The School District of Palm Beach County, Florida

Single Audit Reports in Accordance with OMB Circular A-133
Year Ended June 30, 2015
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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

Independent Auditor’s Report

To the Chairperson and Members
The School Board of Palm Beach County, Florida
West Palm Beach County, Florida

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, each major fund, and the aggregate remaining fund information of the School District of Palm Beach County, Florida (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 9, 2015, which contained unmodified opinions on those financial statements, and included an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board (GASB) Statements No. 68 and 71.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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 entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

West Palm Beach, Florida
December 9, 2015
Independent Auditor’s Report

To the Chairperson and Members
The School Board of Palm Beach County, Florida
Palm Beach County, Florida

Report on Compliance for Each Major Federal Program
We have audited the School District of Palm Beach County, Florida’s (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2015. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor’s Responsibility
Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District’s compliance.

Opinion on Each Major Federal Program
In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.
Report on Internal Control Over Compliance
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133
We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 9, 2015 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

West Palm Beach, Florida
December 9, 2015
### United States Department of Agriculture

Pass through from the Florida Department of Agriculture and Consumer Services:

**Child Nutrition Cluster:**

- National School Lunch Program (NSLP) (commodities) 10.555 (1) None $ 5,075,269 $ -
- National School Lunch Program (NSLP) 10.555 300 45,093,786 -
  **Total National School Lunch Program (NSLP)/(commodities)** 50,169,055 -
- Summer Food Service Program (commodities) 10.559 (1) None 22,038 -
- School Breakfast Program 10.559 323,325 12,782,552 -
  **Total School Breakfast Program/Summer Food Service Program (commodities)** 12,804,590 -
- Child and Adult Care Food Program 10.558 161,301 -
- Summer Food Service Program 10.553 321 1,960,799 -
  **Total Child Nutrition Cluster** 65,095,745 -
- Fresh Fruit and Vegetable Program 10.582 None 357,467 -
  **Total United States Department of Agriculture** 65,453,212 -

### United States Department of Education

**Special Education Cluster:**

- Pass through from the Florida Department of Education:
  - Special Education – Grants to States 84.027 262,263 37,768,340 3,056,860
  - Special Education – Preschool Grants 84.173 266,267 1,112,979 35,062
- Pass through from Putnam County District School Board:
  - Special Education – Grants to States 84.027 None 16,000 -
  **Total Special Education Cluster** 38,897,319 3,091,922

- Impact Aid 84.041 None 7,019 -
- Fund for Improvement of Education 84.215 None 372,901 -
- Advanced Placement Program 84.330 None 7,921 -
- Transition to Teaching 84.350 None 385,427 8,438
- Arts in Education 84.351 None 243,805 -
- High School Graduation Initiative 84.360 None 1,424,171 -
- Pass-through from Florida Atlantic University:
  - Education Research, Development and Dissemination 84.305 None 90,135 -
- Pass-through from University of Florida:
  - Investing in Innovation Fund 84.411 None 738,542 -
  **Total** 3,269,921 8,438

(Continued)
### The School District of Palm Beach County, Florida

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Entity</th>
<th>CFDA Number</th>
<th>Pass-through Grantor Number</th>
<th>Expenditures</th>
<th>Amount Provided to Sub-Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pass-through from the Florida Department of Education:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult Education-State Grant Program</td>
<td>84.002</td>
<td>191,193</td>
<td>$2,373,506</td>
<td>$ -</td>
</tr>
<tr>
<td>Title I Grants to Local Educational Agencies</td>
<td>84.010</td>
<td>217</td>
<td>45,276,808</td>
<td>1,559,837</td>
</tr>
<tr>
<td>Migrant Education-State Grant Program</td>
<td>84.011</td>
<td>161</td>
<td>1,788,671</td>
<td>-</td>
</tr>
<tr>
<td>Career &amp; Technical Education-Basic Grant to States</td>
<td>84.048</td>
<td>212,222,223,226,228</td>
<td>45,276,808</td>
<td>1,559,837</td>
</tr>
<tr>
<td>Education for Homeless Children &amp; Youth</td>
<td>84.196</td>
<td>298</td>
<td>4,278,544</td>
<td>-</td>
</tr>
<tr>
<td>Charter Schools</td>
<td>84.282</td>
<td>127</td>
<td>95,064</td>
<td>-</td>
</tr>
<tr>
<td>Twenty-First Century Community Learning Centers</td>
<td>84.287</td>
<td>244</td>
<td>95,064</td>
<td>-</td>
</tr>
<tr>
<td>English Language Acquisition Grants</td>
<td>84.365</td>
<td>102</td>
<td>2,615,489</td>
<td>2,615,489</td>
</tr>
<tr>
<td>Improving Teacher Quality State Grants</td>
<td>84.367</td>
<td>224</td>
<td>5,809,222</td>
<td>38,808</td>
</tr>
<tr>
<td>School Improvement Grants</td>
<td>84.377</td>
<td>126</td>
<td>420,927</td>
<td>-</td>
</tr>
<tr>
<td>ARRA – State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act</td>
<td>84.395</td>
<td>RG3</td>
<td>218,098</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total United States Department of Education</strong></td>
<td></td>
<td></td>
<td>110,022,582</td>
<td>7,345,240</td>
</tr>
</tbody>
</table>

**United States Department of Health & Human Services**

Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems | 93.938 | None | 459,245 | - |

*Pass-through from the Florida Department of Children & Families:*

| Refugee and Entrant Assistance-State Administered Programs | 93.566 | XK021 | 511,726 | - |
| Refugee & Entrant Assistance-Discretionary Grant | 93.576 | XK021 | 103,773 | - |

*Pass-through Department of Community Services:*

| Head Start | 93.600 | 04CH3046/003/ | 2,880,910 | - |
| Developmental Disabilities Basic Support and Advocacy Grants | 93.600 | 6119-1353-00-C | 3,225 | - |

| **Total United States Department of Health & Human Services** | | | 3,958,879 | - |

**United States Department of Transportation**

Pass-through from Florida Department of Transportation:

| Safety Data Improvement Program | 20.234 | None | 22,279 | - |

| **Total United States Department of Transportation** | | | 22,279 | - |

**United States Department of Defense**

| Reserve Officers Training Corps (ROTC) (GSF) | 12.unknown | None | 1,060,583 | - |

| **Total United States Department of Defense** | | | 1,060,583 | - |

**Total Expenditures of Federal Awards**

| | | | $180,517,535 | $7,345,240 |

See Notes to Schedule of Expenditures of Federal Awards.
Note 1. General and Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) presents the expenditure activity of all federal awards of The School District of Palm Beach County, Florida (the District), for the year ended June 30, 2015. The District’s reporting entity is defined in Note 1 of the District’s basic financial statements. All federal awards received directly from federal and indirectly through state agencies, as well as amounts passed through other government agencies are included in the accompanying schedule of expenditures of federal awards. Because the schedule presents only a selected portion of the expenditures 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. Some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Basis of Accounting and Noncash Assistance – Food Donation

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. The information in the schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and follow the cost principles contained in OMB Circular A-122, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Commodities represent the amount of donated food received during the 2014-2015 fiscal year. Commodities are valued at fair value as determined at the time of donation.
Section I. Summary of Independent Auditor’s Results

Financial Statements

<table>
<thead>
<tr>
<th>Type of auditor’s report issued:</th>
<th>Unmodified</th>
</tr>
</thead>
</table>

Internal control over financial reporting:
- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported
- Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major program:
- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a), of Circular A-133?
- Yes X No

Identification of major programs:

<table>
<thead>
<tr>
<th>CFDA Number(s)</th>
<th>Name of Federal Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.027/84.173</td>
<td>Special Education Cluster</td>
</tr>
<tr>
<td>84.367</td>
<td>Improving Teacher Quality</td>
</tr>
<tr>
<td>84.365</td>
<td>English Language Acquisition Grants</td>
</tr>
</tbody>
</table>

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

Auditee qualified as low-risk auditee? X Yes No

(Continued)
The School District of Palm Beach County, Florida

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

Section II.  Financial Statements Findings

None reported

Section III.  Federal Award Findings and Questioned Costs

None reported
No findings were reported for the fiscal year ended June 30, 2014.