

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
REPORTS REQUIRED BY THE UNIFORM GUIDANCE
FOR THE YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Chairperson and Members of
The School Board of Broward County, Florida

Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of The School Board of Broward County, Florida (the "District") for the year ended June 30, 2017, and the related notes.

Management's Responsibility

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards of the District for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

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Hollywood, Florida
February 2, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Chairperson and Members of
The School Board of Broward County, Florida

Report on Compliance for Each Major Federal Program

We have audited The School Board of Broward County, Florida (the "District") compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) 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, 2017. 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 major 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 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). Those standards and the Uniform Guidance 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 with those requirements.

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 major federal program for the year ended June 30, 2017.

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 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style and is positioned above a light blue horizontal line.

Hollywood, Florida
February 2, 2018

**SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Entity Program Title	CFDA Number	Pass- Through Grantor Number	Expenditures
United States Department of Agriculture:			
<u>Indirect:</u>			
Child Nutrition Cluster:			
Florida Department of Agriculture and Consumer Services:			
National School Lunch Program – Commodities	10.555(2)(A)	None	\$ 9,913,275
Florida Department of Education:			
School Breakfast Program (SBP)	10.553	321	17,090,071
National School Lunch Program (NSLP)	10.555	300	61,351,700
Summer Food Service Program for Children (SFSPC)	10.559	323,324,325	<u>1,415,134</u>
Total Child Nutrition Cluster			<u>89,770,180</u>
Fresh Fruit and Vegetable Program	10.582	None	321,750
Child and Adult Care Food Program	10.558	None	<u>5,511,113</u>
Total United States Department of Agriculture			<u>95,603,042</u>
United States Department of Labor:			
<u>Indirect:</u>			
CareerSource Broward:			
WIA/WIOA – Youth Activities	17.259	None	<u>921,913</u>
Total United States Department of Labor			<u>921,913</u>
United States Department of Education:			
<u>Direct:</u>			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grant			
Federal Pell Grant Program	84.007	None	144,307
Total Student Financial Assistance Cluster			<u>4,701,211</u>
Magnet Schools Assistance	84.063	None	<u>4,845,518</u>
Safe and Drug-Free Schools and Communities - National Programs	84.165	None	1,826,671
Fund for the Improvement of Education	84.184	None	843,035
Teacher Incentive Fund	84.215	None	945,425
Total Direct	84.374	None	<u>15,575,384</u>
<u>24,036,033</u>			
<u>Indirect:</u>			
Florida Department of Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B)	84.027	262, 263	56,143,127
Special Education - Preschool Grants (IDEA Preschool)	84.173	266, 267	<u>1,450,899</u>
Total Special Education Cluster			<u>57,594,026</u>

(Continued)

See Notes to the Schedule of Expenditures of Federal Awards.

**SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Entity Program Title	CFDA Number	Pass- Through Grantor Number	Expenditures
United States Department of Education (Continued):			
<u>Indirect (Continued):</u>			
Title I, Part A:			
Title I, Part A Grants to Local Educational Agencies	84.010	212, 223, 226	<u>\$ 65,447,797</u>
Total Title I Part A			<u>65,447,797</u>
School Improvement Grants:			
School Improvement Grants	84.377	126	<u>1,635,975</u>
Total School Improvement Grants			<u>1,635,975</u>
Education of Homeless Children and Youth:			
Education of Homeless Children and Youth	84.196	127	<u>111,573</u>
Total Education of Homeless Children and Youth			<u>111,573</u>
Adult Education – State Grant Program	84.002	191,193,194	2,624,031
Migrant Education – State Grant Program	84.011	217	95,478
Career and Technical Education – Basic Grants to States	84.048	151,161	3,225,316
Charter Schools	84.282	298	1,537,401
Twenty-First Century Community Learning Centers	84.287	244	2,471,458
English Language Acquisition Grants	84.365	102	5,096,177
Supporting Effective Instruction State Grants	84.367	224,225	<u>9,852,731</u>
Total indirect			<u>149,691,963</u>
Total United States Department of Education			<u>173,727,996</u>
United States Department of Health and Human Services			
<u>Direct:</u>			
Public Health Service:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	None	43,948
Headstart	93.600	None	<u>14,972,681</u>
Total Public Health Service			<u>15,016,629</u>
Center For Disease Control:			
Cooperative Agreements to Support Comprehensive Schools Health:			
Cooperative Agreements to Promote Adolescent Health Through School-Based HIV/STD Prevention and Surveillance	93.079	None	591,515
Injury Prevention and Control Research and State and Community Based Programs	93.136	None	<u>194</u>
Total Center For Disease Control			<u>591,709</u>
Total Direct			<u>15,608,339</u>

(Continued)

See Notes to the Schedule of Expenditures of Federal Awards.

**SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Entity Program Title	CFDA Number	Pass- Through Grantor Number	Expenditures
United States Department of Health and Human Services (Continued):			
<u>Indirect:</u>			
Florida Agency for Workforce Innovation:			
Child Care and Development Block Fund Cluster			
Early Learning Coalition of Broward County, Inc:			
Child Care and Development Block Fund	93.575	None	\$ 310,136
Child Care Mandatory and Matching Funds of the Child Care Development Fund	93.596	None	<u>275,214</u>
Total Child Care and Development Block Fund Cluster			<u>585,350</u>
Florida Department of Children and Families:			
Temporary Assistance for Needy Families	93.558	None	245,365
Social Services Block Grant:	93.667	None	<u>748</u>
Total indirect			<u>831,463</u>
Total United States Department of Health and Human Services			<u>16,439,802</u>
United States National Science Foundation			
<u>Indirect:</u>			
Florida Department of Education:			
National Science Foundation	47.076	None	<u>413,357</u>
Total Education and Human Resources			<u>413,357</u>
United States Department of Defense:			
<u>Direct:</u>			
Army Junior Reserve Officers Training Corps	12.000	None	1,585,283
Air Force Junior Reserve Officers Training Corps	12.000	None	220,160
Marine Junior Reserve Officers Training Corps	12.000	None	134,228
Navy Junior Reserve Officers Training Corps	12.000	None	<u>317,041</u>
Total United States Department of Defense			<u>2,256,712</u>
Total Expenditures of Federal Awards			<u>\$ 289,362,823</u>

See Notes to the Schedule of Expenditures of Federal Awards.

**SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the expenditure activity of all federal awards of The School Board of Broward County, Florida (the "District") for the year ended June 30, 2017. The information in the 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 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. 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.

Note 2 - Summary of Significant Accounting Policies

The accompanying Schedule is presented using 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.

Note 3 – Subrecipient Awards

The District did not award any federal funds to subrecipients during the fiscal year ended June 30, 2017.

Note 4 – Noncash Awards

The National School Lunch Program includes \$9,913,275 of donated food used during the fiscal year June 30, 2017.

Note 5 – Indirect Cost Recovery

The District did not recover its indirect costs using the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

Note 6 - Contingencies

Grant monies received and disbursed by the District are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the District does not believe that such disallowances, if any, would have a material effect on the financial position of the District. As of February 2, 2018, management is not aware of any material questioned or disallowed costs as a result of grant audits in process or completed; however, the possible disallowance by a governmental agency of any item charged to a program or project cannot be determined at this time.

**SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ___ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? ___ Yes X None Reported
- Noncompliance material to financial statements noted? ___ Yes X No

The auditor's report and opinion on the basic financial statements and report on compliance and internal control based on the audit of the basic financial statements were issued by other auditors.

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ___ 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 2 CFR 200.516(a)? ___ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, Part A of the Elementary and Secondary Education Act
84.027, 84.173	Special Education Cluster, Individuals With Disabilities Education Act
84.048	Career and Technical Education
84.367	Supporting Effective Instruction State Grant

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

Auditee qualified as a low-risk auditee? ___ Yes X No

**SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Current Year Findings and Questioned Costs

None reported.

Section III - Federal Award Current Year Findings and Questioned Costs

None reported.

**SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

I – Financial Statements Prior Year Findings and Questioned Costs

None reported.

II - Federal Award Prior Year Findings and Questioned Costs

<u>Finding #</u>	<u>Grant Title /Grant CFDA#</u>	<u>Finding Title / Condition</u>	<u>Status</u>
2015-001	Department of Education - Title I Grants to Local Educational Agencies / 84.010	Material Noncompliance / Material Weakness	Corrected*

*** Status of Prior Year Finding 2015-001**

The Title 1 2014-2015 Rank and Serve audit finding has been corrected by the District submitting all required documentation to the Florida Department of Education (FDOE) during fiscal year 2017. The documentation submitted to the FDOE was as follows:

- An expenditure analysis for all Title I schools were ranked in order as prescribed in the Public School Eligibility Survey (PSES).
- A revised Title I budget that documented the allocation of funds equal to the questioned costs of \$3,125,432 to the 161 schools that were underfunded in the 2014-2015 school year.