School Board of Broward County, Florida's (the "District") financial statements for the fiscal year ended June 30, 2021. This document is intended to convey those matters to you.

Our audit is designed to express an opinion on the governmental activities, business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information comprising the basic financial statements of the District. We have performed an initial assessment of risk areas we consider significant to the risk of material misstatement of the District's financial statements. Based on our assessment, we intend to execute our audit plan using procedures to mitigate those risks.

Communication is an essential part of the audit process. After reviewing our plan, if you have any questions, concerns, or would like us to consider other matters, please contact me at (800) 683-5401.

In addition, we are pleased to provide you with a copy of our most recent Peer Review Report (attached). The public accounting industry has placed significant emphasis on strengthening the peer review process. This emphasis is focused on improving public accounting and auditing standards to protect the public and ensure the reliability of audited financial information. With these more stringent requirements, we are proud to inform you that our 2020 Peer Review Report had **no findings**. In accordance with *Peer Review Standards*, the selection of our governmental clients was also included in this review.

We are dedicated to delivering the quality service you expect and deserve. We appreciate the opportunity to serve the District.

Respectfully submitted,

A handwritten signature in blue ink that reads "Dan O'Keefe".

Dan O'Keefe, CPA, CFE, MBA  
Engagement Shareholder

*Attachment*

**School Board of Broward County, Florida**  
**Audit Planning 2021**  
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**Audit Schedule and Current Status**

Below is a table of our agreed-upon audit schedule for the 2020 audit:

June 2021	Interim fieldwork
October 2021 to November 2021	Year-end fieldwork
November 2021	Complete Annual Report review by auditors and final draft with audit opinion returned to the District

Interim fieldwork has not yet been completed; however, no significant issues have been identified. Any identified issues, if noted, will be subsequently communicated to management and governance.

**Accounting and Reporting Standards Impacting Governmental Audits**

**New Government Accounting Standards Issued**

- **GASB 84 - *Fiduciary Activities*.** This standard will become effective for fiscal year end June 30, 2021. This standard establishes criteria for identifying fiduciary activities of state and local governments. The focus of the criteria generally is on (1) whether the government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Management is aware of this standard and intends to properly evaluate the impact and ensure that any accounting and reporting impact is properly addressed in the year the standard is required to be implemented.
- **GASB 87 - *Leases*.** This standard will become effective for fiscal year end June 30, 2022. This standard changes the accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This standard establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee government is required to recognize a lease liability and an intangible right-to-use asset and a lessor government is required to recognize a lease receivable and a deferred inflow of resources. Management is aware of this standard and intends to properly evaluate the impact and ensure that any accounting and reporting impact is properly addressed in the year the standard is required to be implemented.
- **GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*.** This standard will become effective for fiscal year end June 30, 2022. This standard establishes accounting requirements for interest cost incurred before the end of a construction period. This standard requires that in financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred and should not be capitalized as part of the historical cost of a capital asset. This standard is not expected to impact the District's financial statements.

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**Accounting and Reporting Standards Impacting Governmental Audits (Cont.)**

**New Government Accounting Standards Issued (Cont.)**

- GASB 90 - *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. This standard will become effective for fiscal year end June 30, 2020. It is meant to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This standard also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. This standard is not expected to impact the District's financial statements.
- GASB 91 - *Conduit Debt Obligations*. This standard will become effective for fiscal year end June 30, 2023. This standard will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosure. This standard is not expected to impact the District's financial statements.
- GASB 92 - *Omnibus 2020*. This standard will become effective for fiscal year end June 30, 2022. This standard will enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports; (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit ("OPEB") plan; (3) The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits; (4) The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations ("AROs") in a government acquisition; (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; (8) Terminology used to refer to derivative instruments. This standard is not expected to impact the District's financial statements.

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**Accounting and Reporting Standards Impacting Governmental Audits (Cont.)**

**New Government Accounting Standards Issued (Cont.)**

- *GASB 93 - Replacement of Interbank Offered Rates.* This standard will become effective for fiscal year end June 30, 2022, with the exception of the removal of LIBOR as an appropriate benchmark interest rate which will become effective June 30, 2023. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (“IBOR”). This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument’s variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended. This standard is not expected to impact the District’s financial statements.
  
- *GASB 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* This standard will become effective for fiscal year end June 30, 2023. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (“PPPs”). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (“APAs”). The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This standard is not expected to impact the District’s financial statements.

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**Accounting and Reporting Standards Impacting Governmental Audits (Cont.)**

**New Government Accounting Standards Issued (Cont.)**

- GASB 96 - *Subscription-Based Information Technology Arrangements*. This standard will become effective for fiscal year end June 30, 2024. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (“SBITAs”) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This standard is not expected to impact the District’s financial statements.
- GASB 97 - *Certain Component Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal year end June 30, 2023, while all other requirements are effective immediately. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (“IRC”) Section 457 deferred compensation plans (“Section 457 plans”) that meet the definition of a pension plan and for benefits provided through those plans. This standard is not expected to impact the District’s financial statements.

**New Auditing Standards Issued**

There are no new auditing standards issued in the current year that would impact the District’s audit.

**School Board of Broward County, Florida**  
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**Significant Audit and Financial Reporting Issues Identified**

The following is a list of audit areas we consider significant to ensure that we plan our audit to properly address the risk of material misstatement and noncompliance affecting your financial statements. Please review this list. If you have any questions, or believe the list is incomplete, please contact us to ensure that we have properly identified all significant areas.

- Internal control over financial accounting and reporting
- Information Technology (IT) systems
- Financial statement preparation procedures
- Capital assets accounting, including depreciation, project tracking, etc.
- Investment policies and procedures, portfolio management, income allocation, etc.
- Debt, including compliance with applicable covenants
- Net Position/Fund Balance classifications
- Payroll processing
- Budgetary compliance and accountability
- Compliance with contracts, laws, regulations, and grant agreements

**Identification of Financial Statement Elements**

We will audit the District's basic financial statements for the year ended June 30, 2021. The basic financial statements include Government-wide Financial Statements, Fund Financial Statements, and Notes to the Financial Statements.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), OPEB plan schedules, and pension schedules to accompany the basic financial statements. As part of our engagement, we will apply certain limited procedures to the District's RSI, but it will not be audited. These limited procedures will principally consist of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it.

Supplementary information other than RSI, such as combining and individual fund financial statements and the Schedule of Expenditures of Federal Awards, also accompanies the District's basic financial statements. We will subject this supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements. Such information will be subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

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**Identification of Financial Statement Elements (Cont.)**

The introductory and statistical sections accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion.

**Auditor Responsibilities**

As your auditors, we are responsible for:

- Expressing opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles ("GAAP") and to report on the fairness of the additional information referred to under **Identification of Financial Statement Elements** when considered in relation to the basic financial statements taken as a whole.
- Reporting on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Informing you in our reports on internal control and compliance that the reports are intended for the information and use of the District, management, specific legislative or regulatory bodies, federal or state awarding agencies; and, if applicable, pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.
- Informing you in advance of any reasons that would result in us issuing other than unmodified reports on the financial statements or compliance opinions.
- Informing you that we may decline to express opinions or to issue a report as a result of this engagement if we are unable to complete the audit or are unable to form, or have not formed, those opinions.
- Conducting our audit in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; Chapter 10.800, *Rules of the Auditor General*; and other procedures we consider necessary to enable us to express such opinions and to render the required reports.
- Communicating to you the planned audit schedule. Page 2 of this report documents the timetable agreed upon with management for the June 30, 2021 audit.
- Communicating audit areas we consider significant to ensure that we plan our audit to properly address the risk of material misstatement to your financial statements. A list of those areas can be found on page 6 of this report.



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**Auditor Responsibilities (Cont.)**

- Communicating the concept of materiality. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for the fair presentation of your basic financial statements in conformity with GAAP, while other matters are not important. In performing the audit, based on our professional judgment, we assess matters that, either individually or in the aggregate, could be material to the financial statements. Our consideration of materiality is based on our professional judgment.
- Informing you that at the completion of the audit we will be requesting certain representations from management at the conclusion of the audit.
- Informing you regarding some general audit procedures, as well as procedures related to internal controls and compliance. Discussion of those items follows.

**Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that comes to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from attorneys representing the District as part of the engagement, and they may bill the District for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from management about the financial statements and related matters.

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**Audit Procedures - Internal Controls**

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards and *Government Auditing Standards*.

**Audit Procedures - Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

**Governance and Management Responsibilities**

Those charged with governance and management, except where indicated, are jointly responsible for:

- The basic financial statements and all accompanying information, as well as all representations contained therein in conformity with GAAP.
- Making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions.
- Acknowledging in the management representation letter that it has reviewed and approved the financial statements and related notes prior to their issuance and has accepted responsibility for them.
- Management has designated Erum Motiwala, Director of Accounting & Financial Reporting, as the responsible party for oversight of its audit.
- Establishing and maintaining internal controls, including monitoring ongoing activities; the selection and application of accounting principles; and the fair presentation in the basic financial statements in conformity with GAAP.

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**Governance and Management Responsibilities (Cont.)**

- Making all financial records and related information available to us and for the accuracy and completeness of that information. Adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the basic financial statements.
- The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. This responsibility includes informing us of any allegations of fraud, or suspected fraud, affecting the District received in communications from employees, former employees, grantors, regulators, or others.
- Identifying and ensuring that the District complies with applicable laws, regulations, contracts, agreements, and grants, and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.
- Establishing and maintaining a process for tracking the status of audit findings and recommendations.
- Identifying for us previous audits, other engagements, or studies related to the objectives discussed in the Audit Procedures sections. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, other engagements, or studies. Management is also responsible for providing its views on our current findings, conclusions, and recommendations, as well as planned corrective actions.

**Auditor General**

The following are compliance areas identified by the Auditor General to test on an annual basis if they are applicable and are determined to have a direct and material effect on the financial statements:

- Consideration of technical advice included within the *Compliance Supplement for District School Board Audits*, published annually by the Florida Auditor General.
- Determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding and second preceding annual financial audit reports.
- Address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls.
- Address violations of provisions of contracts and grant agreements or abuse that has an effect on the financial statements that is less than material but worthy of management's attention.

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**Auditor General (Cont.)**

- Disclose in the management letter, or in the notes to the financial statements, the name or official title and legal authority for the primary government and each component unit of the reporting entity.
- Include a statement in the management letter as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met.
- Apply financial condition assessment procedures in connection with our audit.
- Include a statement in the management letter as to whether or not the District has complied with transparency requirements.

The following is a compliance area identified by the Auditor General where a separate opinion on compliance is reported:

- Review compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds.

**Component Units**

We will be relying on the work of component auditors for the District's fiscal year 2021 audit. We will communicate to them instructions and also request certain representations from them in accordance with professional standards. We will also make a reference to the component auditors' reports in our opinion.



8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809  
225-922-4600 Phone – 225-922-4611 Fax – [pncpa.com](http://pncpa.com)

*A Professional Accounting Corporation*

## Report on the Firm's System of Quality Control

To the Partners of MSL, P.A.  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of MSL, P.A. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and an audit of a broker-dealer.

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of MSL P.A. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. MSL, P.A. has received a peer review rating of *pass*.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
January 7, 2021