

SINGLE AUDIT REPORT
ESCAMBIA COUNTY, FLORIDA
SEPTEMBER 30, 2016

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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 THE UNIFORM GUIDANCE 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) *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, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; 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); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance 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, 2016.

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 the Uniform Guidance 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 the Uniform Guidance 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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 24, 2017, 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 and State Financial Assistance is presented for the purposes of additional analysis as required by the Uniform Guidance 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 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 and State Financial Assistance is fairly stated in all material respects in relation to the basic 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 the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

February 24, 2017
Pensacola, Florida

**ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
<u>National Endowment for the Humanities</u>				
Passed Through Florida Humanities Council: Promotion of the Humanities_Federal/State Partnership	45.129	SO-50588-14	4,721	-
<u>U.S. Department of Agriculture</u>				
Passed Through ESCAROSA, Inc.: Supplemental Nutrition Assistance Program	10.551	2015-2016-01	22,195	-
Passed Through Florida Department of Agriculture and Consumer Services: Cooperative Forestry Assistance	10.664	21828	4,212	-
Direct Programs:				
Emergency Watershed Protection Program	10.923	ESC-APR14-008	169,514	-
Emergency Watershed Protection Program	10.923	ESC-APR14-001	317,479	-
Emergency Watershed Protection Program	10.923	ESC-APR14-006	367,932	-
Emergency Watershed Protection Program	10.923	ESC-APR14-002	166,403	-
Emergency Watershed Protection Program	10.923	ESC-APR14-004	1,667,619	-
Emergency Watershed Protection Program	10.923	ESC-APR14-003	527,788	-
Emergency Watershed Protection Program	10.923	ESC-APR14-007	35,725	-
			3,252,460	-
<u>U.S. Department of Health and Human Services</u>				
Passed Through Florida Department of Revenue: Child Support Enforcement	93.563	CST17	53,192	-
Child Support Enforcement	93.563	COC17	879,832	-
			933,024	-
Passed Through Big Bend Community Based Care, Inc.: Block Grants for Community Mental Health Services	93.958	A0150	43,567	-
<u>U.S. Department of Homeland Security</u>				
Passed Through Florida Division of Emergency Management: Flood Mitigation Assistance	97.029	16FM-J8-01-27-01-265	4,149	-
Passed Through Florida Division of Emergency Management: Disaster Grants-Public Assistance	97.036	15-SP-8Z-01-27-02-514	3,998,958	-
Passed Through Florida Division of Emergency Management: Emergency Management Performance Grants	97.042	17-FG-P9-01-27-01-090	36,018	-
Emergency Management Performance Grants	97.042	16-FG-5A-01-27-01-083	68,541	-
Emergency Management Performance Grants	97.042	16-CI-S9-01-21-02-318	6,500	-
Emergency Management Performance Grants	97.042	16-CC-S9-01-21-01-319	6,500	-
			117,559	-
Passed Through Florida Division of Emergency Management: Homeland Security Grant Program	97.067	15-DS-P4-01-27-01-379	5,981	-
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Community Development Block Grant/Entitlement Grants	14.218	B-09-UC-12-0012	2,380	-
Community Development Block Grant/Entitlement Grants	14.218	B-10-UC-12-0012	69,078	-
Community Development Block Grant/Entitlement Grants	14.218	B-11-UC-12-0012	274,780	-
Community Development Block Grant/Entitlement Grants	14.218	B-12-UC-12-0012	232,922	-
Community Development Block Grant/Entitlement Grants	14.218	B-13-UC-12-0012	134,049	-
Community Development Block Grant/Entitlement Grants	14.218	B-14-UC-12-0012	201,378	-
Community Development Block Grant/Entitlement Grants	14.218	B-15-UC-12-0012	462,883	65,500
			1,377,470	65,500
Direct Programs:				
Emergency Solutions Grant Program	14.231	E-14-UC-12-0022	11,649	11,649
Emergency Solutions Grant Program	14.231	E-15-UC-12-0012	99,480	92,075
			111,129	103,724

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)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development-Continued				
Direct Programs:				
Home Investment Partnerships Program	14.239	M-10-DC-12-0225	14,413	14,413
Home Investment Partnerships Program	14.239	M-12-DC-12-0225	161,344	161,344
Home Investment Partnerships Program	14.239	M-13-DC-12-0225	180,859	171,728
Home Investment Partnerships Program	14.239	M-14-DC-12-0225	127,863	127,863
Home Investment Partnerships Program	14.239	M-15-DC-12-0225	80,355	36,310
			564,834	511,658
U.S. Department of the Interior				
Passed Through Florida Fish and Wildlife Conservation Commission:				
Sport Fish Restoration	15.605	14097	3,540	-
Direct Program:				
National Park Service Conservation, Protection, Outreach and Education	15.954	P16AC00331	92,042	-
U.S. Department of Justice				
Passed Through Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-JAGC-ESCA-3-H3-202	32,976	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-JAGC-ESCA-1-H3-175	10,998	-
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0575	59,264	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0596	87,242	-
			190,480	-
U.S. Department of Transportation				
Passed Through Florida Department of Transportation:				
Highway Planning and Construction	20.205	AR315	506,409	-
Highway Planning and Construction	20.205	ART50	2,750,907	-
Highway Planning and Construction	20.205	ART49	1,252,902	-
Direct Program:				
Highway Planning and Construction	20.205	436511-2-38-01	99,954	-
			4,610,172	-
Direct Programs:				
Federal Transit Capital Investment Grants	20.500	FL-04-0183-00	26,950	-
Federal Transit Formula Grants	20.507	FL-90-X728-00	89,270	-
Federal Transit Formula Grants	20.507	FL-90-X759-00	46,220	-
Federal Transit Formula Grants	20.507	FL-90-X804-00	198,045	-
Federal Transit Formula Grants	20.507	FL-90-X825-00	38,404	-
Federal Transit Formula Grants	20.507	FL-90-X848-00	1,130	-
Federal Transit Formula Grants	20.507	FL-90-X877-00	237,596	-
Federal Transit Formula Grants	20.507	FL-2017-003	2,819,261	-
State and Good Repair Grants Program	20.525	FL-04-0181-00	120,020	-
Subtotal Federal Transit Cluster			3,576,896	-
Passed Through Florida Department of Transportation:				
Formula Grant for Rural Areas	20.509	ARL62	184,828	-
Passed Through Florida Department of Transportation:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	FL-16-X015	206,971	-
Passed Through Florida/Alabama Transportation Planning Organization:				
Job Access and Reverse Commute	20.516	FL-37-X046-00	14,086	-
Subtotal Transit Services Program Cluster			221,057	-
U.S. Department of the Treasury				
Direct Program:				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080002-01-00	323,045	-

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)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
<u>U.S. Election Assistance Commission</u>				
Passed Through Florida Department of State: Help America Vote Act Requirements	90.401	MOA 2015-2016-0001-ESC	33,684	-
<u>U.S. Environmental Protection Agency</u>				
Passed Through Florida Department of Environmental Protection: Nonpoint Source Implementation Grants	66.460	G0439	86,000	-
TOTAL FEDERAL AWARDS			\$ 19,762,003	\$ 680,882
<u>Executive Office of the Governor</u>				
Direct Programs:				
Emergency Management Programs	31.063	17-BG-83-01-27-01-023	\$ 9,434	\$ -
Emergency Management Programs	31.063	16-BG-83-01-27-01-016	78,489	-
			87,923	-
Direct Program:				
Emergency Management Projects	31.067	16CP-11-01-27-01-169	11,199	-
<u>Florida Department of Agriculture and Consumer Services</u>				
Direct Program:				
Mosquito Control	42.003	022283	13,895	-
<u>Florida Department of Economic Opportunity</u>				
Direct Program:				
Local Economic Development Initiatives	40.012	S0031	21,553	-
<u>Florida Department of Environmental Protection</u>				
Direct Program:				
Statewide Surface Water Restoration and Wastewater Projects	37.039	S0878	111,218	-
Direct Programs:				
Early Restoration Deepwater Horizon Oil Spill	37.081	S0779	24,499	-
Early Restoration Deepwater Horizon Oil Spill	37.081	S0705	15,639	-
Early Restoration Deepwater Horizon Oil Spill	37.081	S0927	1,479	-
			41,617	-
<u>Florida Department of Health</u>				
Direct Program:				
County Grant Awards	64.005	C4017	38,136	-
<u>Florida Department of State and Secretary of State</u>				
Passed Through Panhandle Library Access Network:				
Library Cooperative Grants	45.018	N/A	10,260	-
Direct Program:				
State Aid To Libraries	45.030	16-ST-93	135,469	-
Direct Program:				
Acquisition, Restoration of Historic Properties	45.032	SC518	350,000	-
<u>Florida Department of Transportation</u>				
Direct Program:				
Commission for the Transportation Disadvantaged Trip and Equipment Grant	55.001	MOA 2015-2016-0001-ESC	785,869	-
Direct Program:				
Public Transit Block Grant Program	55.010	ARL61	824,361	-
Direct Program:				
Transit Corridor Program	55.013	ARL63	639,256	-

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)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
<u>Florida Department of Transportation-Continued</u>				
Direct Program:				
Economic Development Transportation Projects - Road Fund	55.032	ART87	49,533	-
<u>Florida Fish and Wildlife Conservation Commission</u>				
Direct Programs:				
Artificial Reef Grants Program	77.007	13325	2,925	-
Artificial Reef Grants Program	77.007	15153	942	-
			<u>3,867</u>	<u>-</u>
<u>Florida Housing Finance Corporation</u>				
Direct Programs:				
State Housing Initiatives Partnership Program	40.901	2015 SHIP	721,367	273,576
State Housing Initiatives Partnership Program	40.901	2016 SHIP	671,829	88,242
			<u>1,393,196</u>	<u>361,818</u>
<u>Florida State Courts System</u>				
Direct Program:				
Post-Adjudicatory Drug Court Program	22.021	N/A	209,666	-
TOTAL STATE AWARDS			<u>\$ 4,727,018</u>	<u>\$ 361,818</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 24,489,021</u>	<u>\$ 1,042,700</u>

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, 2016**

NOTE A - BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of Escambia County, Florida under programs of the federal and state government for the year ended September 30, 2016. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Escambia County, Florida did not elect to utilize the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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, 2016**

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 the Uniform
Guidance or Chapter 10.550, Rules of
the Auditor General? _____ yes no

IDENTIFICATION OF MAJOR PROGRAMS

Federal Program

CFDA No. 10.923 Emergency Watershed Protection Program
CFDA No. 14.218 Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish
between type A and type B programs: \$ 750,000
Auditee qualified as low-risk auditee? yes _____ no

**ESCAMBIA COUNTY FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

A. SUMMARY OF AUDITOR RESULTS – (CONTINUED)

State Projects

CSFA No. 40.901 State Housing Initiatives Partnership Program
CSFA No. 45.032 Acquisition, Restoration of Historic Properties
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 the Uniform Guidance.

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*.