

SINGLE AUDIT REPORT
SANTA ROSA COUNTY, FLORIDA
SEPTEMBER 30, 2003

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Certified Public Accountants & Consultants

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**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, 2003. 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, 2003.

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, 2003, and have issued our report thereon dated January 30, 2004. 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 Greel, LLP

January 30, 2004

**Santa Rosa County Florida
Board of County Commissioners
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2003**

| Federal and State Grantor/Pass-through Grantor/Program Title | CFDA/ CSFA Number | Contract / Grant Number | Expenditures |
|---|----------------------------------|------------------------------------|---------------------------|
| U.S. Department of Homeland Security | | | |
| <hr/> | | | |
| Passed Through Florida Dept. of Community Affairs | | | |
| Hazard Mitigation - Floridatown Drainage | 97.039 | 03HM-2T-01-67-15-001 | 2,091,335 |
| Flood Mitigation Assistance | 97.029 | 03FM-52-01-67-01-238 | 120,239 |
| | | | |
| U.S. Department of Defense | | | |
| <hr/> | | | |
| Office of Economic Adjustment | | | |
| Joint Land Use Study | 12.610 | EN0201-02-01 | 25,000 |
| | | | |
| U.S. Department of Justice | | | |
| <hr/> | | | |
| Direct Programs: | | | |
| COPS Ahead | 16.710 | 95-CC-WX-0219 | 102,185 |
| COPS Ahead | 16.710 | 03-UM-WX-0031 | 22,117 |
| COPS In Schools | 16.710 | 00-SH-WX-0652 | 123,711 |
| COPS In Schools | 16.710 | 02-SH-WX-0055 | 130,485 |
| | | | <hr/> |
| | | | 378,498 |
| | | | |
| Local Law Enforcement Block Grants Program | 16.592 | 00-LB-BX-2850 | 49,908 |
| Local Law Enforcement Block Grants Program | 16.592 | 01-LB-BX-1310 | 30,309 |
| Local Law Enforcement Block Grants Program | 16.592 | 02-LB-BX-0258 | 78,524 |
| | | | <hr/> |
| | | | 158,741 |
| | | | |
| Passed Through Florida Office of the Attorney General | | | |
| Victims of Crime Act | 16.575 | V2193 | 23,437 |
| | | | |
| Passed Through Florida Dept. of Law Enforcement: | | | |
| Santa Rosa Narcotics Task Force | 16.579 | 03-CJ-5A-01-67-01-132 | 70,217 |
| | | | |
| U.S. Department of Health and Human Services | | | |
| <hr/> | | | |
| Passed Through Florida Dept. of Revenue | | | |
| Child Support Enforcement Program | 93.563 | T0257 | 42,730 |
| Child Support Enforcement Program | 93.563 | CC357 | 44,486 |
| Child Support Hearing Officer | 93.563 | QJ010/QJ315 | 17,525 |
| | | | <hr/> |
| | | | 104,741 |
| | | | |
| Passed Through Florida Dept. of Elder Affairs/Northwest | | | |
| Florida Area Agency on Aging | | | |
| Medical Assistance Program | 93.778 | AS003-SR | 26,333 |
| | | | |
| U.S. Department of Transportation | | | |
| <hr/> | | | |
| Passed Through Florida Dept. of Transportation | | | |
| Joint Participation Agreement | 20.509 | AM521/AN543 | 151,829 |
| State and Community Highway Safety Program | 20.600 | AL-03-05-01/AN212 | 162,366 |
| | | | <hr/> |
| | | | 314,195 |
| | | | |
| Total Federal Awards | | | <hr/> \$ 3,312,736 |

Santa Rosa County Florida
Board of County Commissioners
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year ended September 30, 2003

| <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>Florida Department of Environmental Protection</u> | | | |
| Beach Erosion Control Program | 37.003 | 00SR1 | 77,229 |
| Waste Tire and Playground Surfacing Grant | 37.015 | WT357 | 7,775 |
| <u>Florida Department of Agriculture and Consumer Services</u> | | | |
| Mosquito Control | 42.003 | SA004 | 46,354 |
| <u>Florida Department of Community Affairs</u> | | | |
| School Planning Technical Assistance Grant | 52.004 | 03-DR-36-01-67-01-039 | 6,620 |
| Emergency Management Programs | 52.008 | 03BG-04-01-67-01-057 | 83,409 |
| <u>Florida Housing Finance Corporation</u> | | | |
| State Housing Initiative Partnership Program | 52.901 | HFC01 | 1,071,997 |
| <u>Florida Department of Transportation</u> | | | |
| Florida Highway Beautification Council Grant | 55.003 | AK523 | 22,982 |
| Aviation Development Grant | 55.004 | AH523 | 84,800 |
| County Incentive Grant Program | 55.008 | AK227 | 14,700 |
| County Incentive Grant Program | 55.008 | AK228 | 5,637 |
| County Incentive Grant Program | 55.008 | AK231 | 7,000 |
| County Incentive Grant Program | 55.008 | AK232 | 13,346 |
| County Incentive Grant Program | 55.008 | AK233 | 10,934 |
| County Incentive Grant Program | 55.008 | AK234 | 12,750 |
| County Incentive Grant Program | 55.008 | AK235 | 11,286 |
| County Incentive Grant Program | 55.008 | AK240 | 9,196 |
| Small County Outreach Program | 55.009 | AL517 | 85,309 |
| Small County Outreach Program | 55.009 | AL518 | 565,443 |
| | | | 843,383 |
| <u>Florida Department of Health</u> | | | |
| EMS Matching Grant | 64.003 | M3123 | 19,425 |
| EMS Matching Grant | 64.003 | M3066 | 12,086 |
| | | | 31,511 |
| County Grant Award | 64.005 | C2055 | 41,322 |
| <u>Florida Department of Elder Affairs</u> | | | |
| Passed through Northwest Florida Area Agency on Aging | | | |
| Home Care for the Elderly | 65.001 | AM003-SR | 590 |
| Alzheimer's Disease Initiative | 65.004 | AM003-SR | 5,481 |
| Community Care for the Elderly | 65.010 | AM003-SR | 22,019 |
| <u>Florida Department of Management Services</u> | | | |
| Wireless 911 Emergency Telephone System | 72.001 | N/A | 112,150 |
| <u>Florida Fish and Wildlife Conservation Commission</u> | | | |
| Florida Boating Improvement Program | 77.006 | 1064 | 315,185 |
| <u>Florida Department of State</u> | | | |
| State Aid to Libraries | 45.030 | E2907 | 321,027 |
| <u>Florida Executive Office of the Governor</u> | | | |
| Enterprise Florida, Inc. | 31.003 | DIG-00-02 | 51,700 |
| Enterprise Florida, Inc. | 31.003 | DIG-01-03 | 346,285 |
| | | | 397,985 |
| <u>Justice Administration Commission</u> | | | |
| Child Dependency | 21.001 | N/A | 57,986 |
| Total State Financial Assistance | | | \$ 3,442,023 |

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, 2003

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 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, 2003

1. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Santa Rosa County, Florida.
2. No reportable conditions were disclosed in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Santa Rosa County, Florida were disclosed during the audit.
4. No reportable conditions were disclosed in the Independent Auditor's Report on Compliance and Internal Control Over Compliance Applicable to Each Major Federal Awards and State Financial Assistance Projects.
5. The auditor's report on compliance for major federal awards programs and state financial assistance projects for Santa Rosa County, Florida expresses an unqualified opinion.
6. There were no audit findings relative to major federal awards programs and state financial assistance projects required to be reported in accordance with Circular A-133, Section .510(a) and Chapter 10.557, Rules of the Auditor General.
7. The programs tested as major awards programs included the following:

| <u>Federal Program</u> | <u>Federal CFDA No.</u> |
|---|--------------------------------|
| Hazard Mitigation Grants | 97.039 |
| | |
| <u>State Project</u> | <u>State CSFA No.</u> |
| Enterprise Florida, Inc. | 31.003 |
| State Aid to Libraries | 45.030 |
| State Housing Initiatives Partnership Program | 52.901 |
| Florida Boating Improvement Program | 77.006 |

8. The threshold for distinguishing Type A and B programs was \$300,000 for major federal awards programs and \$300,000 for major state financial assistance projects.
9. Santa Rosa County, Florida was determined to be a high-risk auditee pursuant to OMB Circular A-133.

Santa Rosa County, Florida
Board of County Commissioners
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2003

2. FINDINGS - FINANCIAL STATEMENTS

None noted.

3. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None noted.

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

None noted.

Santa Rosa County, Florida
Board of County Commissioners
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FEDERAL AWARDS PROGRAMS AND
STATE FINANCIAL ASSISTANCE PROJECTS
For year ended September 30, 2003

A. FINDINGS - FINANCIAL STATEMENT AUDIT

None

B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None

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

None