

Report of Independent Certified Public Accountants on Compliance  
With Requirements Applicable to Each Major Federal Program and  
State Financial Assistance Project and on Internal Control Over Compliance  
in Accordance With OMB Circular A-133, Section 215.97, *Florida Statutes*,  
and Chapter 10.550, *Rules of the Auditor General* and  
Schedule of Expenditures of Federal Awards and  
Schedule of Expenditures of State Financial Assistance

The Distinguished Members of the  
Board of County Commissioners  
Honorable Pat Frank, Clerk of the Circuit Court  
Honorable Rob Turner, Property Appraiser  
Honorable David Gee, Sheriff  
Honorable Earl Lennard, Supervisor of Elections  
Honorable Doug Belden, Tax Collector  
Hillsborough County, Florida

## Compliance

We have audited the compliance of Hillsborough 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 financial assistance projects for the year ended September 30, 2009. The County's major federal programs and state financial assistance 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 financial assistance 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 of compliance in accordance with auditing standards generally accepted in the United States; 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*; Section 215.97, *Florida Statutes*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, Section 215.97, *Florida Statutes*, 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 financial assistance 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 financial assistance projects for the year ended September 30, 2009.

### **Internal Control Over Compliance**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state financial assistance project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or a state financial assistance project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state financial assistance project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of the County, as of and for the year ended September 30, 2009, and have issued our report dated February 12, 2010. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance for the year ended September 30, 2009, are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Ernst & Young LLP*

April 16, 2010, except for the Low-Income Home Energy Assistance Program (CFDA No. 93.568) the date of which is November 12, 2010.

This page left blank intentionally.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended September 30, 2009**

<u>Federal Grantor, Pass-Through Grantor Program Name, Project Title</u>	<u>CFDA Number</u>	<u>Grantor/Contract Number</u>	<u>Expenditures</u>
<b>DEPARTMENT OF AGRICULTURE</b>			
Passed through Florida Department of Education:			
National School Lunch Program	10.555	01-327	\$ 87,375
Summer Food Service Program for Children		04-0882 FY 08	25,317
Summer Food Service Program for Children	10.559	04-0882 FY 09	<u>1,115,004</u>
<b>Total Child Nutrition Cluster</b>			<u><b>1,227,696</b></u>
Passed through Florida Department of Health:			
Child and Adult Care Food Program	10.558	03-812 FY 08	(16,969)
Child and Adult Care Food Program		03-812 FY 08	<u>1,033,556</u>
Total Program			<u>1,016,587</u>
Total Department of Agriculture			<u><u>2,244,283</u></u>
<b>DEPARTMENT OF COMMERCE</b>			
National Telecommunications and Information Administration:	11.555	09 DS 31 083901-242	<u>975,980</u>
Total Department of Commerce			<u><u>975,980</u></u>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Community Development Block Grants:			
Community Development Block Grant	14.218	B03-UC-12-0002	15,000
Community Development Block Grant		B04-UC-12-0002	-
Community Development Block Grant		B05-UC-12-0002	250,564
Community Development Block Grant		B06-UC-12-0002	359,516
Community Development Block Grant		B07-UC-12-0002	(177,480)
Community Development Block Grant		B08-UC-12-0002	646,090
Community Development Block Grant		B09-UC-12-0002	<u>3,750,024</u>
Total Program			<u>4,843,714</u>
Emergency Shelter Grants Program:			
Emergency Shelter Grants Program	14.231	S08-UC-12-0014	<u>263,498</u>
Total Program			<u>263,498</u>
Home Investment Partnerships Program:			
Home Investment Partnerships Program	14.239	M03-UC-12-0208	2,487,585
Home Investment Partnerships Program		M04-UC-12-0208	(153,613)
Home Investment Partnerships Program		M05-UC-12-0208	(94,548)
Home Investment Partnerships Program		M06-UC-12-0208	11,173
Home Investment Partnerships Program		M07-UC-12-0208	504,743
Home Investment Partnerships Program		M08-UC-12-0208	555,777
Home Investment Partnerships Program		M09-UC-12-0208	<u>58,482</u>
Total Program			<u>3,369,599</u>
Housing Opportunities for Persons With AIDS			
Passed through Florida Department of Health:			
Housing Opportunities for Persons With AIDS	14.241	COD L2	186,513
Housing Opportunities for Persons With AIDS		COD U2	<u>24,626</u>
Total Program			<u>211,139</u>
Economic Development Initiative-Special Project:			
Neighborhood Stabilization Program	14.251	B 08 UN 12-0006	\$ 356,259

See accompanying notes to schedule

**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended September 30, 2009**

<u>Federal Grantor, Pass-Through Grantor</u> <u>Program Name, Project Title</u>	<u>CFDA</u> <u>Number</u>	<u>Grantor/Contract</u> <u>Number</u>	<u>Expenditures</u>
Passed through City of Tampa: Tampa Bay History Center Total Program		Interlocal Agreement	\$ 248,000 <u>604,259</u>
Fair Housing Assistance Program-State and Local: Fair Housing Program Total Program	14.401	FF 204 K 08 4016	10,215 <u>10,215</u>
Section 8 Housing Choice Vouchers: Section 8 Housing Assistance Section 8 Self Sufficiency Total Program	14.871	A-2993E FY 09 FL 089 FS 001	15,866,967 39,557 <u>15,906,524</u>
Total Department of Housing and Urban Development			<u><u>25,208,948</u></u>
<b>DEPARTMENT OF THE INTERIOR</b>			
Partners for Fish and Wildlife: Scrub Jay Habitat Restoration Total Department of the Interior	15.631	401814 G 142	15,539 <u>15,539</u>
<b>DEPARTMENT OF JUSTICE</b>			
Juvenile Accountability Block Grants Passed through Florida Department of Juvenile Justice: Neighborhood Accountability Board Neighborhood Accountability Board Neighborhood Accountability Board Total Program	16.523	NB 101 Year 2 NB 101 Year 3 NB 101 Year 4	39,577 8,746 (1,930) <u>46,393</u>
Missing Children's Assistance Passed through National Children's Alliance: Children's Justice Center Children's Justice Center Total Program	16.543	Tampa_FL PS 08 Tampa_FL PS 09	9,991 684 <u>10,675</u>
National Institute of Justice Research, Evaluation and Development Project Grants: Solving Cold Case with DNA	16.560	2008 DN BX K 204	<u>94,995</u>
Crime Victim Assistance Passed through the Office of the Attorney General: Sexual Abuse Intervention	16.575	V 3018	<u>(2,531)</u>
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program: Eye on Crime	16.580	2007-DD-BX-0647	<u>20,143</u>
State Criminal Alien Assistance Program:	16.606	Letter Only	<u>469,720</u>
Community Prosecution & Project Safe Neighborhoods, Passed through Florida Department of Law Enforcement: Anti-gang Administration Anti-gang Prevention Anti-gang Law Enforcement Anti-gang Offender Re-entry Total Program	16.609	07 S6 AG-HIL 3P9 001 07 S6 AG-HIL 3P9 002 07 S6 AG-HIL 3P9 003 07 S6 AG-HIL 3P9 004	8,939 764,154 220,498 173,944 <u>\$ 1,167,535</u>

See accompanying notes to schedule

**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended September 30, 2009**

<b>Federal Grantor, Pass-Through Grantor Program Name, Project Title</b>	<b>CFDA Number</b>	<b>Grantor/Contract Number</b>	<b>Expenditures</b>
Closed-Circuit Televising of Child Victims of Abuse, Passed through American Bar Association:	16.611	Letter only	\$ <u>9,995</u>
Edward Byrne Memorial Justice Assistance Grant :	16.738		
Federal JAG		2007 DJ BX 0495	164,822
Federal JAG		2008DJ BX 0535	<u>152,748</u>
Passed through Florida Department of Law Enforcement, Office of Criminal Justice:			
State JAG USF Police Pilot Program		08 JAGC HILL1Q9-157	67,831
State JAG County Admin		09 JAGC HILL1 T7-087	20,045
State JAG City Temple Terrace		09 JAGC HILL 2 T7-147	45,000
State JAG Management Units		09 JAGC HILL 3 T7-119	<u>131,537</u>
Total Program			<u>581,983</u>
Criminal and Juvenile Justice and Mental Health Collaboration Program:	16.745		
Discharge Planning Program		2006-MO-BX-0022	<u>12,359</u>
Total Department of Justice			<u>2,411,267</u>
 <b>DEPARTMENT OF LABOR</b>			
Employee Benefits Security Administration:	17.151		
American Recovery and Reinvestment Act (ARRA)			
Consolidated Omnibus Budget Reconciliation Act (COBRA)		None	<u>37,596</u>
WIA Adult Program	17.258		
Passed through Tampa Bay Estuary Program Competitive Edge Award		Agreement # 1375	<u>14,620</u>
Total Department of Labor			<u>52,216</u>
 <b>DEPARTMENT OF TRANSPORTATION</b>			
Highway Planning and Construction	20.205		
Passed through Florida Department of Transportation:			
Old Memorial Highway Bridge over Double Creek		AL 654	59,158
Memorial Road Highway at Kelly Road		AN 385	(58,595)
Hanley Road & Paula Drive Intersection		AN S58	5,868
Nundy Ave. Safety Project		AO A61	355,577
Clay Pit Road Sidewalk		AOU 18	(2,960)
Columbus Drive Bridge		AP 552	782,211
Platt Street Bridge		AP 553	983,928
Mary Bryant School Project		AP B19	8,113
Federal Highway Administration PL 112		A-5207-11	679,392
Federal Highway Administration PL 112		A-5207-12	<u>368,003</u>
Total Program			<u>3,180,695</u>
Federal Transit-Metropolitan Planning Grants	20.505		
Passed through Florida Department of Transportation:			
Federal Transit Administration Section 5303		AOC 98 FY 08/09	356,534
Long Range Transportation & Data Collection		AON 07	<u>518,385</u>
Total Program			\$ <u>874,919</u>

See accompanying notes to schedule

**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended September 30, 2009**

<b>Federal Grantor, Pass-Through Grantor Program Name, Project Title</b>	<b>CFDA Number</b>	<b>Grantor/Contract Number</b>	<b>Expenditures</b>
Job-Access-Reverse Commute, Passed Through Pinellas County Metropolitan Planning Organization:	20.516	HC # 08-0541	\$ <u>263,503</u>
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants:	20.601		
Hillsborough County Sheriff's Office Fights DUI		K8 09-06-06	255,568
<b>Total Highway Safety Cluster</b>			<u>255,568</u>
Total Department of Transportation			<u>4,574,685</u>
 <b>ENVIRONMENTAL PROTECTION AGENCY</b>			
Air Pollution Control Program Support:	66.001		
County Clean Air Program		A-004023-08	1,329
County Clean Air Program		A-004023-09	415,174
Total Program			<u>416,503</u>
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to Clean Air Act:	66.034		
PM2.5 Air Monitoring Network		PM 96496008-0	57,473
PM2.5 Air Monitoring Network		PM 96496008-1	56,986
National Air Toxics Trends Station		XA 95403308	59,687
National Air Toxics Trends Station		XA 95403308-1	17,845
Total Program			<u>191,991</u>
Surveys-Studies-Investigations-Special Purpose Grants:	66.606		
Water Infrastructure and Supply Enhancement		XP 97 460103	<u>441,998</u>
Brownfields Assessment and Cleanup	66.818		
Cooperative Agreements:			
Brownfields Revolving Loan Fund		BL 97 412500	234,949
Brownfields Revolving Loan Fund		BF 9748703-4	833
Total Program			<u>235,782</u>
Total Environmental Protection Agency			<u>1,286,274</u>
 <b>ELECTION ASSISTANCE COMMISSION</b>			
Help America Vote Act Requirements Payments	90.401		
Passed through the Florida Department of State:			
Poll Worker Recruitment 06		Memo of acceptance	8,274
Ballot on Demand		Memo of acceptance	10,386
Federal Election Activities 09		Memo of acceptance	178,069
Total Election Assistance Commission			<u>196,729</u>
 <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>Aging Cluster</b>			
Passed through Florida Department of Elder Affairs, then passed through West Central Florida Area Agency on Aging:			
Special Programs for the Aging - Title III Part B - Grants for Supportive Services and Senior Centers:	93.044		
Title III-B Support Services		OAA 2008-HILL	204,263
Title III-B Support Services		OAA 2009-HILL	\$ 434,451

See accompanying notes to schedule



**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended September 30, 2009**

<u>Federal Grantor, Pass-Through Grantor</u> <u>Program Name, Project Title</u>	<u>CFDA</u> <u>Number</u>	<u>Grantor/Contract</u> <u>Number</u>	<u>Expenditures</u>
Special Programs for the Aging - Title III Part C			
Nutrition Services:	93.045		
SCNAP Congregate Meals		OAA 2008-HILL	\$ 272,791
SCNAP Congregate Meals		OAA 2009-HILL	642,511
SCNAP Home Delivered Meals		OAA 2008-HILL	191,628
SCNAP Home Delivered Meals		OAA 2009-HILL	676,548
Nutrition Services Incentive Program:	93.053		
NSIP Congregate Meals		NSIP 07-08HILL	2,517
NSIP Congregate Meals		NSIP 08-09 HILL	130,683
NSIP Home Delivered Meals		NSIP 07-08HILL	(165,323)
NSIP Home Delivered Meals		NSIP 08-09 HILL	481,385
Passed through Florida Department of Elder Affairs, then passed through West Central Florida Area Agency on Aging: Aging Home-Delivered Nutrition Services for States	93.705		
ARRA Home Delivered Meals		ARRA 09-10 HILL	<u>3,462</u>
Passed through Florida Department of Elder Affairs, then passed through West Central Florida Area Agency on Aging: Aging Congregate Nutrition Services for States	93.707		
ARRA Congregate Meals		ARRA 09-10 HILL	<u>4,584</u>
<b>Total Aging Cluster</b>			<b><u>2,879,500</u></b>
National Family Caregiver Support	93.052		
Passed through Florida Department of Elder Affairs, then passed through West Central Florida Area Agency on Aging:			
Caregiver Services Title III E		OAA 2008-HILL	11,453
Caregiver Services Title III E		OAA 2009-HILL	83,829
Total Program			<u>95,282</u>
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse:	93.087		
Child Reunification Collaborative		90 CU 0043 01	108,883
Child Reunification Collaborative		90 CU 0043 02	469,177
Total Program			<u>578,060</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance:	93.243		
TCE Jail Diversion		1 H79 SM 57310-03	211,827
SAMHSA Court administration		1 H79 TI 17534-01	(23,670)
SAMHSA Court administration		1 H79 TI 17534-02	11,476
SAMHSA Court administration		1 H79 TI 17534-03	345,674
Total Program			<u>545,307</u>
Transitional Living for Homeless Youth: Passed through Florida Department of Children and Families, and then passed through Hillsborough Kids Incorporated:	93.550		
Transitional Living		HKI F 114	<u>46,980</u>
Temporary Assistance for Needy Families Passed through Florida Department of Children and Families:	93.558		
Child Protection Investigation		QJZ 75 08-09	2,323,304
Child Protection Investigation		QJ Z 75 09-10	381,006
Total Program			<u>\$ 2,704,310</u>

See accompanying notes to schedule

**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended September 30, 2009**

<u>Federal Grantor, Pass-Through Grantor</u> <u>Program Name, Project Title</u>	<u>CFDA</u> <u>Number</u>	<u>Grantor/Contract</u> <u>Number</u>	<u>Expenditures</u>
Child Support Enforcement:	93.563		
Child Support Depository Reimbursement		CD 329	\$ 1,583,968
Child Support Enforcement Service of Process		CS 629	149,668
Child Support Enforcement Service of Process		CS P29	56,944
Total Program			<u>1,790,580</u>
Low-Income Home Energy Assistance:	93.568		
Passed through Florida Department of Elder Affairs, then passed through West Central Florida Area Agency on Aging:			
Emergency Home Energy Assistance for the Elderly		EA 08-09 HILL	35,909
Emergency Home Energy Assistance for the Elde		EA 09-10HILL	120,406
Passed through Florida Department of Community Affairs:			
Low Income Home Energy Assistance		08 EA 7B 083901-012	693,184
Low Income Home Energy Assistance		09 EA 7K 083901-012	3,006,530
Total Program			<u>3,856,029</u>
Community Services Block Grant:	93.569		
Passed through the Florida Department of Community Affairs			
Community Services Block Grant:		09 SB 6V 083901-012	1,742,266
Homeless Veteran's Reintegration		10 SB 7Q 083901-012	1,691
Total Program			<u>1,743,957</u>
Child Care and Development Block Grant	93.575		
Passed through Florida Department of Children and Families:			
Child Care Licensing		QC 7 A 2	140,545
Child Care Licensing		QC 7 A 2	54,513
Passed through Agency for Workforce Innovation- Office of Early Learning and then through Early Learning Coalition of Hillsborough County:			
CCL School Readiness		CCL 01-09	137,581
CCL School Readiness		SR 01-10	59,290
Total Program			<u>391,929</u>
Refugee and Entrant Assistance-Discretionary Grants	93.576		
Passed through Florida Department of Children and Families:			
Refugee Crime Victimization--Cuban Grant		LK 760	<u>268,275</u>
Head Start:	93.600		
Head Start		04 CH 3035/42	468,596
Head Start		04 CH 3035/43	20,332,570
Early Headstart Program		04 CH 3035/42	81,233
Early Headstart Program		04 CH 3035/43	1,364,151
Innovation and Improvement Project		90 YD 0249 01	142,879
Healthy Marriage Initiative		90 YD 0218 02	163,334
Total Program			<u>22,552,763</u>
ARRA Headstart	93.708		
ARRA Headstart		04 SE 3035 01	<u>12,651</u>
ARRA Early Headstart	93.709		
ARRA Early Headstart		04 SE 3035 01	36,101
<b>Total Head Start Cluster</b>			<u>22,601,515</u>
Voting Access for Individuals with Disabilities: See Note 12	93.617		
Voting Machines for Disabled 2004/2005 Funds		Memo of acceptance	\$ <u>84,075</u>

See accompanying notes to schedule

**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended September 30, 2009**

<u>Federal Grantor, Pass-Through Grantor Program Name, Project Title</u>	<u>CFDA Number</u>	<u>Grantor/Contract Number</u>	<u>Expenditures</u>
Basic Center Grant: Runaway and Homeless Youth	93.623	04 CY0799 03	\$ <u>88,961</u>
Foster Care_Title IV E Passed through Florida Department of Children and Families, and then passed through Hillsborough Kids Incorporated:	93.658		
Lake Magdelene		QJ7AO-HKIF114	267,808
Haven Poe		QJ7AO-HKIF114	32,527
Emergency Services Residential		QJ7AO-HKIF114	<u>320,155</u>
Total Program			<u>620,490</u>
Social Services Block Grant: Child Protection Investigation	93.667	QJ Z 75 08-09	1,421,774
Child Protection Investigation		QJ Z 75 09-10	353,178
Passed through Florida Department of Children and Families, and then passed through Hillsborough Kids Incorporated:			
Child Care Licensing		QC7A2 FY 2008	48,106
Child Care Licensing		QC7A2 FY 2009	18,659
Lake Magdelene		QJ7AO-HKIF114	137,315
Haven Poe		QJ7AO-HKIF114	16,678
Emergency Services Residential		QJ7AO-HKIF114	<u>164,154</u>
Total Program			<u>2,159,864</u>
HIV Emergency Relief Project Grant: Minority AIDS Initiative	93.914	H3MHA08468-Year 2	462,117
Minority AIDS Initiative		H3MHA08468-Year 3	19,702
Ryan White Part A		H 89HA 0024 16	4,925,177
Ryan White Part A		H 89HA 0024 17	<u>4,301,689</u>
Total Program			<u>9,708,685</u>
HIV Care Formula Grants Passed through Florida Department of Health:	93.917		
Ryan White Title II Federal Funds		CO A H6	1,293,588
Ryan White Title II Federal Funds		COD DQ 3	<u>915,823</u>
Total Program			<u>2,209,411</u>
Total Department of Health and Human Services			<u>52,373,210</u>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			
Retired and Senior Volunteer Program:	94.002		
Retired and Senior Volunteer Program:		07 SRS FL 001 yr 2	(761)
Retired and Senior Volunteer Program:		07 SRS FL 001 yr 3	<u>97,613</u>
Total Corporation for National and Community Service			<u>96,852</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
State Domestic Preparedness Equipment Support Passed through Florida Department of Financial Services:	97.004		
Sustainment Funds for MARC		07 DS 5N 1300 217	18,121
Hazmat Equipment and Training		MOU HC Doc 08-1590	241,676
Hazmat Equipment and Training		MOU HC Doc 07-0006	\$ 9,338

See accompanying notes to schedule

**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended September 30, 2009**

<u>Federal Grantor, Pass-Through Grantor</u> <u>Program Name, Project Title</u>	<u>CFDA</u> <u>Number</u>	<u>Grantor/Contract</u> <u>Number</u>	<u>Expenditures</u>
Passed through Florida Department of Law Enforcement:			
Region 4 ODP Specialty Team		06 SHSP HILL2N9 037	\$ 22,215
Tampa Bay Security Network		06 LETP HILL 3 N1-039	272,150
Total Program			<u>563,500</u>
Emergency Food and Shelter National Board Program	97.024	United Way Letter	<u>96,127</u>
Disaster Grants-Public Assistance (Presidentially Declared Disasters) Passed through FEMA:			
Tropical Storm FAY		08 FA C2 083900-522	<u>66,319</u>
Emergency Management Performance Grant			
Passed through Florida Department of Community Affairs:			
Emergency Management Planning Grant	97.042	08 BG 24 083901-360	105,939
Supplemental		09 BG 20 083901-316	28,152
Total Program			<u>134,091</u>
Homeland Security Grant Program:			
Critical Infrastructure Protection	97.067	08 LETP HILL 7-S3-040	51,148
SWAT & EOD Gap Enhancement		08 SHSP HILL 2 S4-046	12,700
SWAT & EOD Gap Sustainment		08 SHSP HILL 3 S4-052	30,562
Tampa Bay Security Information		08 LETP HILL 1 Q4-061	150,150
TBROC Enhancement		07 DS 5N 083901-372	1,020
Terrorism Awareness		09 LETP HILL 1 S3-071	17,385
Passed through Florida Department of Emergency Services:			
Issue 6		07 DS 5N 083901-481	1,698
Issue 10		08 DS 60 083901-352	52,178
Passed through Florida Department of Community Affairs:			
Citizens Corp sub-grant		09 CC 49 083901-292	2,630
Disaster Preparedness 3 Part Program		06 DS 3W 083901 404	38,652
Specialty Team Enhancement		07 SHSP HILL 2 Q5-023	43,566
Specialty Team Sustainment		07 SHSP HILL 1 Q5-024	1,290
Total Program			<u>402,979</u>
Homeland Security Biowatch Program:			
Federal Bio-Watch Program	97.091	2006 ST 091-000008-3	144,291
Federal Bio-Watch Program		2006 ST 091-000008-4	76,855
Total Program			<u>221,146</u>
Severe Loss Repetitive Program			
801 South Lagoon Street	97.110	09 SR 47 083902-330	<u>2,100</u>
Total Department of Homeland Security			<u>1,486,262</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ <u>90,922,245</u></b>

See accompanying notes to schedule

**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of State Financial Assistance**  
**For the fiscal year ended September 30, 2009**

	<u>CSFA Number</u>	<u>Grantor Number</u>	<u>Expenditures</u>	<u>Amount to Subrecipients</u>
<b>OFFICE OF JUSTICE ADMINISTRATIVE COMMISSION</b>				
Small County Courthouse Facilities:	22.004			
Plant City Courthouse:		Grant-in-Aid	\$ 228,828	
Courthouse Facility Improvement		Letter Only	32,906	
Total Program			<u>261,734</u>	
Mary Lee House:	22.017	Grant-in-Aid	<u>42,700</u>	\$ 42,700
Total Justice Administrative Commission			<u>304,434</u>	<u>\$ 42,700</u>
<b>EXECUTIVE OFFICE OF THE GOVERNOR</b>				
Economic Development Transportation Fund:	31.002			
Lear Corporation		OT 03-022	7,273	
Perry Ellis		OT 03-020	17,557	
Total Executive Office of the Governor			<u>24,830</u>	
<b>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>				
Local Government Cleanup Contracting:	37.024			
Local Government Petroleum Site Management		GC 627 Task 8	778,224	
Local Government Petroleum Site Management		GC 627 Task 9	217,069	
Total Program			<u>995,293</u>	
Statewide Surface Water Restoration and Wastewater:	37.039			
University Community Area Projects		LP 6040	1,216,175	
Lake Carroll Stormwater Management		08 CS 00 00032	10,000	
Jean Park Pond Stormwater Improvement		08 CS 00 00028	24,077	
Total Program			<u>1,250,252</u>	
Ambient Air Quality Monitoring	37.042	S 0335-1	137,278	
Ambient Air Quality Monitoring		S 0335-2	24,979	
Total Program			<u>162,257</u>	
Delegated Title V Air Pollution Control activities	37.043			
Air Pollution Control Title V		SO 280-2	466,169	
Air Pollution Control Title V		SO 280-3	169,057	
Total Program			<u>635,226</u>	
Innovative Waste Reduction and Recycle Grant	37.050	IG 07-03	<u>76,831</u>	
Water Protection and Sustainability Program	37.066			
Passed through Southwest Florida Water Management District:				
Fishhawk Habitat Restoration		07 CS 00 00043	13,291	
Lake Carroll Stormwater Management		08 CS 00 00032	40,000	
Total Program			<u>53,291</u>	
Total Department of Environmental Protection			<u>\$ 3,173,150</u>	

See accompanying notes to schedule

**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of State Financial Assistance**  
**For the fiscal year ended September 30, 2009**

	<u>CSFA Number</u>	<u>Grantor Number</u>	<u>Expenditures</u>	<u>Amount to Subrecipients</u>
<b>FLORIDA DEPARTMENT OF LEGAL AFFAIRS</b>				
Crime Stoppers of West Central Florida	41.002	HC 12-07	1,142	1,142
Crime Stoppers of West Central Florida	41.002	HC 13-07	\$ <u>163,860</u>	\$ <u>163,860</u>
Total Department of Legal Affairs			<u>165,002</u>	<u>165,002</u>
<b>FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</b>				
Mosquito Control	42.003	FDACS 014138	<u>61,175</u>	
Total Department of Agriculture & Consumer Affairs			<u>61,175</u>	
<b>FLORIDA DEPARTMENT OF STATE</b>				
Public Library Construction	45.020			
West Gate Regional Library		05 PLC 11	<u>536</u>	
State Aid to Libraries	45.030	08 ST 23	<u>1,072,821</u>	
Total Department of State			<u>1,073,357</u>	
<b>FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS</b>				
Emergency Management Programs:	52.008			
Emergency Management Preparedness		08 BG 24 083901-360	<u>98,726</u>	
Emergency Management Programs:	52.023			
Hazardous Materials Planning		08 CP11083901-152	4,630	
Hazardous Materials Planning		09 CP04083901-000	<u>22,445</u>	
Total Program			<u>27,075</u>	
Total Department of Community Affairs			<u>125,801</u>	
<b>FLORIDA HOUSING FINANCE CORPORATION</b>				
State Housing Initiative Program Year 14	52.901	None	918,628	(1,302,613)
State Housing Initiative Program Year 15		None	1,822,177	2,573,703
State Housing Initiative Program Year 16		None	<u>937,734</u>	<u>347,600</u>
Total Florida Housing Finance Corporation			<u>3,678,539</u>	<u>1,618,690</u>
<b>FLORIDA DEPARTMENT OF TRANSPORTATION</b>				
Commission for the Transportation Disadvantaged (CTD)	55.001			
Trip and Equipment Grant Program:				
Specialized Transportation (Sunshine Line)		AP 826	1,183,276	
Specialized Transportation (Sunshine Line)		AP L 32	<u>214,243</u>	
Total Program			\$ <u>1,397,519</u>	

See accompanying notes to schedule

**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of State Financial Assistance**  
**For the fiscal year ended September 30, 2009**

	<u>CSFA Number</u>	<u>Grantor Number</u>	<u>Expenditures</u>	<u>Amount to Subrecipients</u>
Commission for the Transportation Disadvantaged (CTD) Planning Grant Program:	55.002			
Transportation Disadvantaged		AP 618	\$ 19,883	
Transportation Disadvantaged		AP J 57	9,766	
Total Program			<u>29,649</u>	
County Incentive Grant Program	55.008	AO Z 39	<u>477,000</u>	
 Total Department of Transportation			 <u><u>1,904,168</u></u>	
 <b>FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES</b>				
Public Safety, Mental Health, and Substance Abuse Local Matching Grant	60.115			
CJJMFSA Reinvestment		LHZ 20	<u>281,139</u>	<u>247,830</u>
 Total Department of Children and Families			 <u><u>281,139</u></u>	 <u><u>247,830</u></u>
 <b>FLORIDA DEPARTMENT OF HEALTH</b>				
County Grant Awards	64.005			
Emergency Medical Services		C 7029	267,057 \$	
Emergency Medical Services		C 8029	<u>328,228</u>	<u>184,375</u>
 Total Department of Health			 <u><u>595,285</u></u> \$	 <u><u>184,375</u></u>
 <b>FLORIDA DEPARTMENT OF ELDER AFFAIRS</b>				
Passed through West Central Florida Area Agency on Aging:				
Home Care for the Elderly	65.001	HCE-08/09-Hill	44,611	
Home Care for the Elderly		HCE-09/10-Hill	<u>3,610</u>	
Total Program			<u>48,221</u>	
Passed through West Central Florida Area Agency on Aging:				
Alzheimer Model Day Care and Memory Disorder Clinics and Alzheimer Special Projects:	65.002			
Alzheimer's Disease Initiative Day Care		ADI-08/09-Hill	101,401	
Alzheimer's Disease Initiative Day Care		ADI-09/10-Hill	<u>7,355</u>	
Total Program			<u>108,756</u>	
Alzheimer's Respite Services	65.004			
Alzheimer's Disease Initiative Respite		ADI-08/09-Hill	124,223	
Alzheimer's Disease Initiative Respite		ADI-09/10-Hill	<u>35,096</u>	
Total Program			<u>159,319</u>	
Local Services Program	65.009	LSP-08/09-Hill	62,687	
Local Services Program		LSP-09/10-Hill	<u>24,168</u>	
Total Program			<u>86,855</u>	

See accompanying notes to schedule

**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Expenditures of State Financial Assistance**  
**For the fiscal year ended September 30, 2009**

	<u>CSFA Number</u>	<u>Grantor Number</u>	<u>Expenditures</u>	<u>Amount to Subrecipients</u>
Community Care for the Elderly	65.010	CCE-08/09-Hill	1,423,453	
Community Care for the Elderly		CCE-09/10-Hill	<u>245,158</u>	
Total Program			<u>1,668,611</u>	
 Total Department of Elder Affairs			 \$ <u>2,071,762</u>	
 <b>FLORIDA DEPARTMENT OF REVENUE</b>				
Direct Program (See Note 9):				
Facilities for New Professional Sports, Retained Franchise Professional Sports, or Retained Spring Training Franchise	73.016	Fiscal Year 2008	\$ <u>2,000,004</u>	
Total Florida Department of Revenue			<u>2,000,004</u>	
 <b>FLORIDA BOATING IMPROVEMENT PROGRAM</b>				
Derelict Vessel Removal	77.006	FWC # 07076	<u>8,800</u>	
Total Florida Boating Improvement Program			<u>8,800</u>	
 <b>FLORIDA DEPARTMENT OF JUVENILE JUSTICE</b>				
Children and Families in Need of Services	80.005			
Passed thru Florida Network of Youth and Family Services				
Child/Family Counsel for Runaway Youth		None	(697)	
Child/Family Counsel for Runaway Youth		None	852,614	
Child/Family Counsel for Runaway Youth		None	<u>218,700</u>	
Total Department of Juvenile Justice			<u>1,070,617</u>	
 <b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			 \$ <u>16,538,063</u>	<u>\$ 2,258,597</u>

See accompanying notes to schedule



**HILLSBOROUGH COUNTY, FLORIDA**  
**Notes to the Schedules of Expenditures of**  
**Federal Awards and State Financial Assistance**  
For the fiscal year ended September 30, 2009

**Note 1 - Financial Reporting Entity**

The Hillsborough County (“County”) reporting entity is defined in Note 1 of the County's Basic Financial Statements. These notes provide additional information on the accompanying Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance. The first schedule presents expenditures related to federal awards that were provided directly by federal agencies as well as federal awards that were passed through other government agencies. The second schedule presents expenditures related to state awards that were provided directly by state agencies as well as state awards that were passed through other governmental agencies.

**Note 2 - Basis of Accounting**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented in accordance with accounting principles generally accepted in the United States, as described in Note 1.C. of the County's Basic Financial Statements.

**Note 3 - Major State of Florida Projects**

Major projects as defined by Section 215.97, Florida Statutes, are state of Florida grant projects audited by Hillsborough County’s independent certified public accountants. Major projects for the year ended September 30, 2009 are listed by Catalog of State Financial Assistance (CSFA) Number in the Summary of Auditors’ Results section of the Schedule of Findings and Questioned Costs, which is prepared by the County’s independent certified public accountants.

**Note 4 - Major Federal Programs**

Major programs as defined by the U.S. Office of Management and Budget’s (OMB) Circular A-133, are federal grant programs audited by the County’s independent certified public accountants. Major programs for the year ended September 30, 2009 are listed by Catalog of Federal Domestic Assistance (CFDA) Number in the Summary of Auditors’ Results section of the Schedule of Findings and Questioned Costs, which is prepared by the County’s independent certified public accountants.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Notes to the Schedules of Expenditures of**  
**Federal Awards and State Financial Assistance**  
For the fiscal year ended September 30, 2009

**Note 5 - Negative Figures on the Schedules of Expenditures**

Negative expenditures reported in the Schedules of Expenditures of Federal Awards and State Financial Assistance may be the result of situations such as the following: (a) when required match exceeded current fiscal year expenditures; (b) a correction which reduced an expenditure in one grant and increased it in another grant or funding source; or (c) a correction of an expenditure which was originally posted in a prior fiscal year, such as the recording of a refund for goods or services not received. Although the current expenditures on a grant may be negative, the total of all expenditures on the grant is expected to be positive over its total period of performance.

**Note 6 - Florida Communities Trust Reimbursements**

The County sometimes receives reimbursements from the Florida Community Trust under the Florida Forever Act program (CSFA Number 52.002) for certain costs incurred for the purchase of environmentally sensitive land. These costs are presented in the Schedule of Expenditures of State Financial Assistance only if reimbursements are received during the fiscal year being reported. Reimbursements may be received in fiscal years after the year in which the expenditures were made. There were no such reimbursements received during fiscal year 2009.

**Note 7 - Equipment Received From Florida Department of Community Affairs**

Grants from the U.S. Department of Homeland Security (CFDA 97.067) which were passed through the Florida Department of Community Affairs, provided no equipment during fiscal year 2009.

**Note 8 - State Criminal Alien Assistance Program**

The County receives funds from the Department of Justice (CFDA 16.606) to reimburse some of the costs of incarcerating undocumented criminal aliens who have committed serious crimes in the United States. The expenditure is recorded on the Single Audit in the year the funds are received.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Notes to the Schedules of Expenditures of**  
**Federal Awards and State Financial Assistance**  
For the fiscal year ended September 30, 2008

**Note 9 - Sales Tax Rebate for Professional Sports Franchise Facilities**

The County receives a sales tax rebate from the state of Florida under Sections 212.20 and 288.1162, Florida Statutes, for a professional sports franchise facility. The County serves as a conduit passing the entire amount on through to the Tampa Sports Authority for debt service on their stadium bonds. Starting with fiscal year 2002, these rebates were designated by the state of Florida to be financial assistance subject to the state single audit (CSFA Number 73.016).

**Note 10 - Relationship to Grant Reports**

Amounts reported in the accompanying schedules are consistent with the amounts reported in separately issued final grant reports to federal, federal pass-through, state, and state pass-through grantors as of September 30, 2009.

**Note 11 - Hurricane Expenditure Reimbursement on Appeal to FEMA**

The County had a total of \$9,941,942 of hurricane-related expenditures reported on the Schedule of Expenditures of Federal Awards (CFDA Number 97.036) for fiscal year 2005, and an additional \$587,536 of hurricane-related expenditures reported on the schedule for fiscal year 2006. At September 30, 2009, the County is awaiting the Federal Emergency Management Agency (FEMA) Division of the U.S. Department of Homeland Security's final determinations on the \$2,665,072 in reimbursement requests currently on appeal.

**Note 12 - The Department of Health and Human Services Reimbursement**

The County received a reimbursement for expenditures made in fiscal year 2008 in relation to the Voting Access for Individuals with Disabilities (VOTE) program from 2004 and 2005 Grant Funds. The expenditure is recorded on the Single Audit in the year the funds are received.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Notes to the Schedules of Expenditures of**  
**Federal Awards and State Financial Assistance**  
For the fiscal year ended September 30, 2008

**Note 13 - Re-Issuance of Single Audit Report**

As a result of the subsequent review of the Single Audit Report of the County for the year ended September 30, 2009, as originally issued, it was determined that the Low-Income Home Energy Assistance Program (CFDA No. 93.568) was not audited as a major program, but should have been audited as a major program since it was not audited in either of the two previous years. As a result, this program was subsequently audited for the year ended September 30, 2009. The results of the audit are summarized in the Schedule of Findings and Questioned Costs, Section 1.

Hillsborough County, Florida

Schedule of Findings and Questioned Costs

Year Ended September 30, 2009

Part I – Summary of Auditor’s Results

**Financial Statements Section**

Type of auditor’s report issued (unqualified, qualified, adverse, or disclaimer):

Unqualified

---

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ **Yes**        X   **No**

Significant deficiency(ies) identified that are not considered to be material weaknesses?

  X   **Yes**      \_\_\_\_\_ **None reported**

Noncompliance material to financial statements noted?

\_\_\_\_\_ **Yes**        X   **No**

**Federal and State Awards Section**

Internal control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ **Yes**        X   **No**

Significant deficiency(ies) identified that are not considered to be material weaknesses?

\_\_\_\_\_ **Yes**        X   **None reported**

Type of auditor’s report issued on compliance for major programs (unqualified, qualified, adverse, or disclaimer):

Unqualified

---

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*.

\_\_\_\_\_ **Yes**        X   **No**

Hillsborough County, Florida

Schedule of Findings and Questioned Costs (continued)

**Part I – Summary of Auditor’s Results (continued)**

Identification of major programs:

<b>Federal CFDA No.</b>	<b>Name of Federal Program or Cluster</b>
14.871	Section 8 Housing Choice Vouchers
17.151	Employee Benefits Security Administration
93.600, 93.708, 93.709	Head Start Cluster
93.667	Social Services Block Grant
93.914	HIV Emergency Relief
93.044, 93.045, 93.053, 93.705,	
93.707	Aging Cluster
93.568	Low-Income Home Energy Assistance
<b>State CSFA No.</b>	<b>Name of State Project</b>
37.024	Local Government Cleanup
37.039	Statewide Surface Water Restoration
45.030	State Aid to Libraries
52.901	State Housing Initiative Program
65.010	Community Care for Elderly

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

\$2,727,667 for federal programs and \$496,142 for state financial assistance projects

Auditee qualified as low-risk auditee for federal purposes pursuant to *OMB Circular A-133*?

\_\_\_\_\_ **Yes**      X   **No**

## Hillsborough County, Florida

### Schedule of Findings and Questioned Costs (continued)

#### **Part II – Financial Statement Findings Section**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

During our audit, we noted the following matter involving reporting and its operation that we consider to be a significant deficiency.

#### **09-01**

##### ***Capital Assets Accounting***

As noted in the prior year as Item 08-01, accurate recording of capital assets, depreciation expense, and contributions is important in the financial reporting system for governments. We noted the following items related to the accounting for capital assets:

- A. The County does not have a comprehensive fixed asset sub-ledger for Water Resource Services (WRS) assets that is fully populated with all capital assets that are above and below ground, with respective condition assessments. WRS has implemented a Comprehensive Asset Management System (CAMS). The CAMS is intended to be fully populated with all capital assets that are above and below ground, with respective condition assessments. WRS has engaged outside service providers to perform inventories in an effort to capture complete information. This process is currently ongoing, and we recommend that WRS continue its focus on having CAMS fully populated and operational by the end of fiscal year 2010 in order to mitigate the existing risks of misstatement.
- B. During our audit of capital contributions related to infrastructure roadways, we noted that the standard value assigned to a segment of roadway has not had a cost analysis update nor been adjusted for inflation since 2001. As such, the cost associated with infrastructure roadway contributions are significantly understated as costs in terms of materials, labor, etc., to construct roadways have increased over time. We recommend that the County perform a study related to the cost of roadways in order to properly value infrastructure contributions.

## Hillsborough County, Florida

### Schedule of Findings and Questioned Costs (continued)

#### **Part II – Financial Statement Findings Section (continued)**

- C. During fiscal year 2009, construction-in-progress on certain buildings and building improvement were substantially completed and placed into service. For certain items selected for testing, we noted that the substantial completion date, or in-service date as documented in the Project Information Management System (PIMS), differed from the date utilized in the financial accounting system used to account for and calculate the related depreciation. Based on the sample tested, the difference resulted in an understatement of depreciation expense and overstatement of net assets in fiscal year 2009 of approximately \$1.5 million. We recommend that the County review the procedures and flow of information between departments as it relates to in-service dates used and documented in PIMS and the financial accounting system. These procedures should be strengthened to promote more timely communication and appropriate recording of transactions.

#### *Management's response:*

- A. WRS concurs. The original cost (estimated, if not known) for below ground assets (e.g., lines, hydrants, pump stations, etc.) have been recorded in a CAMS' test environment (for depreciation) as of December 31, 2009. WRS staff is reviewing the below-ground data to ensure completeness. The original cost (estimated, if not known) for above ground assets (e.g., plants, pumps, storage, etc.) is under development and should be recorded in the CAMS' test environment (for depreciation) during fiscal year 2010. The timely completion of this project is dependent upon availability of resources.
- B. The Public Works Department's consultant completed the data analysis process and recommendation for the updated cost of roadway construction during the first quarter of fiscal year 2010. The resulting valuation figures will be used for subsequent reports. Future adjustments will be made as needed based upon reassessment of conditions.
- C. We concur. The Finance Department will schedule meetings with the Capital Projects Department to discuss quarterly reporting of significant capital projects with multiple completion dates.



Hillsborough County, Florida

Schedule of Findings and Questioned Costs (continued)

**Part III – Federal Award and State Financial Assistance Findings and Questioned Costs Section**

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, as well as any abuse findings involving awards that are material to a major program related to the audit of major federal programs and state financial assistance projects as required to be reported by OMB Circular A-133 Section .510, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*.

We did not identify any significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, or abuse involving awards that are material to a major federal program or state financial assistance project that are required to be reported by OMB Circular A-133 Section .510, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*.

Hillsborough County, Florida

Summary Schedule of Prior Audit Findings

**Finding# 08-03**

Program: Help America Vote Act Requirements Payments (CFDA No. 90.401)

Requirement: Allowable Costs and Reporting

Condition: Funds should be held in a separate account and be solely used in accordance with approved plan. Allowable costs determined by requirements consistent with Federal Help America Vote Act of 2002.  
The agreements also require annual reporting of actual expenditures by each December 31.

Questioned costs: Unable to be determined in fiscal 2008

Recommendation: We recommend that management review and strengthen internal controls over compliance, and determine appropriate procedures for compiling supporting documentation for reporting to grantor agencies.

Current year status: Implemented. The Supervisor of Elections (SOE) and the Florida Department of State conducted a financial analysis and determined the questioned costs to be approximately \$400,000, but identified approximately \$304,000 in allowable costs. The Florida Department of State has recommended that the SOE transfer approximately \$96,000 from the SOE's general fund into the SOE's Help America Vote Act grant account, which was executed and recorded during fiscal 2009. Subsequent to year-end, the SOE received notification from the Florida Department of State and the U.S. Election Assistance Commission that the actions are appropriate.

This page left blank intentionally.

Report of Independent Certified Public Accountants on  
Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards*

The Distinguished Members of the  
Board of County Commissioners  
Honorable Pat Frank, Clerk of the Circuit Court  
Honorable Rob Turner, Property Appraiser  
Honorable David Gee, Sheriff  
Honorable Earl Lennard, Supervisor of Elections  
Honorable Doug Belden, Tax Collector  
Hillsborough County, Florida

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hillsborough County, Florida (the County), as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 12, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the aggregate discretely presented component units, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

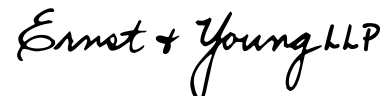
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 09-01, which we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response, and accordingly, we express no opinion on it.

We noted certain matters that we reported to management of the County in a separate letter dated February 12, 2010. This report is intended solely for the information and use of the County's management and officials, federal and state awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

February 12, 2010

This page left blank intentionally.

## Management Letter on Internal Control and State Reporting Requirements

The Board of County Commissioners  
Hillsborough County, Florida

In planning and performing our audit of the basic financial statements of Hillsborough County, Florida (the County), as of and for the year ended September 30, 2009, in accordance with auditing standards generally accepted in the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We conducted our audit in accordance with United States generally accepted auditing standards, and *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 Section 215.97, *Florida Statutes*. We have issued our Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With *Government Auditing Standards*, which is dated February 12, 2010. Disclosures in that report should be considered in conjunction with this management letter, as findings are not duplicated in this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### **Current Year Recommendations**

The *Rules of the Auditor General* (Section 10.554(1) (i)3), require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. During our audit, we noted a matter involving internal control over financial reporting and its operation that we consider to be a significant deficiency as defined above. That recommendation is described in our Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With *Government Auditing Standards*, and is not duplicated in this management letter.

During our audit, we also noted the following matters involving internal control over financial reporting and its operation that we consider to be control deficiencies, as defined above.

### **Aging Services**

Hillsborough County Department of Aging Services provides essential social and health services to older adults including home delivery of meals and adult day care services. The Department of Aging Services receives federal grant dollars to support these programs. During our testing of federal grants, we noted 4 of the 50 sample participants had discrepancies between the meals served and the number of meals requested for reimbursement. In the aggregate the discrepancies amounted to a difference of seven meals. We also noted for one participant selected in our sample, the number of hours received of adult day care services did not agree to the hours submitted for reimbursement by six hours. We have concluded that these are immaterial instances of noncompliance, however we recommend that the Department of Aging Services implement stronger internal controls to prevent or detect errors in the compilation of data submitted for reimbursement to grantor agencies.

### *Management's Response:*

We concur. The Department of Aging Services will implement stronger internal controls to prevent or detect errors in the compilation of data submitted for reimbursement to grantor agencies.



### *Affordable Housing Office*

The Affordable Housing Office (AHO) administers various programs, including loan programs for single-family and multifamily housing projects. Federal and state grants are received by the AHO to carry out these activities. Making loans and collecting payments is a significant process, and the related income from loan payments are subject to federal and state program requirements. As required by the Code of Federal Regulations, the AHO has responsibility for having a loan origination and servicing system in effect which assures that loans are properly authorized, receivables are properly established, earned income is properly recorded and used, and write-offs of uncollectible amounts are properly authorized.

We noted that the AHO considered engaging a loan servicing company to handle certain loan portfolios in an effort to bring greater efficiency in how loan portfolios are managed. However, it was determined during fiscal 2007 that the process was to remain in-house. We also noted subsequent to year-end, that the AHO is continuing its efforts to more accurately reflect receivables that are due to the County. Specifically, a project to review underlying loan agreements, to identify recipients that have not made required loan repayments, and review past history of activity for proper posting is ongoing.

We recommend that the AHO continue its efforts in establishing more accurate receivables and strengthen internal controls by documenting formal loan management policies and procedures, including the implementation of a financial management and reporting information system.

### *Management's Response:*

Management concurs. The Affordable Housing Department (AHD) is continuing its efforts to establish more accurate fiscal management of receivables with the new loan management software – Down Home Loan Manager. AHD implemented the loan management software over several phases. The final phase was completed on December 8, 2009. AHD has added additional staff to the Fiscal Section with the responsibility of maintaining the database system and has assigned appropriate roles to staff within the section.

AHD is continually developing and revising policies and procedures to ensure accuracy of their receivables. Each loan made through AHD's programs and services shall be administered by the Fiscal section to assure compliance with the terms of each loan agreement. The management and reporting of AHD loans shall include regular monitoring reports that ensure: prompt payments, proper aging of receivables, collections efforts through the County Attorney's Office, compliance with non-financial contract terms, administration of Loan Satisfaction, and other actions necessary to prudently manage AHD's loan portfolio.

### ***Measurement for Pollution Remediation Obligations***

On October 1, 2008, the County implemented GASB 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement requires governmental entities to identify and record a liability for environmental pollution remediation obligations (PRO) in instances where the government determines it is an obligated party under certain criteria. We observed that two incidents meeting the pollution remediation criteria were noted and accrued for related to the assessed pollution contamination. Further, we observe that County management has the proper risk assessment process in place to monitor and respond to such matters. However, we observed that there was limited supporting analysis of the probability available upon audit and a future cash flow outlays chart was not prepared in accordance with the standard.

We recommend that the County strengthen its formal documentation of procedures associated with accounting for these potential obligations, specifically to ensure that the supporting documentation for any such obligations is prepared using the format found in the standard.

#### ***Management's Response:***

We concur. When conducting the annual survey of pollution remediation obligations, the Finance Department will request that departments with potential obligations provide probability and cash flow charts in the format specified in the accounting standard.

### **2008 Recommendations**

The status of the prior year's recommendations is included in Exhibit A.

### **Required Disclosures**

As required by the *Rules of the Auditor General* (Section 10.554(1)(i)2., the scope of our audit included a review of the provisions of Section 218.415, *Florida Statutes*, regarding the investment of public funds. In connection with our audit, nothing came to our attention that would cause us to believe that the County was not in compliance with Section 218.415, *Florida Statutes*.

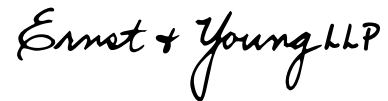
As required by the *Rules of the Auditor General* (Sections 10.554(1)(i)7.c. and 10.556(7), we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Our procedures did not identify deteriorating conditions that would be required to be reported under the *Rules of the Auditor General*.

During the course of our audit of the County's basic financial statements, nothing came to our attention that would cause us to believe that the County was in a state of financial emergency, as defined by Section 218.503(1), *Florida Statutes*.

We have reviewed the County's annual financial report filed with the Florida Department of Financial Services as required by Section 218.32(1)(a), *Florida Statutes*, for the fiscal year ended September 30, 2009. We noted no material differences in comparing this information to that of the County's basic financial statements.

As required by *Rules of the Auditor General*, this management letter includes the name or official title and legal authority for the primary government and each component unit of the reporting entity. The Hillsborough County, Florida Board of County Commissioners (the BOCC), was established by the Constitution of the State of Florida, Article VIII, Sections 1 and 6. Additional legal authority was provided by Chapter 125, *Florida Statutes*, and County Ordinance 83-09, a home rule charter. The legal authority for each of the component units of the BOCC is listed in Appendix B.

This report is intended solely for the information and use of the Board of County Commissioners, state and federal agencies, the Florida Auditor General, management, and others within the County and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

February 12, 2010

**Status of 2008's Recommendations**

<b>Recommendation</b>	<b>Status</b>
<b>Cash Collections</b>	
<ul style="list-style-type: none"> <li>We recommend that the County strengthen its formal documentation of procedures surrounding the cut-off of cash collections, specifically to ensure that cash received prior to year-end is posted within the proper financial reporting period. Additionally, we recommend that during the closing process the Finance Department review year-end reconciliations for potential cash receipts that were not recorded for financial reporting purposes.</li> </ul>	Implemented.
<b>Affordable Housing</b>	
<ul style="list-style-type: none"> <li>We recommend that the AHO continue its efforts in establishing more accurate receivables and strengthen internal controls by documenting formal loan management policies and procedures, including the implementation of a financial management and reporting information system.</li> </ul>	Comment Repeated.
<b>Procurement</b>	
<ul style="list-style-type: none"> <li>We recommend that the Procurement Department implement a procedure to verify the status of current and future vendors via the EPLS website and include documentation of this verification in each project file as part of compliance activities for procurement, suspension and debarment. This practice will assist in ensuring that vendor suspension, and debarment verification is performed for all projects.</li> </ul>	Implemented.

## Appendix B

### Legal Authority for Component Units of Hillsborough County, Florida, Board of County Commissioners

September 30, 2009

<b>Entity</b>	<b>Legal Authority</b>
<b><i>Blended Component Units</i></b>	
Hillsborough County Civil Service Board	Section 125.88, <i>Florida Statutes</i> , and Chapter 85-424 and 2000-445, Laws of Florida
<b><i>Discretely Presented Component Units</i></b>	
Neighborhood Dependent Special Districts:	
Arlington Special Tax District	County Ordinances 91-21, 98-5, and 09-5
Bay Crest Special Tax District	County Ordinances 85-37, 98-3, and 09-6
Beacon Meadows Special Tax District	County Ordinances 87-53, 98-4, and 09-7
Bloomingtondale Special Tax District	County Ordinances 85-38, 90-34, 93-18, 95-22, 98-39, and 09-8
Bloomingtondale Oaks Special Tax District	County Ordinances 88-38, 98-6, and 09-09
Boyette Springs Special Tax District	County Ordinances 93-27, 95-6, 97-19, 98-7, and 09-10
Brandon Groves Special Tax District	County Ordinances 88-39, 98-8, and 09-11
Brandon Hills Special Tax District	County Ordinance 02-21 and 09-42
Buckhorn Estates Special Tax District	County Ordinances 95-21, 98-37, and 09-12
Buckhorn Oaks Special Tax District	County Ordinances 97-13, 98-38, and 09-13
Carrollwood Meadows Special Tax District	County Ordinances 92-35 and 98-36, and 09-04
Carrollwood North Special Tax District	County Ordinances 87-51, 91-5, 92-38, 98-9, and 09-15
Carrollwood South Special Tax District	County Ordinances 87-46, 91-6, 98-10, and 09-16
Country Place Special Maintenance District	County Ordinances 86-38, 98-34, and 09-18
Country Run Special Maintenance District	County Ordinances 87-20, 98-33, and 09-19
Country Village Special Tax District	County Ordinance 00-41, and 09-43
Cove at Bayport Special Tax District	County Ordinances 88-45, 98-11, and 09-20
East Lake Park Special Tax District	County Ordinance 98-53 and 09-44
Hammock Woods Special Tax District	County Ordinances 88-40, 98-12, and 09-21
Hunters Lake Special Tax District	County Ordinances 87-49, 90-20, 98-31, and 09-23
Indian Hills-Hickory Ridge II Special Tax District	County Ordinances 87-47, 89-24, 98-30, and 09-24
Keystone Grove Lakes Special Tax District	County Ordinance 03-08 and 09-45

## Appendix B (continued)

Entity	Legal Authority
Neighborhood Dependent Special Districts:	
Lago Vista Special Tax District	County Ordinances 86-39, 88-26, 94-14,, 98-29, and 09-25
Lake Brant Special Tax District	County Ordinances 93-28, 98-28, and 09-26
Lake Heather Special Tax District	County Ordinances 87-54, 91-8, 98-13, and 09-27
Lake Magdalene Estates Special Tax District	County Ordinances 88-42, 89-22, 95-20, 98-14, and 09-46
Lake Magdalene Special Tax District	County Ordinance 04-7 and 09-28
Lake Strawberry Special Tax District	County Ordinance 02-20 and 09-47
Logan Gate Special Tax District	County Ordinances 87-50, 91-7, 98-15, and 09-29
North Lakes Special Maintenance District	County Ordinances 79-24, 80-15, 85-39, 98-26, and 09-31
North Pointe Special Tax District	County Ordinances 88-43, 89-23E, 98-16, and 09-32
Northdale Special Maintenance District	County Ordinances 79-25, 80-14, 92-36, 98-27, 98-52, and 09-30
Pine Meadows Special Tax District	County Ordinance 98-55 and 09-48
South Pointe Special Tax District	County Ordinances 88-44, 98-18, and 09-34
Sugarwood Grove Special Tax District	County Ordinances 92-37, 98-19, and 09-35
Tampa Shores Special Tax District	County Ordinance 99-27 and 09-49
Tarawood Special Tax District	County Ordinances 89-40, 98-20, and 09-36
Village Estates West Special Tax District	County Ordinances 89-39, 98-21, and 09-38
Waterford Special Tax District	County Ordinances 95-7, 98-24, and 09-39
Westchester Special Tax District	County Ordinance 05-3 and 09-50
Westwood Special Tax District	County Ordinances 91-29, 98-22, and 09-40
Hillsborough County City-County Planning Commission	Chapter 75-390, Laws of Florida
Housing Finance Authority of Hillsborough County	Section 159.604, <i>Florida Statutes</i> , and County Ordinance 85-33
Law Library Board	Chapter 24009, Laws of Florida (1947); Chapters 65-832, 71-29, 75-400, and 79-479, Laws of Florida, and County Ordinance 01-16