

**CITY OF GAINESVILLE, FLORIDA**

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**Auditors' Management Letter  
And  
Additional Elements of Report Prepared  
In Accordance With The Single Audit Act  
And OMB Circular A-133**

**September 30, 1999**

**CITY OF GAINESVILLE, FLORIDA**  
**AUDITORS' MANAGEMENT LETTER**  
**AND**  
**ADDITIONAL ELEMENTS OF REPORT PREPARED**  
**IN ACCORDANCE WITH THE SINGLE AUDIT ACT AND**  
**OMB CIRCULAR A-133**

**SEPTEMBER 30, 1999**

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## MANAGEMENT LETTER

Honorable Mayor and City Commissioners  
City of Gainesville, Florida:



Certified Public Accountants  
& Business Consultants

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Telephone (352) 372-6300



Barnett Tower  
1 Progress Plaza, Suite 1600  
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We have audited the general purpose financial statements of the City of Gainesville, Florida (the City), as of and for the fiscal year ended September 30, 1999, and have issued our report thereon dated December 15, 1999. Our audit was conducted in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Our audit was also conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of governmental audits performed in the State of Florida. In that regard, we make the following representations:

- As required by the *Rules of the Auditor General*, we determined that the annual financial report for the City for the fiscal year ended September 30, 1999, was filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, and is in substantial agreement with our audit report. It should be noted that the annual financial report includes the accounts of the Gainesville Housing Authority, which the State of Florida has characterized as a dependent special district. Pursuant to the provisions of GASB Statement No. 14, the City's general purpose financial statements do not include the Gainesville Housing Authority in the financial reporting entity.
- The scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." Our review did not reveal any conditions indicative of a state of financial emergency as described in that section.
- During the current audit we reviewed the status of prior-audit findings as required by the *Rules of the Auditor General*. In that regard, we determined that prior-audit Finding 98-1 was resolved during the current year.

This report is intended solely for the information and use of the Audit and Finance Committee, management and appropriate audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Thank you for the cooperation and courtesies extended to us during the course of our audit. We have sincerely enjoyed our association with the City and look forward to a continuing relationship.

Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



DAVIS, MONK & COMPANY  
Gainesville, Florida

*KPMG LLP*

KPMG LLP  
St. Petersburg, Florida

December 15, 1999

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999  
CITY OF GAINESVILLE, FLORIDA**

<b>FEDERAL GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PROGRAM OR AWARD AMOUNT</b>	<b>EXPENDITURES</b>
<b><u>NATIONAL ENDOWMENT FOR THE ARTS</u></b>			
International Host Organizations	45.023	\$ 100,000	<u>\$ 21,339</u>
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>			
Block Grant - Entitlement	MR-B-97-MC-12-0007 14.218	1,632,000	611,566
Block Grant - Entitlement	MR-B-98-MC-12-0007 14.218	1,574,000	986,958
Home Investment Partnership Grant	14.239	2,451,000	721,494
Housing Counseling	14.169	31,785	26,606
Supportive Housing	14.235	376,223	77,429
Cedar Grove Housing Project	FL29SPG503	1,000,000	<u>306,021</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u><b>2,730,074</b></u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
Model Minimum Uniform Crash Criteria	20.600	60,000	56,170
Federal Transit Administration- Operating and Capital Assistance	20.507	9,306,061	<u>1,888,155</u>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u><b>1,944,325</b></u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed Through Florida Department of Education: Summer Nutrition Program	10.559	100,879	<u>105,514</u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
Gainesville Regional Juvenile Assessment Center	16.541	125,000	-
Comprehensive Juvenile Justice Crime Prevention	16.541	100,000	21,839
Weed & Seed 2	16.595	175,000	117,538
Weed & Seed 3	16.595	175,000	62,951
DEA Cost Reimbursement Year 1	16.595	50,000	3,370
DEA Cost Reimbursement Year 2	16.595	100,000	11,338
DEA Cost Reimbursement Year 3	16.595	100,000	43,695
Regional Community Policing Institute	16.595	924,000	362,056
Cops Ahead	16.710	438,165	20,747
Cops Universal Hiring	16.710	450,000	155,113
Cops Universal Hiring Year 2	16.710	150,000	52,340
Cops More	16.710	58,845	22,732
Cops Technology	16.710	1,000,000	646,401
Local Law Enforcement Block Grant	16.592	315,631	21,888
Local Law Enforcement Block Grant 2	16.592	343,546	55,093
Local Law Enforcement Block Grant 3	16.592	297,470	-
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u><b>1,597,101</b></u>
<b><u>ENVIRONMENTAL PROTECTION AGENCY</u></b>			
Brownfield Pilot Cooperative Agreements	66.811	200,000	42,471
Wetlands Protection State Development	66.461	300,000	<u>6,949</u>
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			<u><b>49,420</b></u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u><b>\$ 6,447,773</b></u>

**CITY OF GAINESVILLE, FLORIDA**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 1999**

**Note 1. Basis of Presentation.**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Gainesville, Florida and is presented in accordance with generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

**Note 2. Subrecipients**

The City of Gainesville, Florida provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant	14.218	\$667,231
Home Investment Partnership Grant	14.239	266,271

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133**

Honorable Mayor and City Commissioners  
City of Gainesville, Florida:



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Compliance

We have audited the compliance of the City of Gainesville, Florida (the City), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 1999. The City's major federal programs 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 is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 occurred. An audit includes examining, on a test basis, evidence about the City'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 City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1999.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over

compliance with requirements that could have a direct and material effect on a major federal program 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.

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 major federal 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.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the City as of and for the year ended September 30, 1999, and have issued our report thereon dated December 15, 1999. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit 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 Audit and Finance Committee, management and appropriate audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.



DAVIS, MONK & COMPANY  
Gainesville, Florida

*KPMG LLP*

KPMG LLP  
St. Petersburg, Florida

December 15, 1999



**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999**

**Part I - Summary of Auditors' Results**

1. The auditors' report on the general purpose financial statements was unqualified.
2. No reportable conditions in internal control over financial reporting were disclosed by the audit.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. No reportable conditions in internal control over major federal award programs were disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs was unqualified.
6. The audit disclosed no findings required to be reported under Section 510(a) of OMB Circular A-133.
7. The City's major programs were:

<u>Name</u>	<u>CFDA Number</u>
Community Development Block Grant- Entitlement	14.218
Home Investment Partnership Grant Cedar Grove Housing Project	14.239
Public Safety Partnership and Community Policing Grants	14. FL29SPG503
Weed and Seed Cost Reimbursement and Community Policing Grants	16.710
Federal Transit Administration – Operating and Capital Assistance	16.595
	20.507

8. A threshold of \$300,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
9. The City did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

(Continued)

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999**

**Part II - Financial Statement Findings**

No matters were reported.

**Part III - Federal Award Findings and Questioned Costs**

No matters were reported.



# CITY OF GAINESVILLE

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## *Finance Department*

The following is a summary of the September 30, 1998 audit findings and the current status of each finding. The City feels that each item has been addressed appropriately during the past fiscal year and actions have been taken to correct these problems.

### **PRIOR AUDIT FINDING NO. 1:**

We noted, as we have in connection with prior audits, that the internal control framework does not provide centralized oversight of the City's federal award programs and, consequently, there is increased risk that noncompliance with an applicable federal requirement could occur and not be timely detected. During the audit period, the U.S Department of Justice (Justice) cited the City's failure to provide adequate oversight as a factor contributing to Justice's decision not to provide second-year funding of the Regional Community Policing Institute cooperative agreement.

### **CURRENT STATUS:**

Changes have been implemented to enhance centralized oversight of the City's grant programs. The Grants Coordinator position has been transferred to the City's Finance Department. The Grants Coordinator has established grant teams consisting of department personnel, as well as Finance personnel, to ensure compliance and complete and accurate reporting. In addition, Grants Management software has been purchased to assist in managing grants inventory and reporting at a centralized level. These changes have provided for a more coordinated review of the accounting, financial reporting, and operational compliance aspects of the City's grant programs.

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*Accounting Division*

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# CITY OF GAINESVILLE

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## *Finance Department*

In connection with our September 30, 1999 financial statement audit and single audit, our external auditors listed no findings or reportable conditions for the year.

**CURRENT AUDIT FINDINGS:** N/A

**CORRECTIVE ACTION PLAN:** N/A

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