

SINGLE AUDIT SECTION



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**Independent Auditors' Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Honorable Board of County Commissioners
Seminole County, Florida:

We have audited the general purpose financial statements of Seminole County, Florida (County) as of and for the year ended September 30, 2001, and have issued our report thereon dated March 22, 2002, and which referred to our use of the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management of the County in a separate letter dated March 22, 2002.

This report is intended solely for the information and use of the Board of County Commissioners of Seminole County, Florida, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 22, 2002





**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL
CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT**

The Honorable Members of the
Board of County Commission
Seminole County, Florida

Compliance

We have audited the compliance of Seminole County, Florida (the "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 Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2001. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit in accordance with United States generally accepted auditing standards; 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 non-compliance 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2001.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining, effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.



Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weaknesses is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the compliance of Seminole County, Florida (the "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 Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2001 as indicated above. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and is not a required part of the general-purpose financial statements. Such information has been subjected to auditing procedures, as considered necessary, and inquiries with the independent auditors of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissions, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

Harris, Cotherman, O'Keefe & Associates

March 8, 2002
Winter Park, Florida

Seminole County, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2001

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: **Unqualified**

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted. _____ Yes X No

Federal Awards and State Financial Assistance

Internal control over major federal programs and state projects:

- Material weakness(es) identified? _____ Yes X No
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor’s report issued on compliance for major federal programs and state projects: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with the Rules of the Auditor General? _____ Yes X No

Identification of major federal programs and state projects:

CFDA Number	Name of Federal Program
07.000	HIDTA Grant
14.218	Community Development Block Grant
14.239	HOME Investment Partnership Program
16.000	Equitable Sharing Agreement
16.710	C.O.P.S.
CSFA Numbers	Name of State Project
37.015	Waste Tire Grant
37.017	Park Construction
45.030	State Aid to Libraries
52.008	Emergency Management Preparedness
52.901	State Housing Initiatives Partnership
60.012	Child Protective Investigation Services

Dollar threshold used to distinguish between type A and type B programs:

Federal (NOT a low risk auditee)	\$300,000
State	<u> \$228,604 </u>

Section II—Financial Statement Findings

None

Section III—State Financial Assistance Findings and Questioned Costs

None

Seminole County, Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Fiscal Year Ended September 30, 2001

Grantor/Pass-through Grantor/Program	Identification Number	CFDA Number	Federal Expenditures
<u>Executive Office of the President, Office of National Drug Control Policy</u>			
HIDTA Grant	IOPCFP508/19PCFP508	07.000	\$ 1,086,392
<u>U.S. Department of HUD</u>			
Community Development Block Grant	B-97-UC-12-0010	14.218	16,735
	B-98-UC-12-0010	14.218	67,140
	B-99-UC-12-0010	14.218	361,066
	B-00-UC-12-0010	14.218	1,151,807
			<u>1,596,748</u>
Emergency Shelter Grant	S-00-UC-12-0020	14.231	92,240
HOME Investment Partnership Program	M-96-DC-12-0223	14.239	39,336
	M-97-DC-12-0223	14.239	148,436
	M-98-DC-12-0223	14.239	529
	M-99-DC-12-0223	14.239	218,359
	M-00-DC-12-0223	14.239	96,856
			<u>503,516</u>
<u>U.S. Department of Justice</u>			
Federal Equitable Sharing Agreement	NA	16.000	568,935
Internet Crimes Against Children	2001-MC-CX-K012	16.543	36,368
Victims of Crime Act	V0208	16.575	74,585
Passed through the Florida Department of Community Affairs: Anti-Drug Abuse Grant	01-CJ-J1-06-69-01-008	16.579	68,997
	01-CJ-J1-06-69-01-009	16.579	21,350
	01-CJ-J1-06-69-01-010	16.579	120,410
	01-CJ-J1-06-69-01-011	16.579	30,142
	01-CJ-J1-06-69-01-012	16.579	27,675
			<u>268,574</u>
Law Enforcement Block Grant	200-LB-BX-0442	16.592	143,364
Passed through the Florida Department of Law Enforcement: Rational Recovery Addition Program	01-CJ-9K-06-69-01-011	16.593	16,172
C.O.P.S. Ahead / Universal Hiring III	95-CC-WX-0175	16.710	200,000
C.O.P.S. Ahead / Universal Hiring IV	95-CC-WX-0175	16.710	100,000
Advancing Community Policing	95-CC-WX-0175	16.710	23,545
C.O.P.S. More 2000	1999-CL-WX-0260	16.710	94,997
			<u>418,542</u>

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Seminole County, Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED

Fiscal Year Ended September 30, 2001

Grantor/Pass-through Grantor/Program	Identification Number	CFDA Number	Federal Expenditures
<u>U.S. Department of Treasury</u>			
GREAT Grant	ATC000057	21.053	16,095
	ATC010187	21.053	<u>53,597</u>
			69,692
 <u>U. S. Department of Transportation</u>			
Passed through the Florida Department of Transportation:			
Seminole Wekiva Trail Phase II	FM-242031	20.205	51,276
Florida National Scenic Trail	FL40-001-R	20.205	3,979
Cross Seminole Trail	FL45-001-R	20.205	3,027
SR 434 Access Management Resurfacing	4043-050C	20.205	67,773
SR 434 Access Management Resurfacing	8888-758A	20.205	27,814
Seminole Wekiva Trail Phase II	8888-741A	20.205	<u>49,236</u>
			203,105
 DUI Enhancement Grant	 J8-01-06-27-01	 20.600	 58,786
 <u>U.S. Department of Education</u>			
Passed through the Florida Division of Library & Information Services: Self-Service Circulation Project			
	00-LSTA-H-03	45.310	98,664
 Federal Emergency Management Agency			
Passed through the Florida Department of Community Affairs: Emergency Management Preparedness			
	01CP-04-06-69-01-059	83.552	35,739
 <u>U.S. Department of Health and Human Services</u>			
Passed through the Florida Department of Revenue:			
Civil Domestic Division	GZ-804	93.563	51,814
Civil Domestic Division	GZ-904	93.563	19,711
Child Support Enforcement - Clerk	GZ-813	93.563	8,158
Child Support Enforcement - Sheriff - 00/01	GZ-800	93.563	15,470
Child Support Enforcement - Sheriff - 01/02	GZ-800	93.563	<u>5,438</u>
			100,591
 Passed through the Florida Department of Community Affairs: Community Services Block Grant	 01SB-11-06-69-01-028	 93.569	 <u>186,254</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 <u>\$ 5,558,267</u>

Seminole County, Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED
Fiscal Year Ended September 30, 2001

Grantor/Pass-through Grantor/Program	Identification Number	CSFA Number	State Expenditures
<u>Florida Department of Environmental Protection</u>			
Litter Control and Prevention Grants	LC01-58	37.009	\$ 9,463
Solid Waste Recycling and Education	RE01-58	37.011	85,495
Waste Tire Grant	WT01-59	37.015	167,496
Florida Recreation Development Assistance:			
Greenwood Lakes Park	F1155	37.017	150,000
Keeanee Park	F0151	37.017	<u>200,000</u>
			350,000
Innovative Recycling Grant	IG1-15	37.050	56,581
<u>Florida Department of Legal Affairs</u>			
Florida Motor Vehicle Theft Prevention Grant	98-100-00	41.004	73,203
<u>Florida Department of State</u>			
State Aid to Libraries	01-ST-58	45.030	485,363
<u>Florida Department of Community Affairs</u>			
Emergency Management Preparedness and Assistance	00-CP-05-06-58-02-218	52.008	83,250
Shelter Retrofit	00-EO-C9-13-00-22-010	52.008	<u>306,804</u>
			390,054
<u>Florida Housing Finance Corporation</u>			
State Housing Initiatives Partnership Program	FY 1998/1999	52.901	1,591,586
	FY 1999/2000	52.901	592,936
	FY 2000/2001	52.901	<u>1,119,818</u>
			3,304,340
<u>Florida Department of Children and Families</u>			
Child Protective Investigation Services	GJ831	60.012	2,092,242
	GJ931	60.012	<u>515,931</u>
			2,608,173
<u>Florida Department of Health</u>			
Emergency Medical Service	C9757	64.005	19,381
<u>Florida Department of Juvenile Justice</u>			
Operation Right Track	PG901	80.001	23,546
Youth Referral, Education & Aftercare Counseling	OB036	80.001	25,565
Youth Referral, Education & Aftercare Counseling	PC213	80.001	10,000
Student Police Academy	GG980	80.001	<u>11,463</u>
			<u>70,574</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ <u>7,620,123</u>

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Seminole County, Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED
Fiscal Year Ended September 30, 2001

NOTES TO SCHEDULE

Basis of Accounting

The Schedule has been prepared in accordance with accounting principles generally accepted in the United States of America. Expenditures have been recognized on the schedule and are reflected in Seminole County's financial statements in accordance with the modified accrual basis of accounting. All expenditures were recorded in governmental fund types.

Subrecipients

Seminole County had no subrecipients for its state financial assistance projects. All state project disbursements were made under the direct administration of the County.