



**Ashley & Brown**  
Certified Public Accountants

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**Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Awards Program and State Project and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General**

Hendry County, Florida

**Compliance**

We have audited the compliance of the Hendry 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 federal awards programs and state projects for the year ended September 30, 2006. The County's federal awards programs and state projects are identified in the summary of auditor's 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 federal awards 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 of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Not-for-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards 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 federal awards program or a 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 federal awards programs and state projects for the year ended September 30, 2006.

## **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 and on a major state project in order 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 weakness 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a federal awards program 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.

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

September 28, 2007



HENDRY COUNTY, FLORIDA BOARD OF COUNTY COMMISSIONERS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 For the Year Ended September 30, 2006

FEDERAL / STATE AGENCY <i>Pass-through entity</i> Federal Program / State Project	CFDA CSFA NUMBER	GRANT/ CONTRACT NUMBER	EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE</b>			
Volunteer Fire Assistance Grant - Pioneer & Feida Volunteer Fire Department	10,664	none	3,337
Volunteer Fire Assistance Grant - Montura Flaghole Volunteer Fire Department	10,664	none	1,600
Total U.S. Department of Agriculture, Forest Service			<u>4,937</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Labelle Airport Project	20,106	12-0125-E1-2005	24,995
LMA Runway Widening	20,106	412244-1-9401	334,532
Airglades APF RW Safety Improvement	20,106	12-0125-E1-2005	24,995
Labelle Airport Disaster Fund	20,106	414398-1-9401	23,914
Total U.S. Department of Transportation			<u>408,436</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
CDBG Housing Grant	14,228	00DB-68-09-36-01-H03	448,727
Section 8 Voucher Program	14,856	A3405	212,085
Total U.S. Department of Housing and Urban Development			<u>660,812</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Bulletproof Vest	16,607	none	2,700
Passed through State of Florida, Department of Law Enforcement			
Edward Byrne Memorial State and Local Law Enforcement Assistance			
Formula Grant Program			
Criminal History Record Improvement-Livescan	16,738	06-CJ-5A-09-36-01-269	38,431
Passed through State of Florida, Department of Juvenile Justice			
State Criminal Alien Assistance Program Grant	16,606	2006-AP-BX-0637	23,939
Total U.S. Department of Justice			<u>65,070</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Disaster Grants - Public Assistance	97,036	06-WL-8K-0936-23-790	688,910
Offense Domestic Preparedness	97,067	06-DS-3W-09-36-01	64,975
State Domestic Preparedness Equipment Support Program	97,004	05-CJL2-06-36-047	13,115
Total U.S. Department of Homeland Security			<u>767,000</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Community Services Block Grant	93,569	04SB-3T-09-36-01-11	65,084
Child Support Enforcement	93,563	none	62,528
Total U.S. Department of Health and Human Services			<u>127,612</u>
<b>ELECTION ASSISTANCE COMMISSION</b>			
Voting System Assistance	90,401	none	165,825
Poll Worker Recruitment and Training	90,401	none	3,076
Passed through State of Florida, Department of State, Division of Elections			
Voter Education-Help America Vote	90,401	none	5,153
Total Election Assistance Commission			<u>174,054</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 2,207,921</b>

HENDRY COUNTY, FLORIDA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 For the Year Ended September 30, 2006

	<u>CFDA CPSA NUMBER</u>	<u>GRANT/ CONTRACT NUMBER</u>	<u>EXPENDITURES</u>
<b><u>STATE OF FLORIDA</u></b>			
<b><u>STATE COURTS SYSTEM</u></b>			
Samtl County Courthouse Facilities	22.004	3162	<u>\$ 127,841</u>
<b><u>STATE OF FLORIDA</u></b>			
<b><u>ENVIRONMENTAL PROTECTION AGENCY</u></b>			
Small County Consolidated Grants	37.012	none	<u>263,380</u>
<b><u>STATE OF FLORIDA</u></b>			
<b><u>DEPARTMENT OF COMMUNITY AFFAIRS</u></b>			
Growth Management Implementation	52.033	06-DR-73-09-36-01-113	5,000
Growth Management Implementation	52.033	06-DR-73-05-37-01-104	30,263
Total Department of Community Affairs			<u>35,263</u>
<b><u>STATE OF FLORIDA</u></b>			
<b><u>DEPARTMENT OF CONSUMER AFFAIRS</u></b>			
Emergency Management Projects	52.023	06CP-11-09-36-01-042	3,651
Emergency Management Preparedness & Assistance Base Grant	52.008	06BG-04-09-36-01-080	116,270
Total Department of Consumer Affairs			<u>119,921</u>
<b><u>STATE OF FLORIDA</u></b>			
<b><u>FLORIDA HOUSING FINANCE CORPORATION</u></b>			
SHIP Grant - Local Affordable Housing Assistance Trust Fund	52.901	none	<u>161,540</u>
<b><u>STATE OF FLORIDA</u></b>			
<b><u>DEPARTMENT OF TRANSPORTATION</u></b>			
Aviation Development Grants	55.004		1,525,447
<b><u>STATE OF FLORIDA</u></b>			
<b><u>DEPARTMENT OF HEALTH</u></b>			
Emergency Medical Service Matching Grant	64.003	C5026	<u>9,876</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<b><u>\$ 2,243,268</u></b>

HENDRY COUNTY, FLORIDA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
SEPTEMBER 30, 2006

**NOTE 1 – Purpose of Schedule**

The Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) is a supplementary schedule to the County's basic financial statements and is prepared for purposes of additional analysis. The Schedule is required by the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *Florida Single Audit Act*.

**NOTE 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

Federal Financial Assistance – Pursuant to the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156), and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, rather directly or indirectly, that non federal entities receive or administer, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property interest subsidies, insurance, or direct appropriations.

State Financial Assistance – Pursuant to Florida Single Audit Act (Section 215.97, Florida Statutes) and Chapter 27D-1, Rules of the Executive Office of the Governor, Florida Administrative Code, state financial assistance is defined as assistance from state resources, not including federal financial assistance and state matching, provided to nonstate entities to carry out a state project. State Financial Assistance includes all types of state assistance as stated in the rules of the Executive Office of the Governor, established in consultation with the Comptroller and appropriate state agencies that provide state financial assistance. It includes state financial assistance provided directly by state awarding agencies or indirectly by recipients of state awards. It does not include procurement contracts used to but goods or services from vendors.

Catalog of Federal Domestic Assistance – OMB Circular A-133 requires the Schedule to present the total expenditures for each of the County's federal financial assistance programs as identified in the Catalog of Federal and Domestic Assistance (CFDA). Federal financial assistance programs that have not been assigned a CFDA number are indicated with a "N/A".

Catalog of State Financial Assistance – Chapter 3A-5, Rules of the Florida Department of Banking and Finance, Florida Administrative Code requires the Schedule to present the total state financial assistance expended for each individual state project as identified in the Catalog of State Financial Assistance (CSFA). The CSFA is a comprehensive listing of state projects. State financial assistance projects that have not been assigned a CSFA number are indicated with a "N/A".

### **Type A and Type B Programs**

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the levels of expenditures to be used in defining Type A and Type B federal financial assistance programs. Type A assistance programs for the County are those programs that exceeded \$300,000 for the year ended September 30, 2006.

Each nonstate entity that expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year is required to have a single audit for such fiscal year in accordance with the requirements of the Florida Single Audit Act (Section 215.97, Florida Statutes).

### **Reporting Entity**

The Schedule includes all federal assistance programs and state projects administered by Hendry County, Florida, and included in the County's Annual Financial Report.

### **Basis of Accounting**

Both federal and state financial assistance expenditures included in the Schedule are reported using the accrual basis of accounting.



HENDRY COUNTY, FLORIDA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FEDERAL PROGRAMS AND STATE PROJECTS (Continued)  
 For the Year Ended September 30, 2006

**Section I – Summary of Auditor’s Report (Continued)**

Identification of major federal programs and state projects:

CFDA Number(s)	Name of Federal Program or Cluster
20.106	Aviation Improvement Program
14.228	CDBG housing Grant
97.036	Disaster Grants – Public Assistance
CSFA Number(s)	Name of State Project
50.004	Aviation Development Grants
37.012	Small County Consolidated Grants

Dollar threshold used to distinguish between Type A or Type B:  
 Major Federal Programs                   \$ 300,000  
 Major State Projects                       \$ 300,000

Auditee qualified as low-risk auditee?       X   yes                   \_\_\_\_\_ no

**Section II – Financial Statement Findings**

Our audit did not disclose any matters required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Section III – Findings and Questioned Costs – Major Federal Programs**

Our audit did not disclose any matters required to be reported in accordance with Section 510(a) of OMB Circular A-133.

There were no matters reported in the prior year Schedule of Findings and Questioned Costs required to be reported in accordance with Section 510(a) of OMB Circular A-133.

**HENDRY COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FEDERAL PROGRAMS AND STATE PROJECTS (Continued)**  
For the Year Ended September 30, 2006

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**Section IV – Findings and Questioned Costs – Major State Projects**

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Our audit did not disclose any matters required to be reported in accordance with Chapter 10.554(1)(g)4, Rules of Auditor General.

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**Section V – Other Issues**

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There is no Summary Schedule of Prior Audit Findings (AG Rule 10.557(3)(d)5) because there were no prior audit findings related to Federal Programs or State projects.

No corrective action plan is required (AG Rule 10.557(3)(d)6) because there were no findings required to be reported under the Federal or Florida Single Audit Acts.