

SINGLE AUDIT REPORT
ESCAMBIA COUNTY, FLORIDA
SEPTEMBER 30, 2015



**SINGLE AUDIT REPORT
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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.S. Department of Housing and Urban Development-Continued | | | |
| 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.S. Department of Justice | | | |
| 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.S. Department of Transportation | | | |
| 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>U.S. Election Assistance Commission</u> | | | |
| 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>U.S. Environmental Protection Agency</u> | | | |
| 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 |
| <u>Executive Office of the Governor</u> | | | |
| 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 |
| <u>Florida Department of Agriculture and Consumer Services</u> | | | |
| Mosquito Control - Waste Tire Abatement | 42.003 | N/A | 30,668 |
| <u>Florida Department of Environmental Protection</u> | | | |
| Early Restoration Deepwater Horizon Oil Spill | 37.081 | DEP-S0705; FWC-13212 | 10,000 |
| <u>Florida Department of Health</u> | | | |
| EMS County Award | 64.005 | C3017 | 44,150 |
| <u>Florida Department of State and Secretary of State</u> | | | |
| State Aid To Libraries | 45.030 | 15-ST-94 | 191,698 |
| <u>Florida Department of Transportation</u> | | | |
| 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 |
| <u>Florida Fish and Wildlife Commission</u> | | | |
| 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 |
| <u>Florida Housing Finance Corporation</u> | | | |
| 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*.