

SINGLE AUDIT REPORT
SANTA ROSA COUNTY, FLORIDA
SEPTEMBER 30, 2002

SINGLE AUDIT REPORT
SANTA ROSA COUNTY, FLORIDA

SEPTEMBER 30, 2002

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARDS PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT	2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	4
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	7
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	9

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

Honorable Board of County Commissioners
Honorable Mary M. Johnson, Clerk and Accountant to the
Board of County Commissioners
Santa Rosa County, Florida

Compliance

We have audited the compliance of the Board of County Commissioners of Santa Rosa County, Florida (hereinafter referred to as "Board"), 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 awards programs and state financial assistance projects for the year ended September 30, 2002. The Board's major federal awards program and state financial assistance 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 major federal awards programs and state financial assistance projects is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit 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 Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal awards program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Board'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 Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs and state financial assistance projects for the year ended September 30, 2002.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material 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 awards program or state financial assistance 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 and State Financial Assistance

We have audited the special purpose financial statements of the Board of County Commissioners of Santa Rosa County, Florida, as of and for the year ended September 30, 2002, and have issued our report thereon dated January 14, 2003. Our audit was performed for the purpose of forming an opinion on the special purpose financial statements taken as whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and is not a required part of the special purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management, and appropriate 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.

O'Sullivan Creel, LLP

January 14, 2003

Santa Rosa County Florida
Board of County Commissioners
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2002

<u>Federal and State Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA/ CSFA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>
<u>Federal Emergency Management Agency</u>			
Passed Through Florida Dept. of Community Affairs			
Hazard Mitigation - Hurricane Opal	83.548	99-HM-8B-01-67-15-009	15,363
Hazard Mitigation - El Nino	83.548	00-HM-P4-01-67-15-026	48,263
Hazard Mitigation - Flood Mitigation Projects	83.548	01-FM-7G-01-67-15-003	15,957
			<u>79,583</u>
Passed Through the Florida Dept. of Community Affairs:			
Emergency Management Performance Grant	83.552	02-PR-70-07-38-01-007	7,106
<u>U.S Department of Agriculture</u>			
National Resources Conservation Service	10.68420911601	68-4209-1-1601	248,798
<u>U.S. Department of Justice</u>			
Direct Programs:			
COPS Ahead	16.710	95-CC-WX-0219	132,772
COPS In Schools	16.710	00-SH-WX-0652	151,742
COPS In Schools	16.710	02-SH-WX-0055	35,004
			<u>319,518</u>
Local Law Enforcement Block Grants Program	16.592	99-LB-BX-8000	27,468
Local Law Enforcement Block Grants Program	16.592	00-LB-BX-2850	41,481
Local Law Enforcement Block Grants Program	16.592	01-LB-BX-1310	110,768
			<u>179,717</u>
Passed Through Florida Dept. of Community Affairs:			
Santa Rosa Narcotics Task Force	16.579	02-CJ-2H-01-67-01-113	106,696
<u>U.S. Department of Health and Human Services</u>			
Passed Through Florida Dept. of Revenue			
Child Support Enforcement Program	93.563	AZ260	24,508
Child Support Enforcement Program	93.563	TO257	8,781
Child Support Enforcement Program	93.563	CC357	52,821
Child Support Hearing Officer	93.563	AZ464	13,222
Child Support Hearing Officer	93.563	QJ010	4,149
			<u>103,481</u>
<u>U.S. Department of Transportation</u>			
Passed Through Florida Dept. of Transportation			
Joint Participation Agreement	20.509	AL041	115,074
Total Federal Awards			<u>\$ 1,159,973</u>

Continued...

**Santa Rosa County Florida
Board of County Commissioners
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2002**

Federal and State Grantor/Pass-through Grantor/Program Title	CFDA/ CSFA Number	Contract / Grant Number	Expenditures
<hr/>			
Florida Department of Environmental Protection			
Beach Erosion Control Program	37.003	00SR1	198,378
Florida Recreation Development Assistance Program	37.017	M1202	162,053
Florida Recreation Development Assistance Program	37.017	F3628	162,998
			<hr/> 325,051
Florida Department of Agriculture and Consumer Services			
Mosquito Control	42.003	SA004	29,589
Florida Department of Community Affairs			
Evaluation and Appraisal Reports & Planning Assistance	52.004	SS028	10,000
Emergency Management Programs	52.008	MS027	135,806
Florida Housing Finance Corporation			
State Housing Initiative Partnership Program	52.901	HFC01	1,245,013
Florida Department of Transportation			
Florida Highway Beautification Council Grant	55.003	AK523	7,520
County Incentive Grant Program	55.008	41038215401	14,370
County Incentive Grant Program	55.008	41038315401	14,370
County Incentive Grant Program	55.008	41038415401	14,370
County Incentive Grant Program	55.008	41038515401	10,163
County Incentive Grant Program	55.008	41038615401	10,163
County Incentive Grant Program	55.008	41038715401	8,747
County Incentive Grant Program	55.008	41038815401	10,163
County Incentive Grant Program	55.008	41038915401	2,946
			<hr/> 85,292
Small County Outreach Program	55.009	40898715801	943,293
Florida Department of Health			
County Grant Award	64.005	C1055	34,917
Florida Department of Management Services			
Wireless 911 Emergency Telephone System	72.001	N/A	77,208
Florida Fish and Wildlife Conservation Commission			
Florida Boating Improvement Program - Transferred to the City of Milton, Florida	77.006	01065	150,000
Florida Department of State			
Special Education Funding	45.029	N/A	141,425
Voter Education & Pollworker Recruitment & Training	45.029	N/A	52,867
Voter Systems Assistance	45.029	N/A	135,000
			<hr/> 329,292
Aid to Libraries	45.030	02-ST-73	290,311
Florida Executive Office of the Governor			
Enterprise Florida, Inc.	31.003	DIG-99-08	56,667
Enterprise Florida, Inc.	31.003	DIG-00-02	201,308
			<hr/> 257,975
Justice Administration Commission			
Child Dependency	21.001	N/A	42,710
Total State Financial Assistance			<hr/> \$ 4,162,355
Total Federal Awards and State Financial Assistance			<hr/> \$ 5,322,328

Santa Rosa County, Florida
Board of County Commissioners
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2002

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of Santa Rosa County, Florida and is presented on the modified accrual basis of accounting. 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*, and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the special purpose financial statements.

**Santa Rosa County, Florida
Board of County Commissioners
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2002**

A. SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Qualified Opinion
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u> x </u> no
Reportable condition(s) identified that are not considered to be material weakness(es)?	_____ yes <u> x </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> x </u> no

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u> x </u> no
Reportable condition(s) identified that are not considered to be material weakness(es)?	_____ yes <u> x </u> none reported
Type of auditor's report issued on compliance for major federal awards programs and state financial assistance projects:	Unqualified Opinion
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 and Chapter 10.550, Rules of the Auditor General?	_____ yes <u> x </u> no

IDENTIFICATION OF MAJOR PROGRAMS

Federal Program

CFDA No. 16.710 Public Safety Partnership and Community Policing Grants

Santa Rosa County, Florida
Board of County Commissioners
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2002

Dollar threshold used to distinguish
between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes no
(based on a low risk waiver granted by the U.S. Department of Justice)

State Projects

CSFA No. 37.017 Florida Recreation Development Assistance Program
CSFA No. 52.901 State Housing Initiatives Partnership Program
CSFA No. 55.009 Small County Outreach Program

Dollar threshold used to distinguish
between type A and type B programs: \$ 300,000

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings which were required to be reported in accordance with government auditing standards generally accepted in the United States of America.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

There were no findings which were required to be reported in accordance with OMB Circular A-133.

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

There were no findings which were required to be reported in accordance with Chapter 10.550, Rules of the Auditor General.

Santa Rosa County, Florida
Board of County Commissioners
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For year ended September 30, 2002

A. FINDINGS - FINANCIAL STATEMENT AUDIT

None

B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

None