

SINGLE AUDIT REPORT
ESCAMBIA COUNTY, FLORIDA
SEPTEMBER 30, 2019

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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, 2019. 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, 2019.

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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 10, 2020, 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

Pensacola, Florida
February 10, 2020

**ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Federal and State Grantor/Pass-Through Grantor/Program Title	CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
<u>Gulf Coast Ecosystem Restoration Council</u>				
Passed Through Florida Department of Environmental Protection:				
Gulf Coast Ecosystem Restoration Council Comprehensive Plan Component Program	87.051	G0448	\$ 41,225	\$ -
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
Emergency Watershed Program	10.923	NR184209XXXXC038	423,918	-
<u>U.S. Department of Health and Human Services</u>				
Passed Through Florida Department of Revenue:				
Child Support Enforcement	93.563	CST17	48,504	-
Child Support Enforcement	93.563	COC17	402,164	-
			450,668	-
Passed Through Big Bend Community Based Care, Inc.:				
Block Grants for Community Mental Health Services	93.958	A0150	42,665	-
<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	398,186	-
Flood Mitigation Assistance	97.029	18FM-S7-01-27-01-081	113,646	-
Flood Mitigation Assistance	97.029	18FM-S3-01-27-01-019	8,209	-
			520,041	-
Passed Through Florida Division of Emergency Management:				
Disaster Grants-Public Assistance	97.036	13-IS-3S-01-27-02-558	2,744,481	-
Disaster Grants-Public Assistance	97.036	15SP-8Z-01-27-02-514	26,214,242	-
			28,958,723	-
Passed Through Florida Division of Emergency Management:				
Hazard Mitigation Grant	97.039	16HM-H4-01-27-01-452	1,489,656	-
Hazard Mitigation Grant	97.039	16HM-H4-01-27-01-XXX	14,893	-
Hazard Mitigation Grant	97.039	17HM-H4-01-27-01-314	226,721	-
Hazard Mitigation Grant	97.039	18HM-H4-01-27-01-XXX	14,658	-
			1,745,928	-
Passed Through Florida Division of Emergency Management:				
Emergency Management Performance Grants	97.042	G0021	17,224	-
Emergency Management Performance Grants	97.042	19-FG-AF -01-27-01-097	67,633	-
Passed Through Florida Commission on Community Service DBA Volunteer Florida:				
Emergency Management Performance Grants	97.042	CERT Contract Agreement 2018-2019	5,000	-
			89,857	-
Direct Programs:				
Homeland Security Grant Program	97.067	19-DS-X1-27-01-128	998	-
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Community Development Block Grant/Entitlement Grants	14.218	B-14-UC-12-0012	89,279	-
Community Development Block Grant/Entitlement Grants	14.218	B-15-UC-12-0012	485,920	-
Community Development Block Grant/Entitlement Grants	14.218	B-16-UC-12-0012	97,236	-
Community Development Block Grant/Entitlement Grants	14.218	B-17-UC-12-0012	155,221	-
Community Development Block Grant/Entitlement Grants	14.218	B-18-UC-12-0012	759,721	-
			1,587,377	-

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, 2019**

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Housing and Urban Development-Continued</u>				
Direct Programs:				
Home Investment Partnerships Program	14.239	M-13-DC-12-0225	62,529	-
Home Investment Partnerships Program	14.239	M-14-DC-12-0225	61,155	-
Home Investment Partnerships Program	14.239	M-16-DC-12-0225	2,624	2,624
Home Investment Partnerships Program	14.239	M-17-DC-12-0225	21,027	19,178
Home Investment Partnerships Program	14.239	M-18-DC-12-0225	105,690	53,974
			253,025	75,776
<u>U.S. Department of Justice</u>				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-1080	92,382	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0830	82,164	-
Passed Through Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JAGC-ESCA-1-N2-072	50,000	-
			224,546	-
<u>U.S. Department of Transportation</u>				
Passed Through Florida Department of Transportation:				
Highway Planning and Construction	20.205	G0072	167,947	-
Highway Planning and Construction	20.205	G0K38	52,356	-
Highway Planning and Construction	20.205	G0M06	237,692	-
Highway Planning and Construction	20.205	G0M80	416,816	-
Highway Planning and Construction	20.205	G0W17	82,913	-
Highway Planning and Construction	20.205	G0073	103,866	-
			1,061,590	-
Federal Transit Cluster				
Direct Programs:				
State of Good Repair Grants Program	20.525	FL-04-0181-00	44,425	-
Direct Programs:				
Federal Transit Formula Grants	20.507	FL-90-X938-00	3,425	-
Federal Transit Formula Grants	20.507	FL-90-X759-00	203,989	-
Federal Transit Formula Grants	20.507	FL-90-X804-00	36,437	-
Federal Transit Formula Grants	20.507	FL-90-X825-00	5,166	-
Federal Transit Formula Grants	20.507	FL-90-X990	265,744	-
Federal Transit Formula Grants	20.507	FL-90-X877-00	2,476	-
Federal Transit Formula Grants	20.507	FL 2019-034-00	300,000	-
Federal Transit Formula Grants	20.507	FL2019-059-00	3,433,635	-
			4,250,872	-
Direct Programs:				
Bus and Facilities Formula Program	20.526	FL-34-0021-00	71,770	-
Bus and Facilities Formula Program	20.526	FL-2017-005-00	768	-
			72,538	-
Subtotal Federal Transit Cluster			4,367,835	-
Passed Through Florida Department of Transportation:				
Formula Grant for Rural Areas	20.509	G0R31	80,939	-

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, 2019**

Federal and State Grantor/Pass-Through Grantor/Program Title	CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
<u>U.S. Department of the Treasury</u>				
Direct Program:				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080046-01-00	9,370	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080048-01-00	56,319	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080049 -01-00	8,934	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080042-01-00	40,687	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080054-01-00	2,983	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080055-01-00	17,364	-
			135,657	-
<u>U.S. Election Assistance Commission</u>				
Passed Through Florida Department of State:				
Help America Vote Act Requirements	90.401	MOA 2017-2018-0001-ESC	11,418	-
Help America Vote Act Requirements	90.401	MOA 2018-2019-001-ESC	108,864	-
Help America Vote Act Requirements	90.401	MOA 2018-2019-002-ESC	5,640	-
			125,922	-
<u>U.S. Environmental Protection Agency</u>				
Gulf Coast Ecosystem Restoration Council Comprehensive Plan	66.130	00D81118	35,829	-
Direct Program:				
Gulf of Mexico Program	66.475	D43616	50,391	-
			50,391	-
TOTAL FEDERAL AWARDS			\$ 40,197,134	\$ 75,776
 STATE AWARDS				
<u>Executive Office of the Governor</u>				
Direct Program:				
Emergency Management Programs	31.063	19-BG-21-01-27-01-024	\$ 56,500	\$ -
Emergency Management Projects	31.067	19-CP-11-01-27-01-105-166	11,915	-
<u>Florida Department of Agriculture and Consumer Services</u>				
Direct Program:				
Mosquito Control	42.003	025495	42,133	-
<u>Florida Department of Economic Opportunity</u>				
Passed Through Enterprise Florida, Inc.:				
Local Economic Development Initiatives	40.012	14-07	183,424	-
Local Economic Development Initiatives	40.012	DIG 15-09	200,000	-
Direct Program:				
Florida Defense Infrastructure Grant	40.012	S0031	100,000	-
			483,424	-
<u>Florida Department of Environmental Protection</u>				
Direct Program:				
Statewide Surface Water Restoration and Wastewater Projects	37.039	S0878	101,850	-
Direct Programs:				
Early Restoration Deepwater Horizon Oil Spill	37.081	S0779	39,816	-
Early Restoration Deepwater Horizon Oil Spill	37.081	S0705	128,849	-
Early Restoration Deepwater Horizon Oil Spill	37.081	S0927	184	-
			168,849	-

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, 2019**

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
Florida Department of Health				
Direct Program:				
County Grant Awards	64.005	C7017	26,994	-
Florida Department of State and Secretary of State				
Direct Program:				
State Aid To Libraries	45.030	19-ST-91	115,188	-
Florida Department of Transportation				
Direct Program:				
Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program	55.001	G1A24	172,843	-
Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program	55.001	G0X22	218,010	-
Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program	55.001	GOY02	26,122	-
Direct Program:				
Public Transit Block Grant Program	55.010	G0Z76	942,970	-
Direct Program:				
Transit Corridor Program	55.013	G1036	434,059	-
Direct Program:				
Economic Development Transportation Project Fund	55.032	G0U96	253,801	-
Direct Program:				
Economic Development Transportation Project Fund	55.039	G0W62	500,000	-
Florida Department of Education and Commissioner of Education				
Direct Program:				
Coach Aaron Feis Guardian Program	48.140	96Z-90210-9D001	220,612	-
Florida Fish and Wildlife Conservation Commission				
Direct Program:				
Derelict Vessel Removal Program	77.005	18212	8,042	-
Direct Programs:				
Artificial Reef Grants Program	77.007	15104	39,312	-
Artificial Reef Grants Program	77.007	15153	1,817,612	-
			1,856,924	-
Florida Housing Finance Corporation				
Direct Programs:				
State Housing Initiatives Partnership Program	40.901	2017 SHIP	1,105,541	-
State Housing Initiatives Partnership Program	40.901	2018 SHIP	250,935	-
State Housing Initiatives Partnership Program	40.901	2019 SHIP	272,506	23,265
			1,628,982	23,265
TOTAL STATE AWARDS			\$ 7,269,218	\$ 23,265
TOTAL FEDERAL AND STATE AWARDS			\$ 47,466,352	\$ 99,041

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, 2019**

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, 2019. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Escambia County, Florida did not elect to utilize the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – MATCH

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

NOTE D – EXPENDITURES INCURRED IN PRIOR FISCAL YEAR

Total CFDA 97.036 expenditures for contract 13-IS-3S-01-27-02-558 of \$2,744,481 were incurred in a prior fiscal year and obligated by FEMA in the current fiscal year.

**ESCAMBIA COUNTY FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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. 14.218 Community Development Block Grant/Entitlement Grants
CFDA No. 97.036 Disaster Grants-Public Assistance

Dollar threshold used to distinguish
between type A and type B programs: \$ 1,205,914
Auditee qualified as low-risk auditee? yes _____ no

**ESCAMBIA COUNTY FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A. SUMMARY OF AUDITOR RESULTS – (CONTINUED)

State Projects

CSFA No. 40.901 State Housing Initiatives Partnership Program
CSFA No. 55.010 Public Transit Block Grant Program
CSFA No. 77.007 Artificial Reef Grants Program

Dollar threshold used to distinguish
between type A and type B programs: \$ 750,000

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*.