

SINGLE AUDIT REPORT
ESCAMBIA COUNTY, FLORIDA
SEPTEMBER 30, 2015



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550,
*RULES OF THE AUDITOR GENERAL***

Honorable Board of County Commissioners
Escambia County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Escambia County, Florida (hereinafter referred to as "County"), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*, and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2015. The County's major federal programs and state projects are identified in the summary of auditor 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 and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.550, *Rules of the Auditor General*, 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 or state project occurred. An audit includes examining, on a test basis, evidence about the County'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 and state project. However, our audit does not provide a legal determination of the County's compliance with those requirements.

Opinion on Each Major Federal Program and State Project

In our opinion, the County 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 and state projects for the year ended September 30, 2015.

Report on Internal Control over Compliance

Management of the County 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 County's internal control over compliance with requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB *Circular A-133* and the Florida Department of Financial Services *State Projects Compliance Supplement*, 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 County'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 or state project 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 or state project 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 or state project 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 the 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.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Escambia County, Florida, as of and for the year ended September 30, 2015, and the notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 25, 2016, which contained unmodified opinions on those financial statements.

Our audit was performed 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 and State Financial Assistance is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General*, 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 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 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. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Purpose of this Report

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 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

May 25, 2016
Pensacola, Florida

**ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2015**

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures
National Endowment for the Arts			
Promotion of the Arts_Grants to Organizations and Individuals	45.024	FY15-241814	\$ 15,000
National Endowment for the Humanities			
Promotion of the Humanities_Federal/State Partnership	45.129	SO-50588-14	1,887
U.S. Department of Agriculture			
Passed Through Workforce ESCAROSA, Inc.:			
Supplemental Nutrition Assistance Program	10.551	SNAP2014-2015-01	42,602
Cooperative Forestry Assistance	10.664	016608	15,788
Cooperative Forestry Assistance	10.664	021955	5,952
Passed Through National Fish and Wildlife Foundation:			
Cooperative Forestry Assistance-NFWF Jones Swamp Wetland	10.664	1301.14.044223	11,075
			<u>32,815</u>
U.S. Department of Health and Human Services			
Passed Through Florida Department of Revenue:			
Child Support Enforcement	93.563	CSS17	50,853
Child Support Enforcement - Title IV Services	93.563	COC17	560,121
			<u>610,974</u>
Block Grants for Community Mental Health Services	93.958	AH102	40,189
U.S. Department of Homeland Security			
Passed Through Florida Department of Economic Opportunity:			
Homeland Security Grant - Domestic Security	97.067	15-DS-P4-01-27-01-379	7,035
Homeland Security Grant - Citizen Corps	97.067	15-CC-N2-01-27-01-398	5,477
Homeland Security Grant - Community Emergency Response Team	97.067	15-CI-N2-01-27-01-360	7,577
			<u>20,089</u>
Passed Through Florida Division of Emergency Management:			
Hazard Mitigation Grant - Maplewood Drainage	97.039	10HM-28-01-27-01-001	67,823
Emergency Management Performance Grant	97.042	15-FG-4D-01-27-01-084	65,348
Emergency Management Performance Grant	97.042	16-FG-5A-01-27-01-083	36,760
			<u>102,108</u>
Passed Through Florida Division of Emergency Management:			
Disaster Grants-Public Assistance (April 2014 Flood Event)	97.036	15-SP-8Z-01-27-02-514	5,227,722
U.S. Department of Housing and Urban Development			
Direct Programs:			
HUD - 14 CDBG Entitlement	14.218	B-14-UC-12-0012	474,447
HUD - 13 CDBG Entitlement	14.218	B-13-UC-12-0012	133,939
HUD - 12 CDBG Entitlement	14.218	B-12-UC-12-0012	43,766
HUD - 11 CDBG Entitlement	14.218	B-11-UC-12-0012	27,897
HUD - 10 CDBG Entitlement	14.218	B-10-UC-12-0012	11,862
HUD - 09 CDBG Entitlement	14.218	B-09-UC-12-0012	25,823
			<u>717,734</u>
HUD - 14 Emergency Solutions	14.231	E-14-UC-12-0022	97,915
HUD - 13 Emergency Solutions	14.231	E-13-UC-12-0022	3,027
HUD - 11 Emergency Solutions	14.231	E-11-UC-12-0022	2,576
			<u>103,518</u>

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE -- (Continued)
YEAR ENDED SEPTEMBER 30, 2015

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures
<u>U.S. Department of Housing and Urban Development-Continued</u>			
Direct Programs:			
HUD - 14 Home Investment Partnership	14.239	M-14-DC-12-0225	86,374
HUD - 13 Home Investment Partnership	14.239	M-13-DC-12-0225	245,938
HUD - 12 Home Investment Partnership	14.239	M-12-DC-12-0225	105,816
HUD - 11 Home Investment Partnership	14.239	M-11-DC-12-0225	2,307
HUD - 10 Home Investment Partnership	14.239	M-10-DC-12-0225	331,257
HUD - 09 Home Investment Partnership	14.239	M-09-DC-12-0225	75,435
			<u>847,127</u>
<u>U.S. Department of Justice</u>			
Direct Program:			
Edward Byrne Memorial - 2014 Justice Assistance Grant	16.738	2014-DJ-BX-0596	46,614
Passed Through Florida Department of Law Enforcement:			
Edward Byrne Memorial - Drug Court Treatment Grant	16.738	2015-JAGC-ESCA-1-R3-080	40,783
Edward Byrne Memorial - Drug Court Treatment Grant	16.738	2015-JAGC-ESCA-3-R3-057	15,900
Passed Through the State of Florida Office of Court Improvement:			
Edward Byrne Memorial - 2014 Drug Court Expansion Operations	16.803	01004CS	288,415
Subtotal for JAG Program Cluster			<u>391,712</u>
<u>U.S. Department of Transportation</u>			
Passed Through Florida Department of Transportation:			
Highway Planning and Construction-Safe Routes To School	20.205	427640-1-38-01 & 427640-1-58-01	1,119
Highway Planning and Construction-Crabtree Church Road	20.205	428119-1-38-01	354
Highway Planning and Construction-Jacks Branch Road	20.205	429678-2-58-01 & 429678-2-68-01	2,287,329
Highway Planning and Construction-Myrtle Grove Elementary	20.205	433768-1-58-01 & 433768-1-68-01	173,236
Recreational Trails Program-Southwest Greenway	20.219	T11015	200,000
Subtotal for Highway Planning and Construction Cluster			<u>2,662,038</u>
Direct Programs - Federal Transit Administration:			
Federal Transit Formula Grants-2015 Flex Funds	20.507	FL-95-X082-00	250,000
Federal Transit Formula Grants-2015 Flex Funds	20.507	FL-95-X082-01	300,000
Federal Transit Formula Grants-2015 Capital Projects	20.507	FL-90-X877-00	933,738
Federal Transit Formula Grants-2014 Capital Projects	20.507	FL-90-X848-00	1,563,677
Federal Transit Formula Grants-2014 Capital Projects	20.507	FL16-0009	230,400
Federal Transit Formula Grants-2014 Capital Projects	20.507	FTA-VTCLI Grant	172,060
Federal Transit Formula Grants-2013 Capital Projects	20.507	FL-90-X818-00	286,166
Federal Transit Formula Grants-2013 Capital Projects	20.507	FL16-0008	92,767
Federal Transit Formula Grants-2013 Capital Projects	20.507	FL34-0021	212,850
Federal Transit Formula Grants-2012 Capital Projects	20.507	FL-90-X804-00	432,078
Federal Transit Formula Grants-2011 Capital Projects	20.507	FL-90-X759-00	185,642
Federal Transit Formula Grants-2010 Capital Projects	20.507	FL-90-X728-00	252,357
Federal Transit Formula Grants-2009 Capital Projects	20.507	FL-90-X701-00	427,240
Federal Transit Formula Grants-2008 Capital Projects	20.507	FL-90-X666-00	405
Federal Transit Formula Grants-Good Repair Grant	20.507	FL-04018100	387,234
Subtotal Federal Transit Cluster			<u>5,726,614</u>
Passed Through Florida Department of Transportation:			
Formula Grant for Rural Areas	20.509	421368-2-84-31	158,258
Passed Through Florida/ Alabama			
Transportation Planning Organization:			
Job Access and Reverse Commute	20.516	FL-37-X046-00	27,292
New Freedom Program	20.521	FL-57-X026-00	28,746
Subtotal Transit Service Program Cluster			<u>56,038</u>

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE -- (Continued)
YEAR ENDED SEPTEMBER 30, 2015

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures
U.S. Election Assistance Commission			
Passed Through Florida Department of State:			
Help America Vote Act Requirements Payments	90.401	N/A	43,936
Help America Vote Act Requirements Payments - HHS	90.401	N/A	10,483
			54,419
U.S. Environmental Protection Agency			
Passed Through Florida Department of Environmental Protection:			
Nonpoint Source Implementation Grants-Jones Creek East Stream	66.460	G0281	17,642
Nonpoint Source Implementation Grants-Glynn Key Stormwater	66.460	G0063	4,338
			21,980
TOTAL FEDERAL AWARDS			\$ 16,900,647
Executive Office of the Governor			
Emergency Management Program	31.063	15-BG-83-01-27-01-017	\$ 67,061
Emergency Management Program	31.063	16-BG-83-01-27-01-016	11,884
			78,945
Emergency Management Project-Hazard Materials Update	31.067	15CP-11-01-27-01-261	53,742
Florida Department of Agriculture and Consumer Services			
Mosquito Control - Waste Tire Abatement	42.003	N/A	30,668
Florida Department of Environmental Protection			
Early Restoration Deepwater Horizon Oil Spill	37.081	DEP-S0705; FWC-13212	10,000
Florida Department of Health			
EMS County Award	64.005	C3017	44,150
Florida Department of State and Secretary of State			
State Aid To Libraries	45.030	15-ST-94	191,698
Florida Department of Transportation			
Commission for the Transportation Disadvantaged	55.001	ARJ04	657,721
Public Transit Block Grant Program	55.010	422257-1-84-01	809,493
Public Transit Service Development Program - Express Service	55.012	430287-1-84-01	616,995
Public Transit Service Development Program - FDOT Service Development	55.012	430995-1-84-01	103,247
			720,242
Transit Corridor Program - Davis Highway Corridor	55.013	422260-1-84-01	1,043,466
Florida Fish and Wildlife Commission			
Artificial Reef Grant Program - Ex-Oriskany PCB	77.007	10263	38,325
Artificial Reef Grant Program-Escambia County Artificial Reef	77.007	FWC-14327	71,647
			109,972
Florida Housing Finance Corporation			
State Housing Initiatives Partnership - 2015	52.901	N/A	743,925
State Housing Initiatives Partnership - 2014	52.901	N/A	210,194
			954,119
TOTAL STATE AWARDS			\$ 4,704,216
TOTAL FEDERAL AND STATE AWARDS			\$ 21,604,863

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

**ESCAMBIA COUNTY FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Escambia County, Florida and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - SUBRECIPIENTS

Of the expenditures presented in the schedule, Escambia County, Florida provided federal and state awards to subrecipients as follows:

Program Title	Federal CFDA / State CSFA Number	Amount Provided to Subrecipients
Community Development Block Grant - Entitlement Grants	14.218	\$ 65,500
Emergency Shelter Grant	14.231	\$ 91,097

NOTE C - MATCH

The County match on Federal Transit Administration grants is received from the State of Florida as a non-cash award via Florida Toll Road Credits.

**ESCAMBIA COUNTY FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

A. SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified Opinion
Internal control over financial reporting:
Material weakness(es) identified? _____ yes no
Significant deficiency (ies) identified that are
not considered to be material weakness(es)? _____ yes none reported

Noncompliance material to financial statements
noted? _____ yes no

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Internal control over major programs:
Material weakness(es) identified? _____ yes no
Significant deficiency(ies) identified that are
not considered to be material weakness(es)? _____ yes none reported

Type of auditors' report issued on compliance
for major programs: Unmodified Opinion

Any audit findings disclosed that are required
to be reported in accordance with section 510(a)
of Circular A-133 or Chapter 10.550, Rules of
the Auditor General? _____ yes no

IDENTIFICATION OF MAJOR PROGRAMS

Federal Program

CFDA No. 14.239 Home Investment Partnerships Program
CFDA No. 20.507 Federal Transit Formula Grants
CFDA No. 97.036 Disaster Grants – Public Assistance

Dollar threshold used to distinguish
between type A and type B programs: \$ 507,019

Auditee qualified as low-risk auditee? yes _____ no

**ESCAMBIA COUNTY FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

A. SUMMARY OF AUDITOR RESULTS – (CONTINUED)

State Projects

CSFA No. 55.001 Commission for the Transportation Disadvantaged
CSFA No. 55.010 Public Transit Block Grant Program
CSFA No. 55.013 Transit Corridor Program

Dollar threshold used to distinguish
between type A and type B programs: \$ 300,000

B. FINANCIAL STATEMENT FINDINGS

There were no findings which were required to be reported in accordance with government auditing standards generally accepted in the United States of America.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

There were no findings which were required to be reported in accordance with section 510(a) of OMB Circular A-133.

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE

There were no findings which were required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*.